

SeaBird Exploration

Second Quarter Presentation
19 August 2016

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A large, stylized white graphic of a bird in flight, positioned on the right side of the slide. The bird is composed of several thick, curved lines that define its wings and tail, creating a sense of movement and elegance. It is set against a solid blue background.

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 Q2 2016 earnings release.

Agenda

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

Highlights



Highlights

Financial results

- Revenues of \$22.2 million (\$26.0 million Q1 2016)
- EBITDA of \$6.3 million (\$7.4 million Q1 2016)

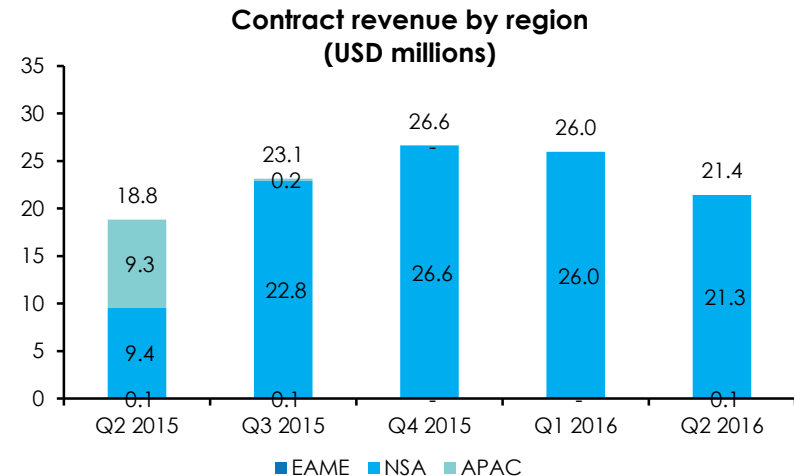
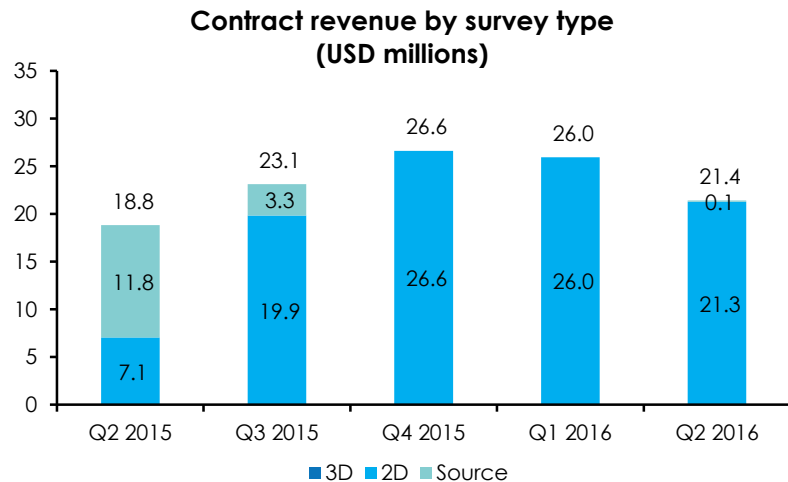
Quarterly observations

- 70% (vs 90% in Q1) of the active vessels on TGS Gigante project in Mexico and two vessels re-allocated to Western Europe during the quarter
- Two new contracts signed in Q2 for projects in North West Europe
- Vessel utilization for the period of 82%
- Technical downtime reduced to 5.8%

