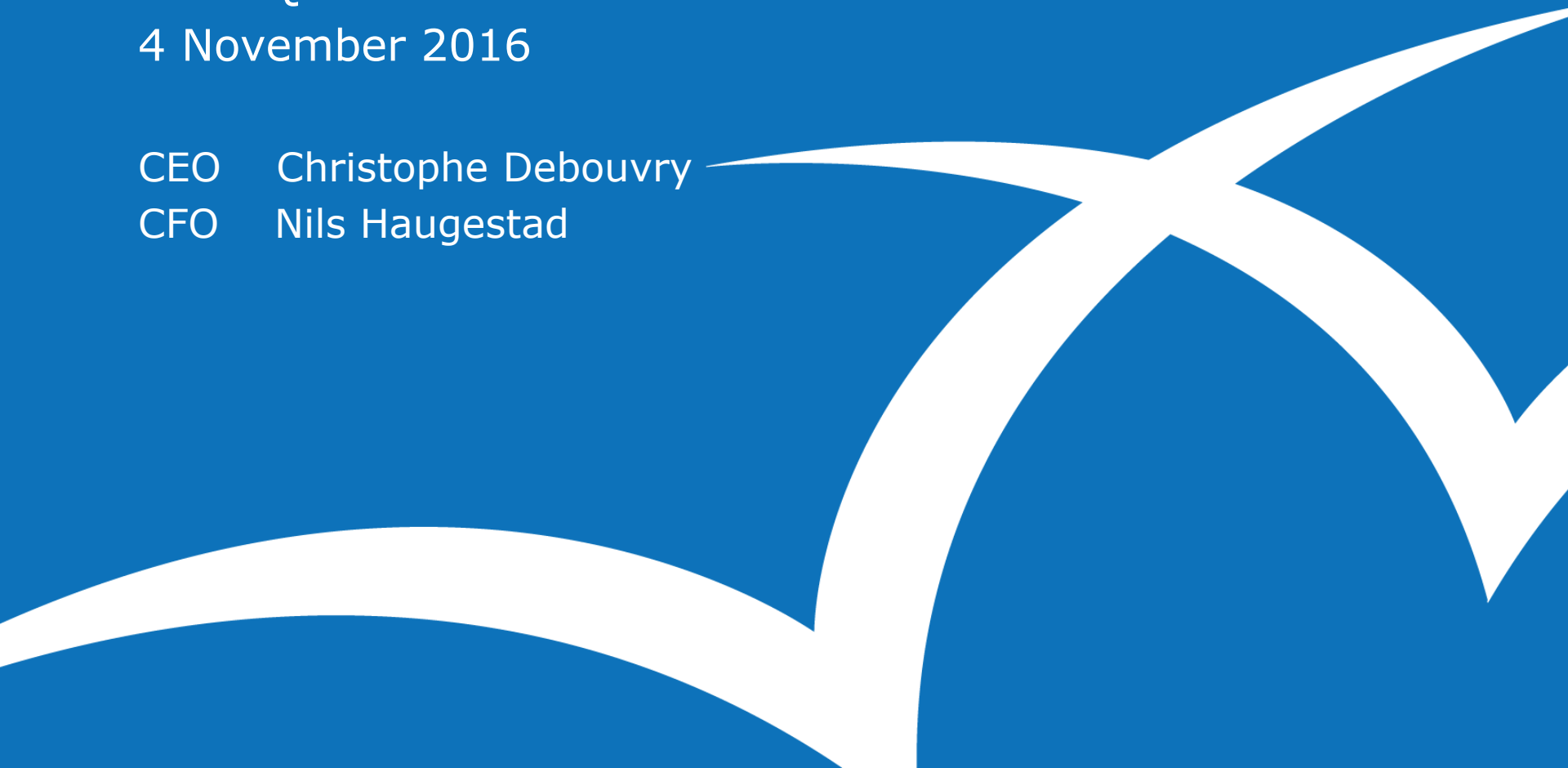


# SeaBird Exploration

Third Quarter Presentation  
4 November 2016

CEO    Christophe Debouvry  
CFO    Nils Haugestad



# Forward-looking statements

All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy and other plans and objectives for future results, constitute forward-looking statements and are prediction of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees and representatives assumes any obligation to update these statements. This presentation includes historical financial data. Your attention is directed to the notes to such data for a description of the accounting principles used to prepare historical data. This presentation must be viewed only in connection with the company's separately distributed Q3 2016 earnings release.

# Agenda

- Highlights
- Business review
- Financial review
- Outlook
- Q&A

# Highlights



# Highlights

## Financial results

- Revenues of \$20.4 million (\$22.2 million Q2 2016)
- Adjusted EBITDA of \$6.9 million (\$6.8 million Q2 2016)
- Adjusted EBIT of \$3.1 million (\$2.5 million Q2 2016)
- Net non-recurring charges of \$4.6 million

## Quarterly observations

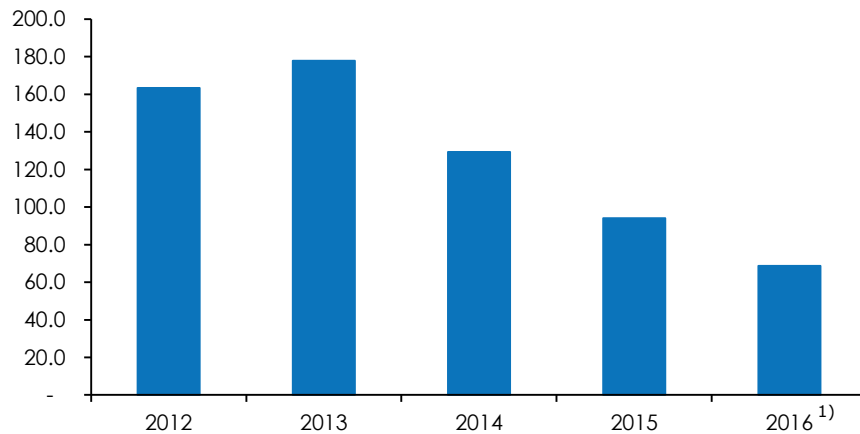
- Mexico contract substantially concluded
- Two source contracts and one 2D contract completed in North West Europe
- New multiclient survey commenced in the Barents Sea
- Vessel utilization for the period of 84% (82% in Q2 2016)
- Continued focus on cost efficiency and optimization
- Hawk Explorer retired from fleet; joint marketing agreement on Voyager Explorer

