Q3 2017

SeaBird Exploration

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Restructuring

Financial restructuring completed

$37.5 m

Reduction in debt and lease obligations

Implemented

further reduction in onshore headcount and SG&A costs

NOK 100 m

equity issue completed subsequent to quarter end

2017 SUMMARY OBSERVATIONS FOR THE THIRD QUARTER

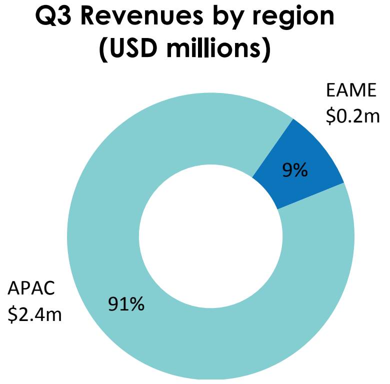
The third quarter of 2017 was challenging with continued weak seismic market demand. SeaBird recorded a 22.1% active vessel utilization during the third quarter of 2017 compared to 18.4% in Q2. Starting in October, the company expects to have two vessels in operation for the remainder of the year. Contracting lead-time remains long with substantial competition and high market uncertainty.

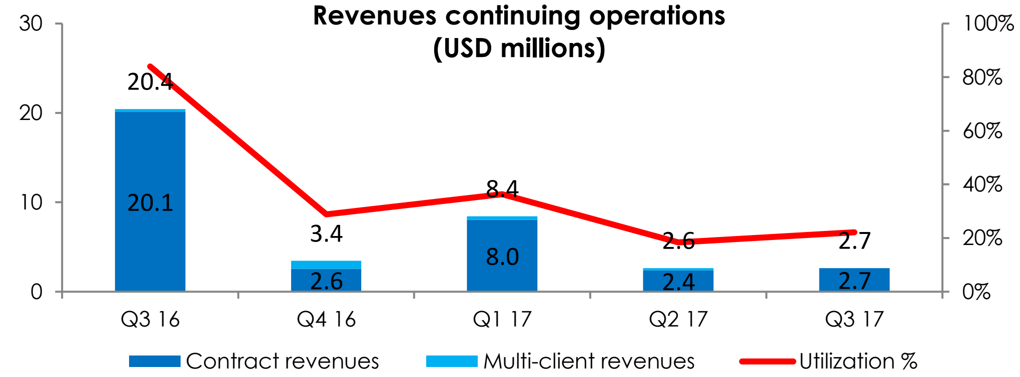
The company announced the completion of the proposed financial restructuring during the quarter, reducing debt and lease obligations by approximately $37.5 million. The remaining financial debt will be $5.7 million in nominal terms, with no significant debt principal repayments until 2020 and interest and charter hire with a payment-in-kind option. During the quarter, the company announced a private placement equity issue raising NOK 100 million in gross proceeds. The equity issue was approved at the company's general meeting 2 October 2017 (see Subsequent events below).

During the third quarter, the company implemented a further reduction in onshore headcount and administrative costs. The company expects the SG&A costs to continue to decline in the fourth quarter.

- Revenues for the quarter were $2.7 million, a decrease of 87% compared to Q3 2016 and up 0.2% relative to Q2 2017.
- Contract revenues for the period were $2.7 million, down 87% from Q3 2016 and up 11% relative to Q2 2017.
- Multi-client revenues were nil, down from $0.3 million reported in Q3 2016 and a decrease from $0.3 million reported in Q2 2017.
- Reported EBITDA was negative $14.4 million compared to positive $10.7 million for Q3 2016 and negative $6.3 million for Q2 2017. EBITDA adjusted for non-recurring items of negative $5.0 million.
- Reported EBIT for the quarter was negative $25.6 million compared to negative $3.0 million for Q3 2016 and negative $9.7 million for Q2 2017. Adjusted EBIT of negative $8.2 million.
- Active vessel utilization for the period was 22.1%. Contract surveys during the third quarter represented 22.1% of vessel capacity compared to 78.6% during the third quarter 2016. Multi-client surveys accounted for 0% of vessel capacity compared to 5.4% in the third quarter 2016.
- In the third quarter, the company announced a new 3D contract award in West-Africa with a duration of two months and entered into option agreement with TGS to provide up to 600 vessel days of seismic services.
- Two vessels on contract towards at the end of the quarter and the company expects two vessels active in most of fourth quarter.
- Financial restructuring completed during the quarter; reducing debt and future charter hire by $37.5 million and issued new shares valued at $30.6 million.
- Announced private placement equity issue raising NOK 100 million in gross proceeds. Closing of the transaction was effectuated subsequent to quarter end.