Business review



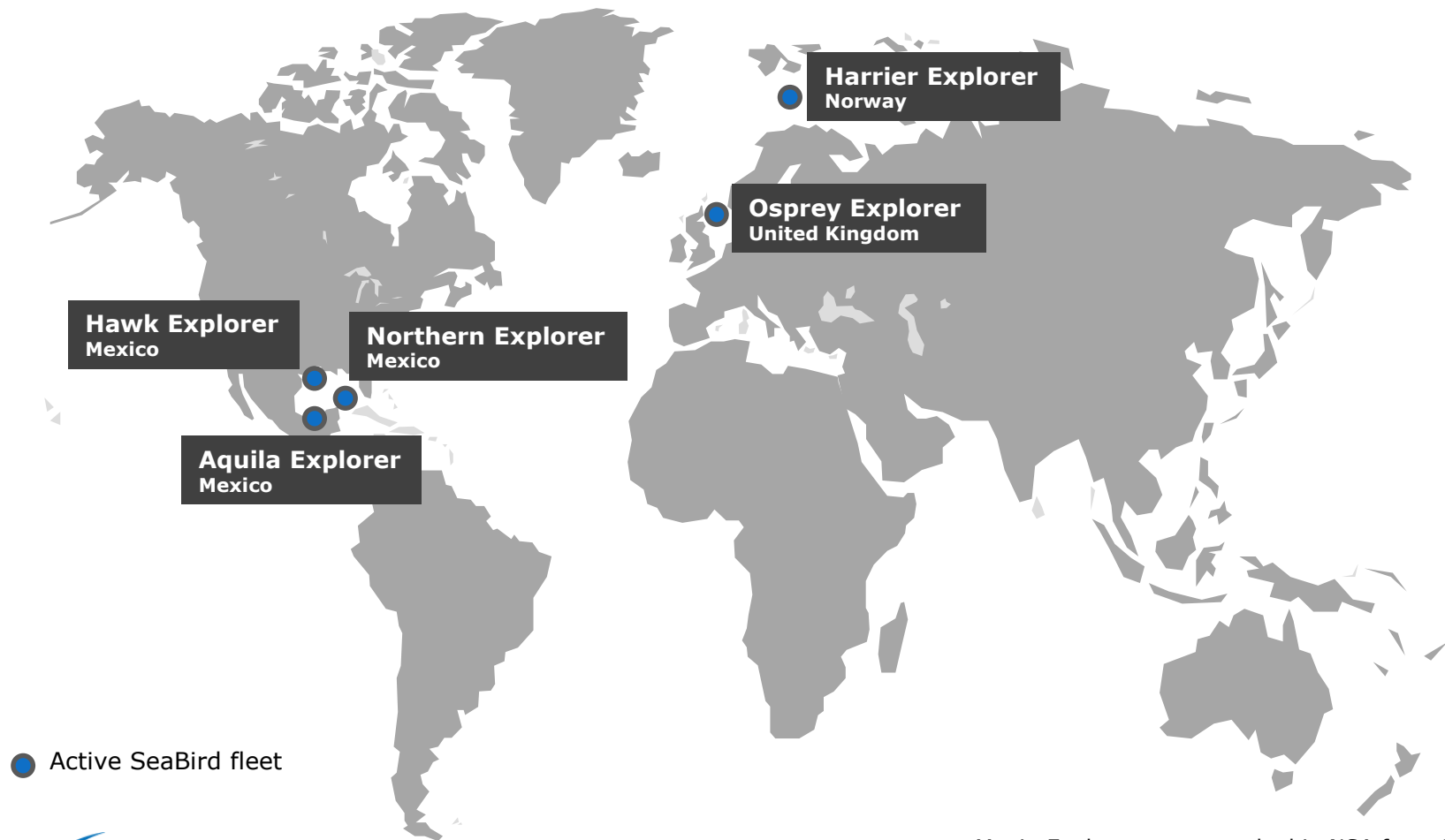
Segment operating activity



- Contract revenues still impacted by weak seismic market demand, but overall good resilience in Q2 in spite of the ramp-down on Gigante (three vessels end of Q2)
- NSA with TGS Gigante primary revenue source in Q2; expected completion late Q3 2016
- EAME region also a contributor with a well pre-funded MC survey conducted in North West Europe, and expected ramp-up of contract revenues in Q3, with:
 - A series of two consecutive source projects in the North Sea and an ongoing 2D contract survey in Barents Sea