# Business review



# Structural transformation – profitability preserved despite challenging environment

Revenues - USD million



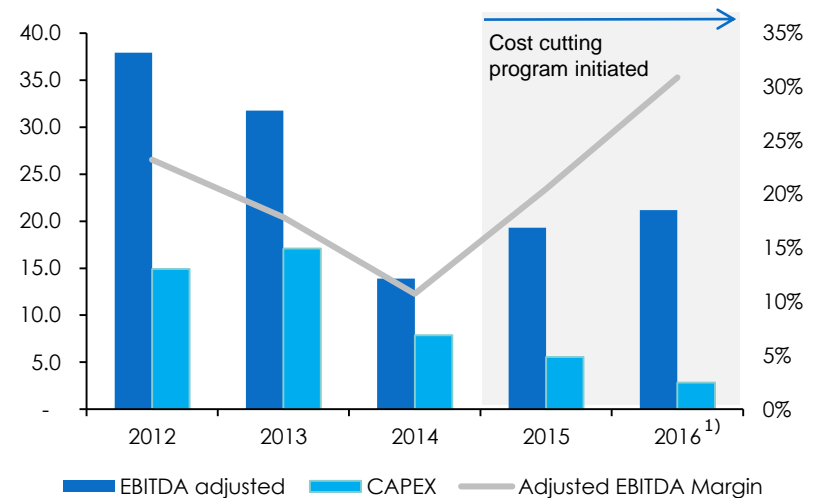
No of vessels

9      9      9      8      5

Utilization

75%      77%      71%      77%      85%

Developments - USD million



1) First nine months

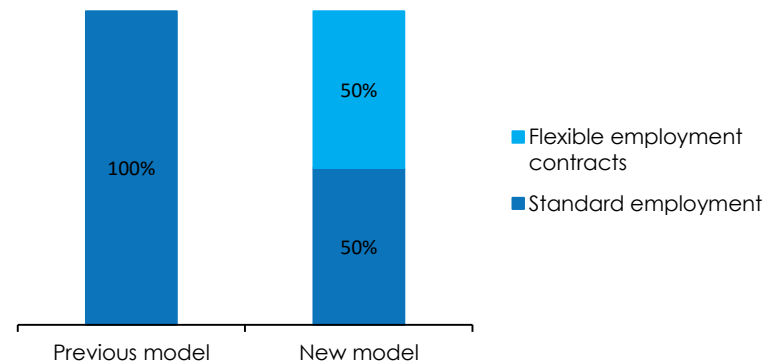
# Cost structure initiatives

## Cost optimization

- Significantly reduced leverage; improved financial flexibility
- Relocation of head office and reduction in onshore headcount
- Structural cost initiatives materially reducing operating expenses
- Fleet reduction (Geo Pacific, Voyager, Hawk and Kondor)
- Significantly ahead of cost reduction plan announced Q1 2015

## Cost flexibility

- Improved cost elasticity
- Target having 50% of crew cost on flexible contracts
- Ability to scale up and down depending on market activity





# Cost and margin development

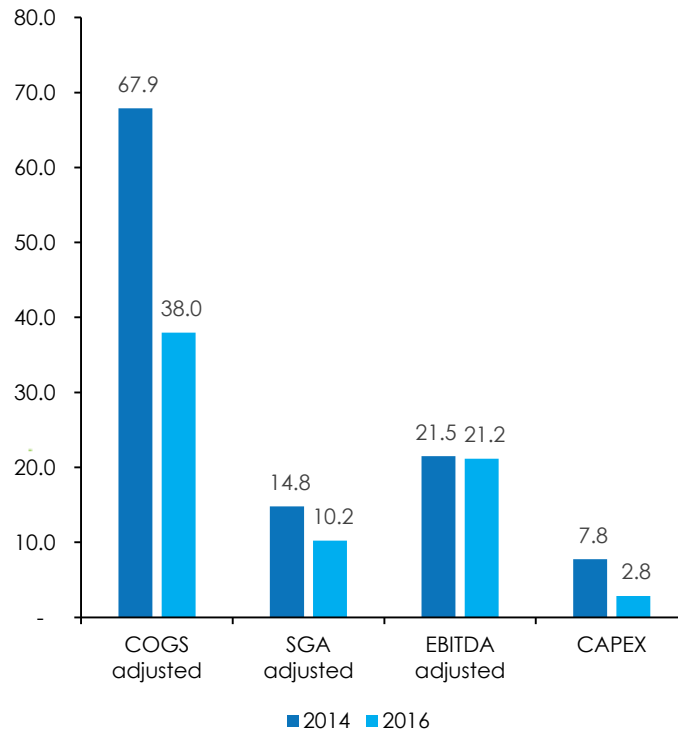
## 2014 -2016 (first nine months)