KEY HIGHLIGHTS





Operational review

The third quarter of 2017 was challenging with continued weak seismic market demand. Total vessel utilization for the quarter was low as discussions were delayed on a number of surveys under review. Voyager Explorer commenced on its source contract in Asia, which we expect to continue into the first quarter of 2018. Osprey Explorer completed a 2D contract survey in West Africa early in the quarter and mobilized for work in South America at the end of the period. We expect the vessel to remain active in the area for most of the remainder of 2017. Active vessel utilization for the third quarter of 2017 was 22.1%, up from 18.4% in the second quarter. Contract surveys represented 22.1% of vessel capacity compared to 18.4% for the second quarter of 2017. Technical downtime for the fleet was 0.2% in Q3 2017, down from 1.6% in Q2.

Harrier Explorer, Northern Explorer and Aquila Explorer were not active on projects in the quarter while the Munin Explorer remained stacked in North America. Yard stay represented 0% of active vessel capacity during the quarter.

The company performed a review of its fleet during the quarter and is looking to prioritize investments in its most capable vessels Aquila, Harrier and Osprey Explorer. Northern Explorer is planned to be retired from the fleet before or at the time of its next maritime docking. Consequently, an impairment of $8.1 million was booked on the Northern Explorer, reflecting the reduction in the planned service life of the vessel.

Multi-client surveys represented 0% of vessel utilization in the quarter, compared to 0% in the previous quarter and 5.4% in the same quarter last year. Multi-client revenues were nil in the period, compared to $0.3 million in the previous quarter.

During the quarter, the company announced a letter of intent to conduct a shallow-water 3D seismic survey in the West Africa region with a duration of approximately two months. The project is anticipated to commence during the first half of 2018. The company also announced that it entered into an option agreement with TGS to provide up to 600 vessel days of seismic services. The agreement offers TGS access to one or more SeaBird vessels to perform seismic services on a global basis. Call-off under this option agreement may be made by TGS at its option throughout 2017 and the agreement will be extended through 2018 under certain conditions.

The company had non-recurring charges and costs of net $16.8 million during the quarter, which includes an $8.1 million impairment of the Northern Explorer, $1.8 million in charges related to the Munin Explorer onerous lease (increasing the Munin onerous lease provision to $3.2 million) offset by $0.1 million in other cost of sales adjustments, $0.6 million in office closing costs, legal fees for the ongoing financial restructuring, $1.4 million in net bad debt charges, $4.5 million in net operational and financial restructuring charges, $0.9 million in interest charges and a $0.3 million non-recurring tax gain. The company also issued new shares valued at $30.6 million as a part of the restructuring.

Capital expenditures were $0.1 million during the quarter compared to $0.7 million in Q3 2016. Lost time injury frequency (LTIF) rate for the quarter was 0.0.

Regional overview

Asia Pacific (APAC) was the most active region during the quarter. APAC revenues of $2.4 million represented 91% of total Q3 revenues. Voyager Explorer worked on its source project in the region during the quarter.

Europe, Africa and the Middle East (EAME) revenues of $0.2 million represented 9% of total Q3 revenues. The Osprey Explorer completed its 2D contract in the region early in the quarter. North and South America (NSA) revenues during the quarter were nil.

Outlook

Global seismic demand continued to be weak in the third quarter. As a result, the fourth quarter 2017 revenues are expected to be negatively impacted by slow contract award lead times resulting in idle periods as well as the potential repositioning of vessels before start-up of new projects. The company is reviewing a number of survey opportunities and expects to have two vessels active for most of the remainder of the year. The current market uncertainty makes it difficult to predict the level of contract coverage that is possible to obtain. SeaBird continues to evaluate and execute savings initiatives to reduce the company's overall cost level and this may include temporary stacking of additional vessels.