SeaBird seismic fleet

August 2016



- Munin Explorer warm-stacked in NSA from Q3-15
- Voyager Explorer cold-stacked in APAC from Q4-14

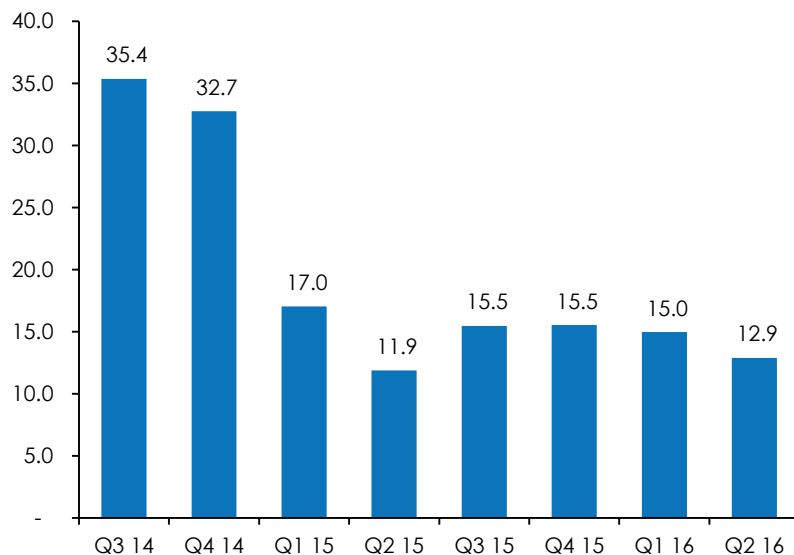
Backlog

- Backlog as of 30 June of \$23 million consisting of:
 - Remaining portion of TGS Gigante project in Mexico
 - North West Europe region YTD contract awards:
 - Two source projects in the North Sea^{1), 2)}
 - 2D survey in North West Europe³⁾



Continued focus on cost reductions

Recurring cost of sales¹⁾
(including capitalized multi-client costs)
(USD millions)



Cost reduction status

- Improved project and vessel planning; supply chain improvements
- Crew cost flexibility initiatives implemented; more agile cost structure
- Crew headcount now under review in light of uncertain market