Key figures first nine months 2014 vs 2016

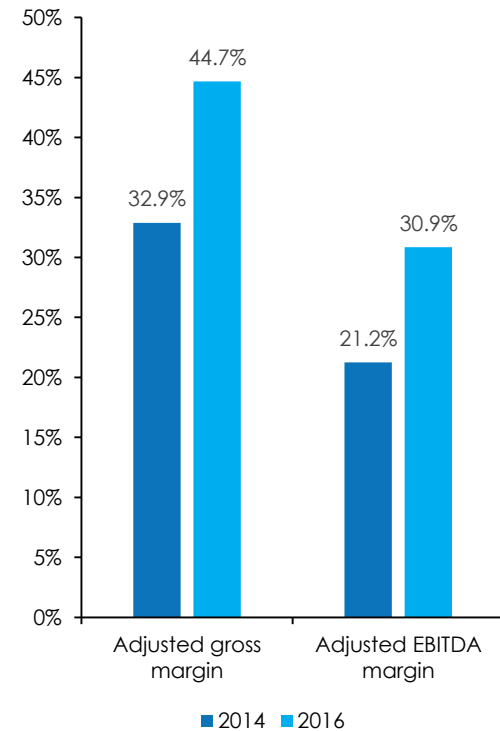
2014:  
9 vessels

2016:  
5 vessels

Cost development - USD million



Profitability development



Note: all figures relates to the first nine months of 2014 and 2016

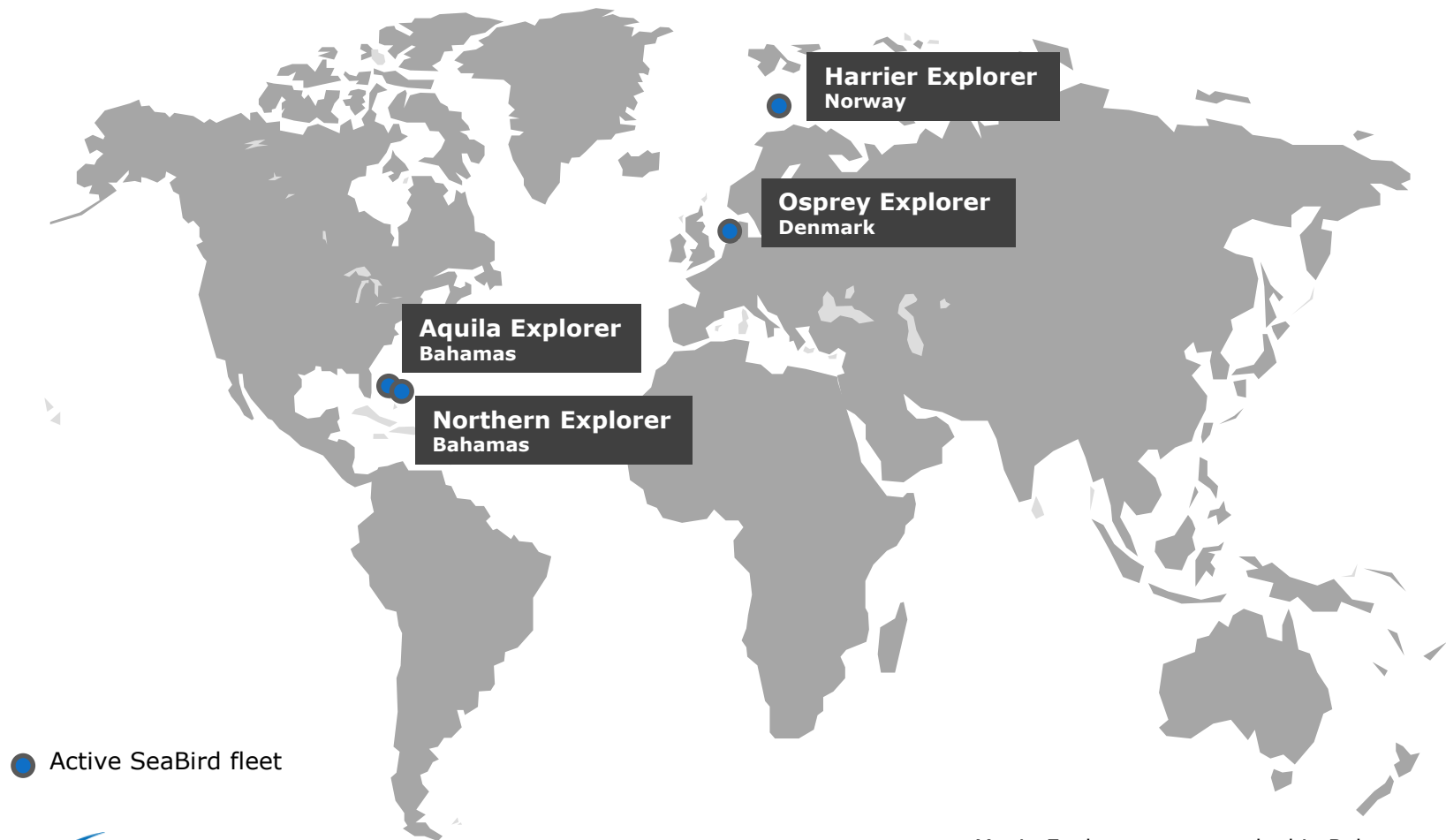
# Fleet review

- Current fleet of five vessels (four active; Munin Explorer warm stacked)
- Fleet reduction implemented during the quarter:
  - Voyager Explorer redelivered September; joint marketing agreement
  - Decision made to retire Hawk Explorer from the fleet; lowered costs and indebtedness
- Continuing active management of fleet according to market conditions
  - May temporarily stack additional vessels if contract coverage is insufficient