Financial comparison

All figures below relate to continuing operations unless otherwise stated. For discontinued operations, see note 1.

The company reports net loss of $26.0 million for Q3 2017 (net loss of $3.0 million in the same period in 2016).

Revenues were $2.7 million in Q3 2017 ($20.4 million). The decreased revenues are primarily due to lower utilization.

Cost of sales was $6.7 million in Q3 2017 ($10.2 million). The decrease is predominantly due to relatively low project activity and implemented cost cutting efforts offset by the onerous lease provision on the Munin Explorer.

SG&A was $3.3 million in Q3 2017, up from $3.1 million in Q3 2016. The increase is principally due to advisory costs in relation to the restructuring of the company partially offset by reduced headcount.

Net bad debt charges were $1.4 million in Q3 2017, down from a gain of $3.3 million in Q3 2016.

Other income (expense) was $0.0 million in Q3 2017 ($0.2 million).

Operational restructuring loss was $5.7 million in Q3 2017 (nil).

EBITDA was negative $14.4 million in Q3 2017 (positive $10.7 million).

Depreciation, amortization and impairment were $11.3 million in Q3 2017 ($13.7 million). The company booked a $8.1 million impairment of the Northern Explorer during the quarter while the Q3 2016 figures were affected by the impairments booked in relation to the retirement of Hawk Explorer from the fleet. Finance expense was $1.5 million in Q3 2017 ($1.3 million). The increase relates to interest and penalties booked in the quarter relating to a project related tax claim.

Other financial items were negative $0.3 million in Q3 2017 (positive $1.4 million).

Financial restructuring gain was $1.2 million in Q3 2017 (nil).

Income tax benefit was $0.3 million in Q3 2017 (cost of $0.1 million).

Capital expenditures in the quarter were $0.1 million ($0.7 million).

Multi-client investment was nil in Q3 2017 ($0.6 million).

Key figures - continuing operations

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2017	2016	2017	2016	2016
	(Unaudited)		(Unaudited)		(Audited)
Revenues	2,653	20,444	13,746	68,627	72,074
EBITDA	(14,375)	10,671	(23,459)	24,328	22,431
EBIT	(25,647)	(3,002)	(41,672)	2,465	(3,050)
Profit/(loss)	(25,973)	(2,985)	(45,013)	(1,109)	(8,001)
Earnings per share (diluted)	(0.73)	(0.97)	(3.22)	(0.36)	(2.61)
Cash flow operating activities	(1,740)	7,567	(11,568)	15,232	20,680
Capital expenditures	(75)	(697)	(1,095)	(2,849)	(3,310)
Total assets	39,124	82,646	39,124	82,646	72,231
Net interest bearing debt	3,089	18,592	3,089	18,592	15,569
Equity ratio	20.2%	34.9%	20.2%	34.9%	30.6%

Note: all figures are from continuing operations. See note 1 for discontinued operations.