Number of vessels in operation
Utilization

8	8/7	7/6	6	6/5	5	5	5
65%	57%	58%	68%	86%	100%	90%	82%

Fleet review

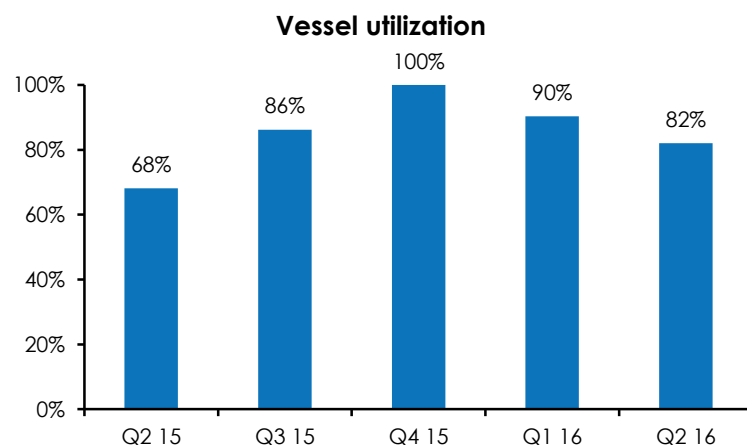
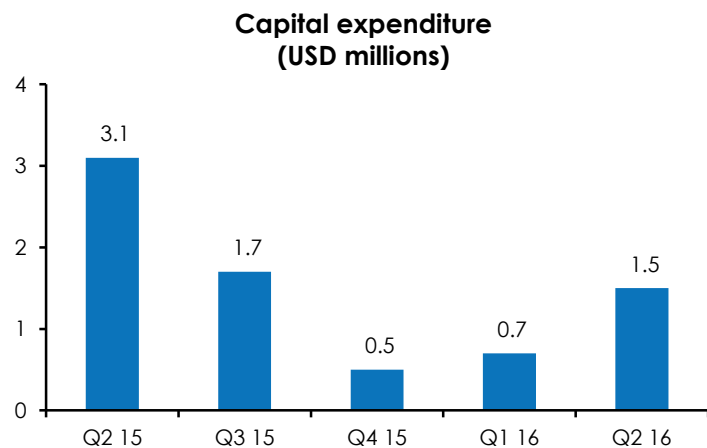
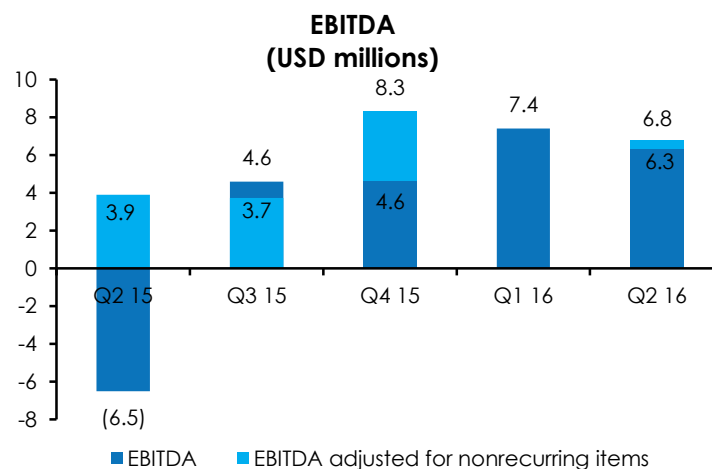
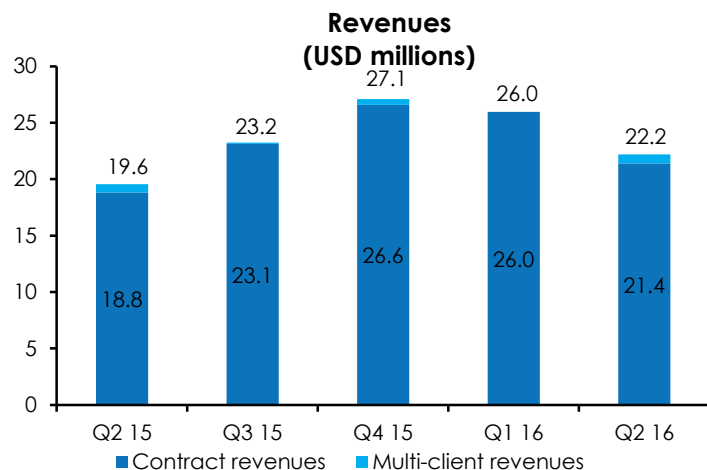
- Continuing active management of fleet according to market conditions
 - Reviewing vessel capacity
 - May stack additional vessels if contract coverage is insufficient
- Cold-stacked since Q4-14, Voyager Explorer will be redelivered at expiry of bareboat charter (August 2016)
- With an option to terminate the lease and redeliver the vessel in November 2016, the Hawk Explorer lease is under review