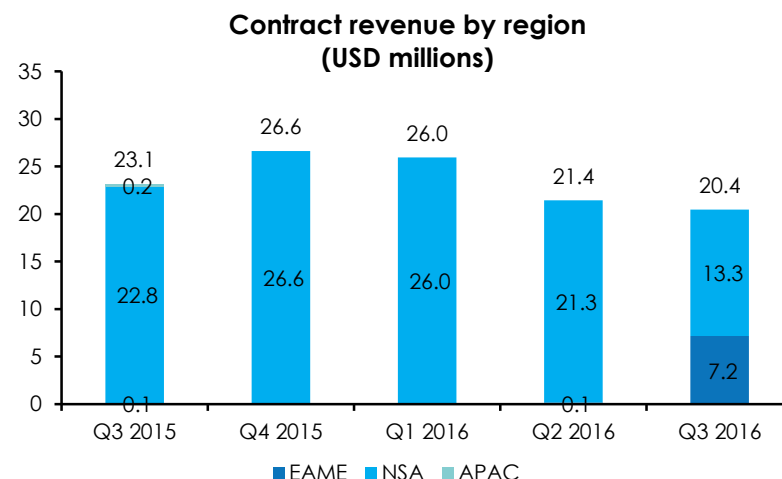
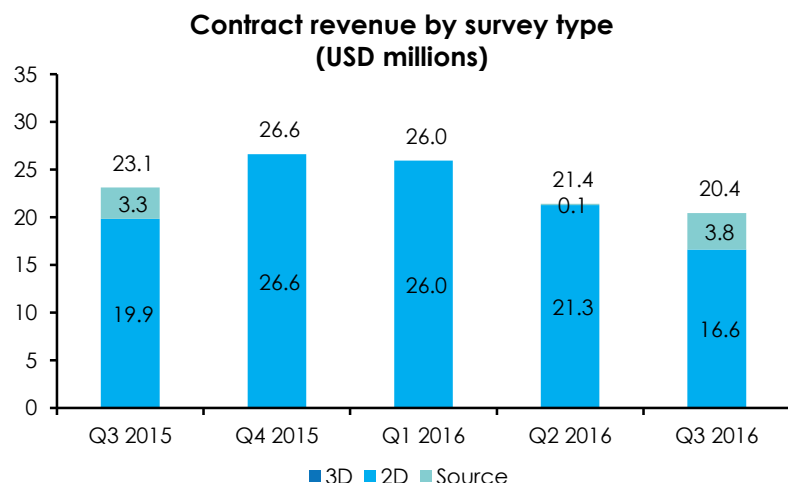
# SeaBird seismic fleet

*October 2016*



- Munin Explorer warm-stacked in Bahamas
- Voyager Explorer re-delivered in September, joint marketing agreement

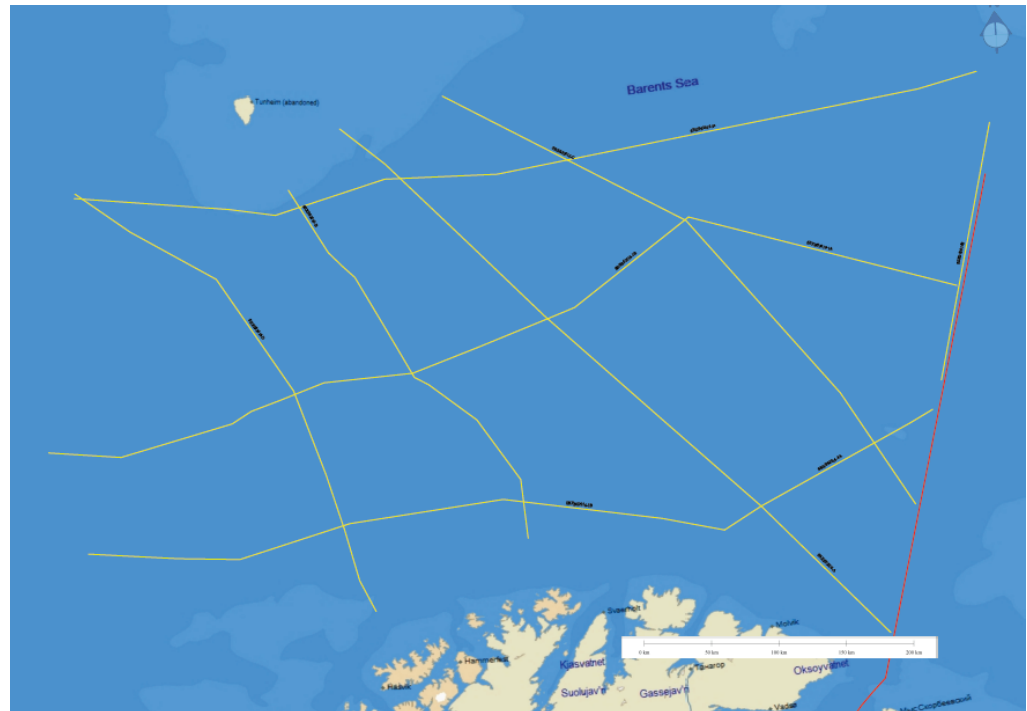
# Segment operating activity



- EAME region increasing with two consecutive source projects in the North Sea, one 2D contract and one MC survey in Barents Sea
- Contract revenues still impacted by weak seismic market demand, but overall good resilience in Q3 in spite of the further ramp-down on Gigante (one vessel end of Q3)

# Barents Sea MC2D survey

- 3,986 km survey jointly developed with Lundin Norway with additional industry support from Capricorn (Cairn Energy) and Edison Norge
- Unique deep subsurface 2D survey covering entire southern Barents Sea
- Fast track data estimated available Q1 2017