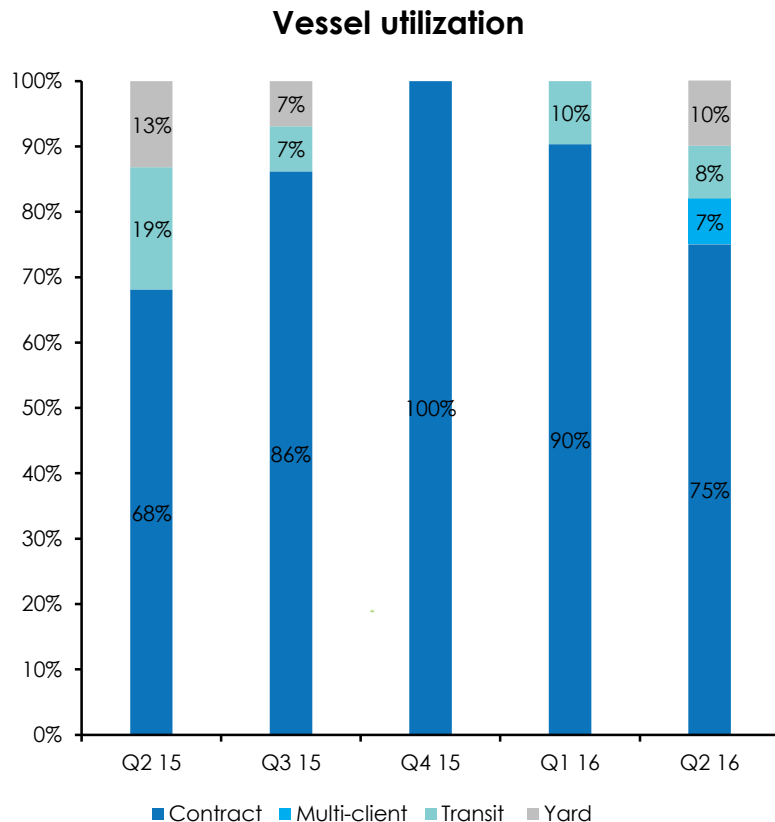
Financial review



Historical operating comparison



Vessel utilization



- Q2 contract utilization of 82%, down from 90% in Q1 2016
 - Four active vessels working in the NSA region
- Harrier was utilized on a multi-client project in North West Europe during the quarter
- Osprey completed scheduled yard stay, then mobilized for a source project late in the quarter

Income statement Q2 2016

CONSOLIDATED INTERIM STATEMENT OF INCOME				
	Quarter ended 30 June		Six months ended 30 June	
All figures in USD millions (except EPS)	2016	2015	2016	2015
Contract	21.4	18.8	47.4	41.8
Multi-client	0.8	0.7	0.8	1.9
Total revenues	22.2	19.6	48.2	43.8
Cost of sales	(12.9)	(20.0)	(27.9)	(37.0)
SG&A	(3.2)	(6.1)	(7.1)	(9.9)
Other income (expenses), net	0.2	0.0	0.5	0.1
Restructuring gain on leases	-	-	-	4.7
EBITDA	6.3	(6.5)	13.7	1.7
Depreciation	(3.5)	(4.8)	(6.9)	(8.6)
Amortization	(0.9)	(0.3)	(1.3)	(1.0)
Impairment	-	(4.1)	-	(4.1)
EBIT	1.9	(15.7)	5.5	(12.0)
Interest and finance expense	(1.6)	(1.2)	(3.1)	(2.4)
Restructuring gain	-	0.4	-	61.7
Income tax	(0.3)	(0.3)	(0.5)	(0.8)
Profit/(loss)	0.1	(16.8)	1.9	46.5
Earnings per share from continued operations				
Basic	0.03	(5.49)	0.61	22.91
Diluted	0.03	(5.34)	0.61	22.12

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Quarter ended 30 June		Six months ended 30 June	
All figures in USD millions	2016	2015	2016	2015
Profit/(loss) before income tax	0.4	(16.5)	2.4	47.3
Restructuring gain	-	(0.4)	-	(66.4)
Other non-cash items	3.2	16.2	6.1	20.3
Paid income tax	(0.3)	(0.3)	(0.6)	(1.4)
Working capital changes	(1.7)	(3.2)	(0.2)	(10.1)
Net cash from operating activities	1.5	(4.1)	7.7	(10.3)
Capital expenditures	(1.5)	(3.1)	(2.2)	(3.3)
Multi-client investments	(0.6)	(0.2)	(0.6)	(0.2)
Net cash from investing activities	(2.0)	(3.3)	(2.7)	(3.5)
Proceeds from share issuance	-	-	-	10.9
Borrowings	(0.7)	(0.4)	(1.5)	4.3
Other financial items	(0.8)	(0.8)	(1.6)	(1.0)
Net cash from financing activities	(1.5)	(1.2)	(3.1)	14.2
Net (decrease)/increase in cash and cash equivalents	(2.0)	(8.6)	1.8	0.4