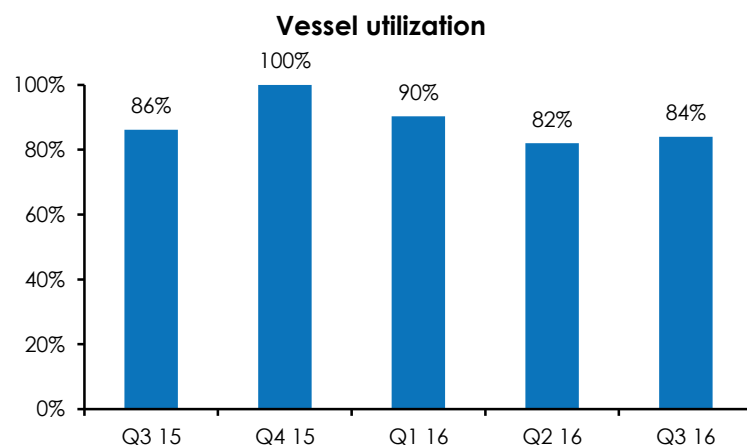
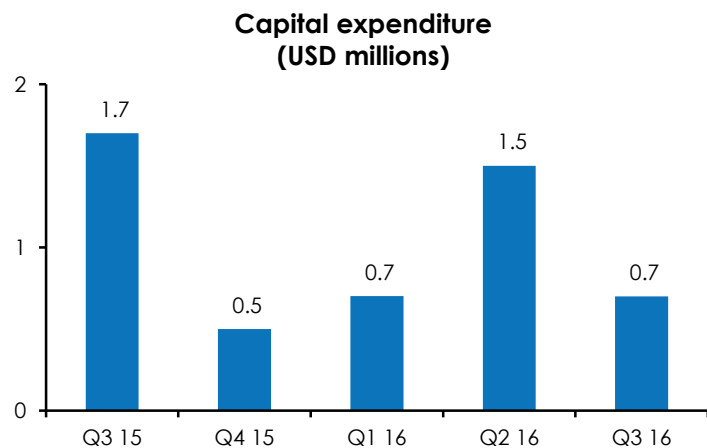
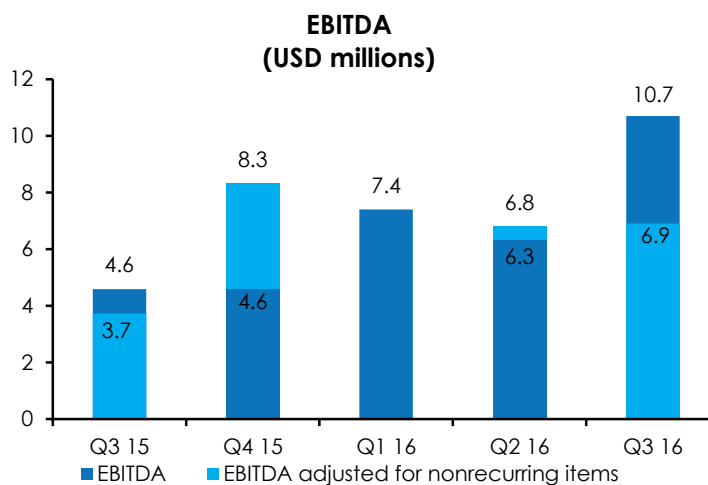
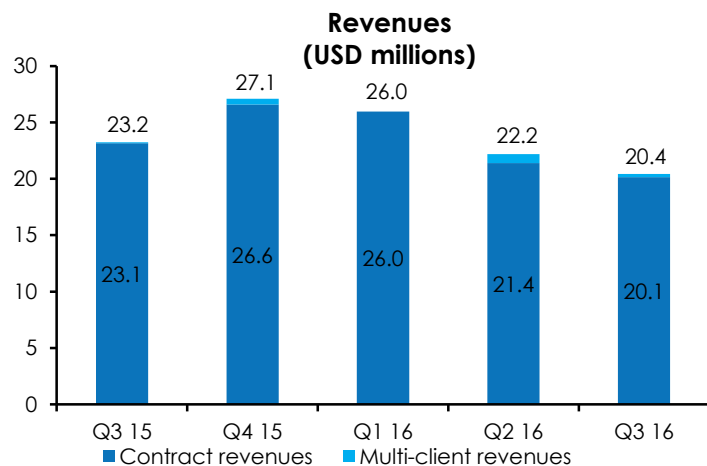
# Way forward

- Mexico Gigante project significant contributor in Q3; three additional survey contracts and one multi-client project during the quarter
- Actively pursuing a number of project leads
- Significant efforts to reduce costs and improve cost structure flexibility; additional efforts in progress
  - More advanced planning
  - Fleet and supply chain optimization
- Current seismic market softness expected to continue