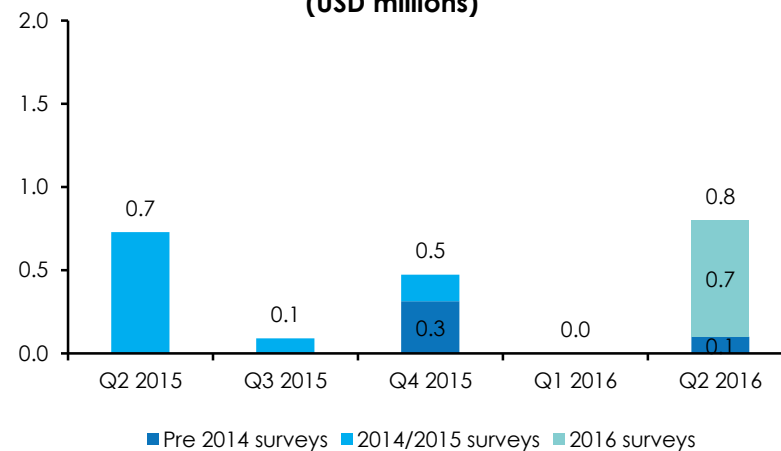
Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION			
	As of 30 June		As of 31 December
All figures in USD millions (except for equity ratio)	2016	2015	2015
Property, plant and equipment	62.6	73.0	67.4
Multi-client library	2.7	10.4	3.3
Other non-current assets	0.1	0.0	-
Inventories	2.9	3.3	3.1
Trade receivables	11.7	14.6	12.6
Other current assets	8.5	10.3	14.0
Cash and cash equivalents	8.1	7.4	6.3
Total assets	96.6	119.0	106.8
Equity	31.9	38.1	30.0
Non-current loans and borrowings	28.0	28.5	31.1
Trade and other payables	17.9	27.1	25.4
Provisions	8.5	14.2	12.2
Tax payable	5.4	5.9	5.4
Current loans and borrowings	5.1	5.2	2.6
Total equity and liabilities	96.6	119.0	106.8
Net interest bearing debt	25.0	26.4	27.5
Equity ratio %	33.0%	32.0%	28.1%

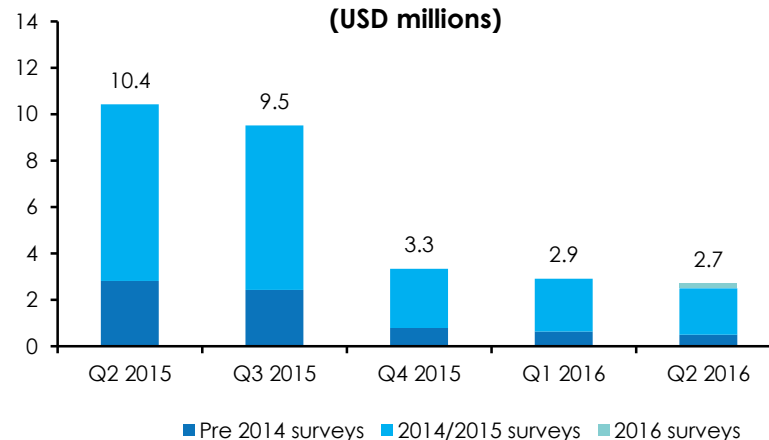
Multi-client update

- Multi-client revenues in the quarter of \$0.8 million
 - Revenues predominantly prefunding for Q2 2016 project
- Multi-client investment was \$0.7 million¹⁾ in the second quarter
- Harrier Explorer completed a significantly pre-funded 2D multi-client survey in North West Europe during Q2