# Financial review

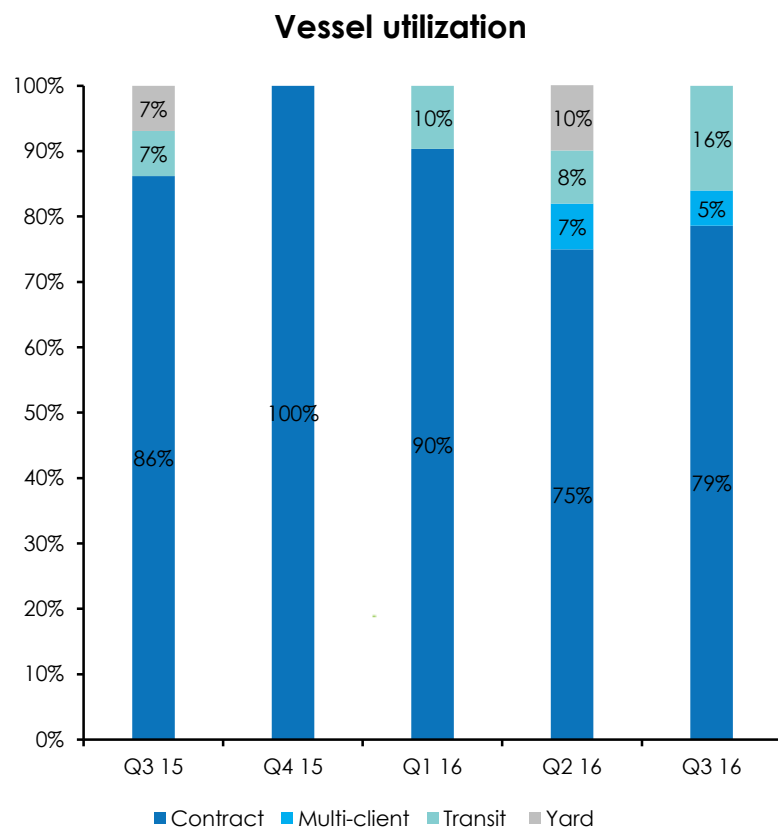


# Historical operating comparison





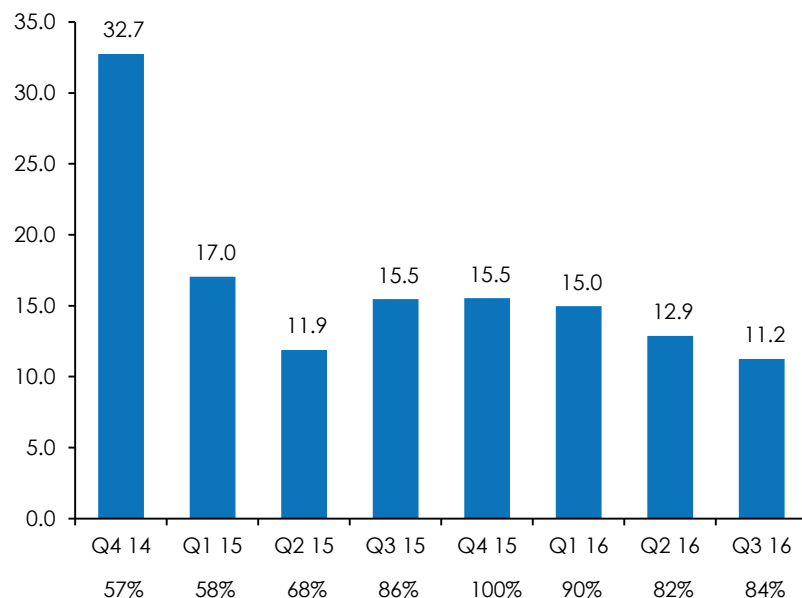
# Vessel utilization



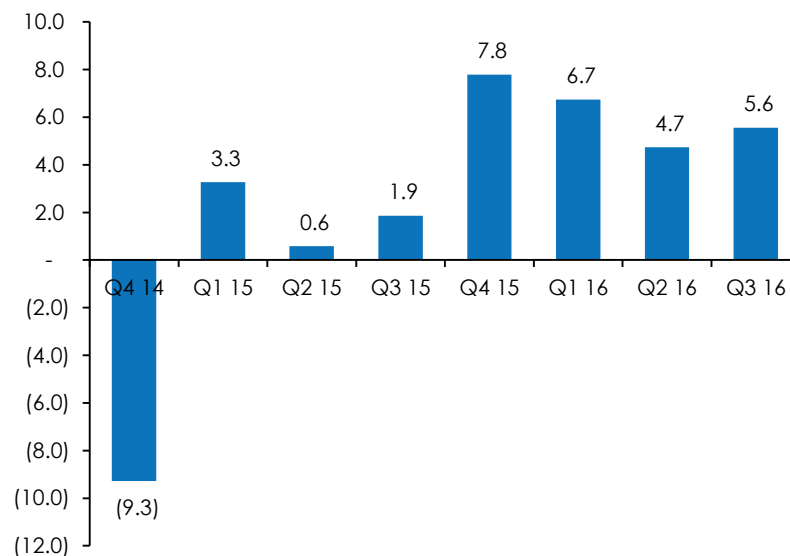
- Q3 utilization of 84%, up from 82% in Q2 2016
  - Three active vessels working in the NSA region
  - Two active vessels working in the EAME region
- Harrier was utilized on a multi-client project in North West Europe during the quarter

# Continued focus on cost reductions and cash flow

**Recurring cost of sales<sup>1)</sup>**  
(including capitalized multi-client costs)  
(USD millions)



**Profitability – simplified cash flow**  
(Adjusted EBITDA - cash MC investment - capex)  
(USD millions)



# Income statement Q3 2016

## CONSOLIDATED INTERIM STATEMENT OF INCOME

All figures in USD millions (except EPS)	Adjusted 2016	Non-recurring items 2016	Quarter ended 30 September		Nine months ended 30 September	
			2016	2015	2016	2015
Contract	20.1	-	20.1	23.1	67.5	65.0
Multi-client	0.3	-	0.3	0.1	1.1	2.0
<b>Total revenues</b>	<b>20.4</b>	<b>-</b>	<b>20.4</b>	<b>23.2</b>	<b>68.6</b>	<b>67.0</b>
Cost of sales	(10.7)	(0.5)	(10.2)	(14.5)	(38.1)	(51.6)
SG&A	(3.1)	-	(3.1)	(4.3)	(10.2)	(14.1)
Reversal of bad debt charges	-	(3.3)	3.3	-	3.3	-
Other income (expenses), net	0.2	-	0.2	0.1	0.7	0.3
Restructuring gain on leases	-	-	-	-	-	4.7
<b>EBITDA</b>	<b>6.9</b>	<b>(3.8)</b>	<b>10.7</b>	<b>4.6</b>	<b>24.3</b>	<b>6.3</b>
Depreciation	(3.1)	-	(3.1)	(3.6)	(10.0)	(12.2)
Amortization	(0.7)	-	(0.7)	(1.0)	(2.0)	(1.9)
Impairment	-	9.9	(9.9)	(0.0)	(9.9)	(4.1)
<b>EBIT</b>	<b>3.1</b>	<b>6.1</b>	<b>(3.0)</b>	<b>0.0</b>	<b>2.5</b>	<b>(12.0)</b>
Interest and finance expense	(1.4)	(1.4)	0.1	(1.5)	(3.0)	(4.0)
Restructuring gain	-	-	-	-	-	61.7
Income tax	(0.1)	-	(0.1)	(0.2)	(0.6)	(1.0)
<b>Profit/(loss)</b>	<b>1.6</b>	<b>4.6</b>	<b>(3.0)</b>	<b>(1.7)</b>	<b>(1.1)</b>	<b>44.8</b>
Earnings per share from continued operations						
Basic			(0.97)	(0.56)	(0.36)	18.86
Diluted			(0.97)	(0.56)	(0.36)	18.48