Multi-client revenues
(USD millions)

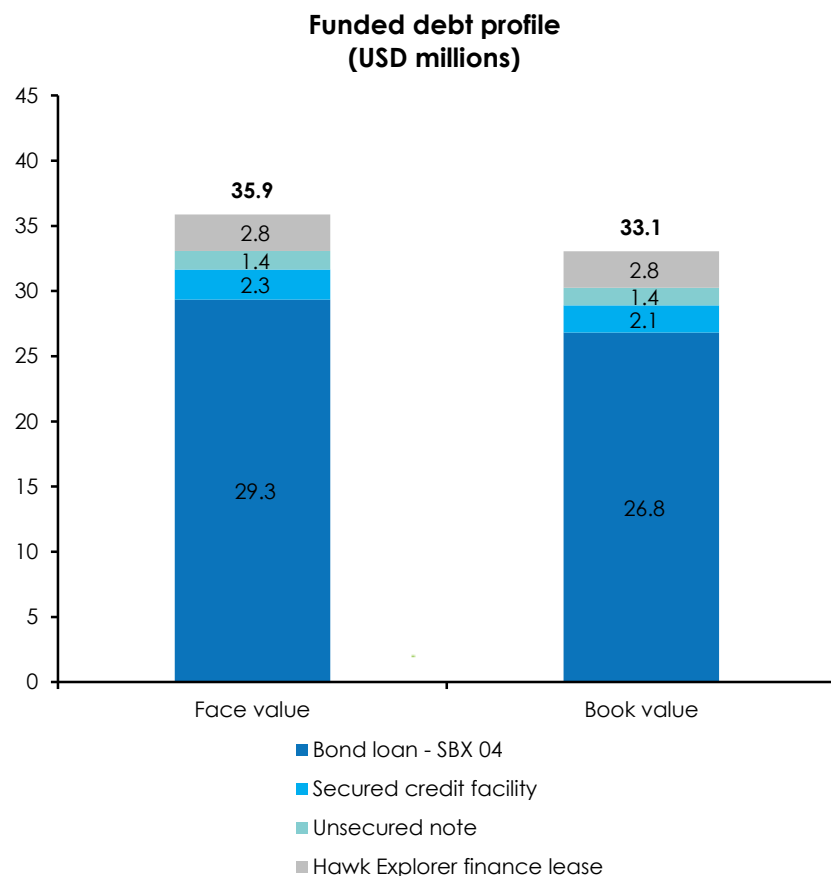


Multi-client book value
(USD millions)



1) including capitalized depreciation

Debt profile



Covenants

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

Aggregate maturities of loans and borrowings

	USD millions
Year of repayment	
2016	1.0
2017	9.7
2018	25.2
Total debt principal 30 June 2016	35.9

Note: 2017 maturity includes the \$1.75 million cost of exercising purchase option for the Hawk lease

Update on provisions

Provisions	
	USD millions
Beginning balance 1 Apr 2016	10.2
Incurred costs	(2.3)
Changes in provision estimate (booked to cost of sales)	0.4
Interest expense	0.2
Ending balance 30 June 2016	8.5

- Provisions mainly related to stacked vessels on onerous long-term lease contracts
- Additional charge taken in relation to redelivery of Voyager
- Geo Pacific redelivered; final commercial settlement agreed (post balance sheet event)

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 at large in the foreseeable future
- Global seismic demand continued to be weak in the second quarter and weak tender activity is expected to prevail throughout H2-16
- Multi-client market conditions remain challenging with limited pre-funding opportunities and poor visibility for future sales
- In this context, SeaBird is working on a number of commercial leads and will continue to work on securing additional backlog for the second half of 2016 and 2017
- As has been the case in H1-16, SeaBird's core focus in H2-16 will remain backlog replenishment, as well as tight cost base and liquidity management

Q&A