# Non-recurring items

## Provisions and write-offs

Figures in USD millions	Reporting line	P&L impact Q3 2016
Hawk PPE impairment	Impairment	9.9
Hawk lease gain	Other financial items, net	(1.4)
Non-recurring charge retirement of Hawk Explorer	Cost of sales	0.5
<b>Total Hawk non-recurring charges</b>		<b>8.9</b>
Non-recurring charge redelivery of Voyager	Cost of sales	0.4
Non-recurring gain redelivery of Geo Pacific	Cost of sales	(1.4)
Reversal of bad debt provision on long-dated receivables	SG&A	(3.3)
<b>Sum other non-recurring charges</b>		<b>(4.3)</b>
<b>Sum non-recurring charges</b>		<b>4.6</b>

# Cash flow statement

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Quarter ended 30 September		Nine months ended 30 September	
All figures in USD millions	2016	2015	2016	2015
Profit/(loss) before income tax	(2.9)	(1.5)	(0.5)	45.8
Restructuring gain	-	-	-	(66.4)
Other non-cash items	9.6	4.3	15.7	27.7
Paid income tax	(0.1)	(1.0)	(0.8)	(2.4)
Working capital changes	1.1	(0.9)	0.8	(14.1)
<b>Net cash from operating activities</b>	<b>7.6</b>	<b>1.0</b>	<b>15.2</b>	<b>(9.3)</b>
Capital expenditures	(0.7)	(1.7)	(2.8)	(5.1)
Other long term investment	(0.1)	-	(0.1)	-
Multi-client investments	(0.7)	(0.1)	(1.3)	(0.2)
<b>Net cash from investing activities</b>	<b>(1.5)</b>	<b>(1.8)</b>	<b>(4.3)</b>	<b>(5.3)</b>
Proceeds from share issuance	-	-	-	11.0
Borrowings	(1.6)	(0.4)	(3.1)	3.9
Other financial items	(0.7)	(0.8)	(2.4)	(1.8)
<b>Net cash from financing activities</b>	<b>(2.3)</b>	<b>(1.2)</b>	<b>(5.4)</b>	<b>13.1</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>3.7</b>	<b>(1.9)</b>	<b>5.6</b>	<b>(1.5)</b>

# Balance sheet

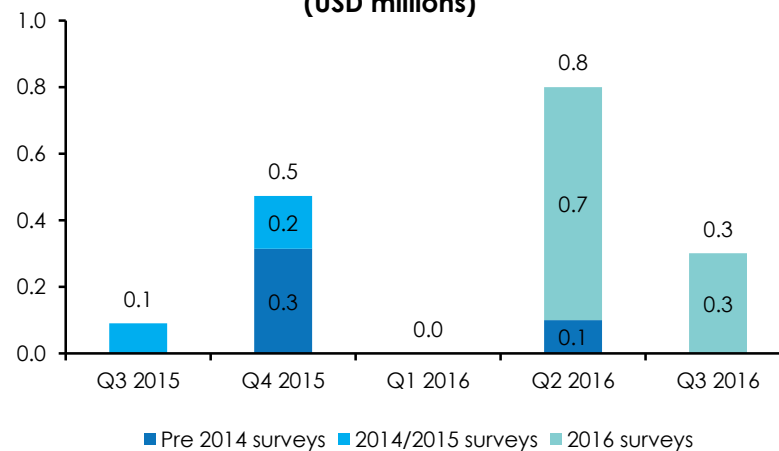
## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	As of 30 September		As of 31 December
All figures in USD millions (except for equity ratio)	2016	2015	2015
Property, plant and equipment	50.1	71.0	67.4
Multi-client library	2.7	9.5	3.3
Other non-current assets	0.1	0.0	-
Inventories	1.5	3.1	3.1
Trade receivables	12.9	11.1	12.6
Other current assets	3.5	16.6	14.0
Cash and cash equivalents	11.8	5.4	6.3
<b>Total assets</b>	<b>82.6</b>	<b>116.8</b>	<b>106.8</b>
Equity	28.9	36.4	30.0
Non-current loans and borrowings	25.2	28.9	31.1
Trade and other payables	13.7	27.9	25.4
Provisions	4.4	13.0	12.2
Tax payable	5.3	5.8	5.4
Current loans and borrowings	5.2	4.8	2.6
<b>Total equity and liabilities</b>	<b>82.6</b>	<b>116.8</b>	<b>106.8</b>
Net interest bearing debt	18.6	28.3	27.5
Equity ratio %	34.9%	31.2%	28.1%

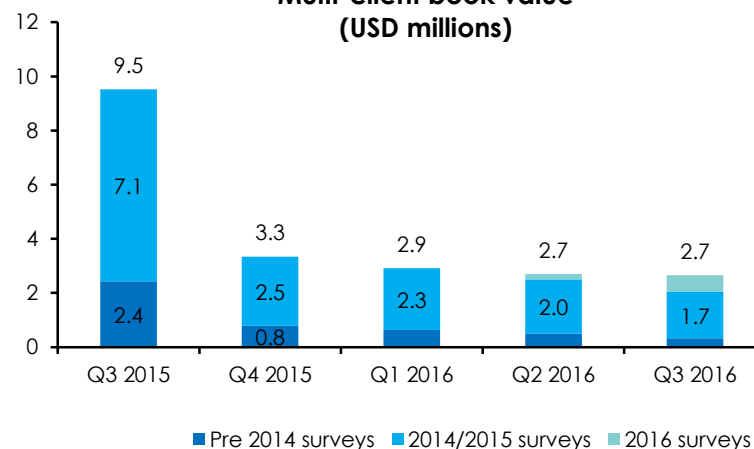
# Multi-client update

- Multi-client revenues in the quarter of \$0.3 million
  - Prefunding for 2016 projects
- Multi-client investment of \$0.6 million<sup>1)</sup> was recognized in the third quarter
- Harrier Explorer commenced a 2D multi-client survey in Barents Sea during the quarter

Multi-client revenues  
(USD millions)

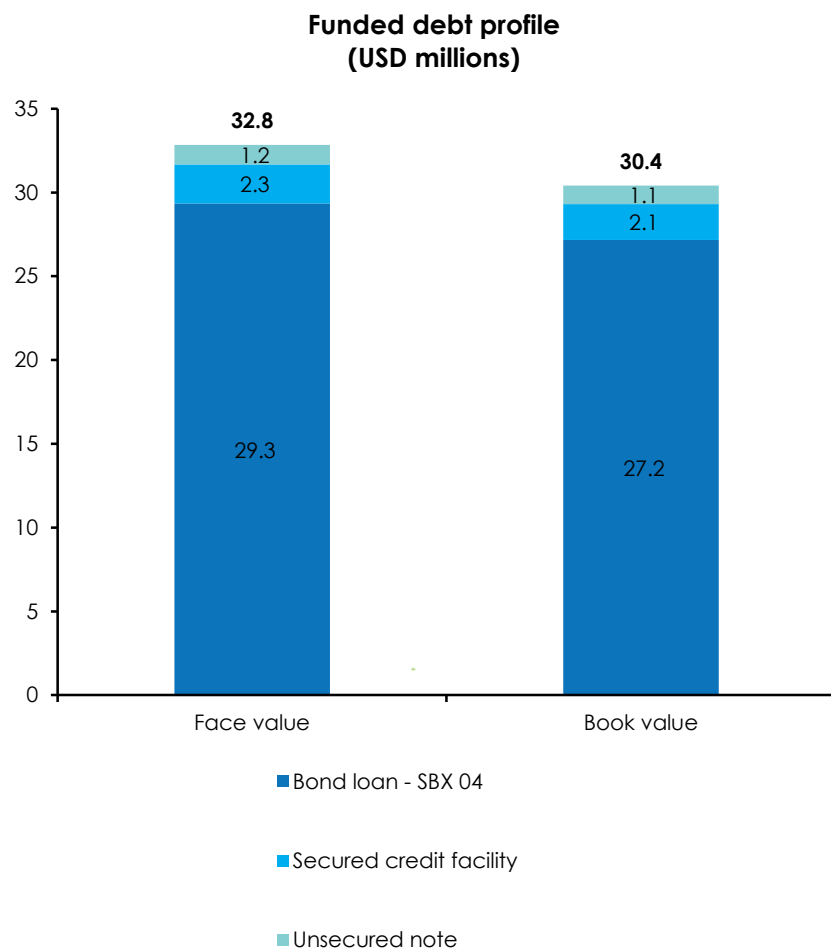


Multi-client book value  
(USD millions)



<sup>1)</sup> including capitalized depreciation, net of partner contribution

# Debt profile



## Covenants

- Leverage ratio < 2.5
- Unrestricted cash > \$5.0 million
- In compliance with both covenants as of 30 September 2016



# Decommissioning of Hawk

- Acquired Hawk lease for USD 1.1 million
  - Eliminating substantial lease payments and scheduled class docking
  - Gain of USD 1.45 million due to settlement amount smaller than booked lease liability
- Retaining seismic equipment to be used on other vessels with book value of USD 1 million
- Net accounting loss of approximately USD 8.9 million in Q3
- Taking one vessel out of the 2D market

# Update on provisions

Provisions		
	Reporting line	USD millions
Beginning balance 1 Jul 2016		8.5
Incurred costs	Cost of sales	(3.7)
Non-recurring charge retirement of Hawk Explorer	Cost of sales	0.5
Non-recurring charge redelivery of Voyager	Cost of sales	0.4
Non-recurring gain redelivery of Geo Pacific	Cost of sales	(1.4)
Interest expense	Interest expenses	0.1
<b>Ending balance 30 Sep 2016</b>		<b>4.4</b>

- Provisions mainly related to stacked vessels on onerous long-term lease contracts
- Additional charges related to the redelivery of Voyager Explorer (\$0.4 million) and the planned decommissioning of Hawk Explorer (\$0.5 million)
- Geo Pacific redelivered; final commercial settlement completed (\$1.4 million in reversal of provision)

# Outlook



# Outlook

- Despite recent improvement in the oil price, oil exploration spending expected to remain depressed and is likely to continue to negatively impact seismic activity in the foreseeable future
- The current seismic market softness is expected to continue to impact the seismic sector throughout 2017
- The fourth quarter is expected to be negatively impacted by idle periods as well as the potential repositioning of vessels before start-up of new projects
- The company's fleet capacity has been reduced to better reflect current market demand
- SeaBird's core focus will remain backlog replenishment, as well as tight cost base and liquidity management

# Q&A