Liquidity and financing

Cash and cash equivalents at the end of the period were $1.5 million ($11.8 million in Q3 2016), of which $0.1 million was restricted in connection with deposits and taxes. Net cash from operating activities was negative $1.7 million in Q3 2017 (positive $7.6 million in Q3 2016). The company has one bond loan, one secured credit facility and one unsecured note. The SBX04 secured bond loan (issued as "SeaBird Exploration Finance Limited First Lien Callable Bond Issue 2015/2020 Tranche B") is recognized in the books at amortized cost of $3.5 million per Q3 2017 (nominal value of $4.6 million plus accrued interest of $0.08 million plus amortized interest of $0.0 million less fair value adjustment of $1.1 million). Tranche A of the bond loan was settled against the sale of the company's multi-client library during the quarter. Please see restructuring section for additional details. The SBX04 secured bond loan (Tranche B) is due 30 June 2020, and it is carrying an interest rate of 6.0%. Interest may be paid in kind and deferred until 30 June 2020. The outstanding loan balance is scheduled to be paid at the maturity date. Interest paid during Q3 2017 was nil. The bond is listed on Nordic ABM, and it is traded with ticker SBEF02 PRO. The secured credit facility is recognized at amortized cost of $0.3 million (nominal value of $0.4 million plus accrued interest of $0.0 million plus amortized interest $0.0 million less fair value adjustment of $0.1 million). Coupon interest rate is 6.0%. Interest may be paid in kind and due 30 June 2020. The facility's maturity date is 30 June 2020. Principal repayments during Q3 2017 amounted to $0.2 million and additional amounts drawn on the credit facility during the period was $0.2 million. Interest paid during Q3 2017 was nil. The three year unsecured loan is recognized at amortized cost of $0.7 million (initial nominal value of $2.1 million plus amortized interest $0.3 million less fair value adjustment of $0.3 million less principal repayments of $1.4 million). Coupon interest rate is 6.0%. Stated maturity is 1 January 2018. Interest is paid quarterly in arrears and the first payment was due on 1 April 2015. The principal is repayable in nine equal instalments of $0.2 million, commencing 1 January 2016. Interest paid during Q3 2017 was nil and principal repayments during Q3 2017 was nil. Net interest bearing debt was $3.1 million as at the end of Q3 2017 ($18.6 million in Q3 2016). Accrued interest on the bond loan, credit facility and the unsecured note for Q3 2017 was $0.1 million ($0.2 million). The company announced a debt restructuring proposal on 26 May 2017, which was implemented during the quarter. Please see restructuring and subsequent events section below for further details.

The total outstanding amount of common shares in the company is 57,455,145 at 30 September 2017. The company has also issued 884,686 warrants, convertible into 884,686 ordinary shares. The warrants are listed on the Oslo Stock Exchange with ticker SBX J.

During the quarter the company announced a private placement of 1,000,000,000 new Class A shares at a price of NOK 0.10 per Offer Share (the "Offer Price") raising NOK 100 million in gross proceeds. Each Offer Share will rank pari passu with the ordinary shares of the company in all respects (including carrying the same voting rights and dividend rights as the ordinary shares), and will be converted automatically into ordinary shares of the company (the "Conversion") at a rate of 1 Offer Share to 1 ordinary share of nominal value US$ 0.001 each, upon effective completion of the reduction of the company's authorized and issued share capital, through the reduction of the nominal value of its ordinary shares from US$ 0.1 to US$ 0.001. The Offer Shares have been delivered subsequent to the quarter end on a separate ISIN, and will upon Conversion and approval of a listing prospectus be transferred to the company's ordinary ISIN and listed. The conversion process is expected to be finalized by late Q4, pending court approval of the reduction of the share capital. The total outstanding amount of common shares in the company is estimated to be 1,057,455,145 after completion of the share conversion. The company may carry out a subsequent repair offering of Class A shares, raising proceeds of up to NOK 5 million at the Offer Price to its existing shareholders as of close of trading 15 September 2017, who were not contacted with respect to the private placement and who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action.

The company's accounts have been prepared on the basis of a going concern assumption. In the view of the board of directors, the continued challenging market conditions create a material risk to this assumption. In the event that new backlog cannot be secured on satisfactory rates or at all, the company would need to sell assets or raise additional financing, which may not be available at that time. Alternatives may exist to sell or otherwise monetize certain assets, but the ability to sell or otherwise monetize assets, being primarily made up of owned vessels, would require consent from lenders as all such assets are held as security for loan arrangements, and may therefore not be available within a short time frame or at all. Should none of these financing arrangements be available at that time, such circumstance would have a significant negative effect on SeaBird's financing situation and its ability to continue operations. In such a scenario, the company would be unable to meet its liabilities as they fall due and to continue as a going concern. In such event, SeaBird would be unable to realize the carrying value of its property, plant and equipment, whose values on a forced sale basis would be significantly lower than their carrying values.

Restructuring

On 1 August 2017, the company announced that all required consents for its proposed financial restructuring had been obtained:

- The company signed an agreement with Glander whereupon $1,911,896 of the principal amount and all accrued interest as of 3 June 2017 owed to Glander under the Glander Credit Facility shall be irrevocably repaid and discharged upon the issuance of SeaBird shares to Glander at NOK 5.00 per share and that the remaining claim of Glander under the Glander Credit Facility of $440,591 will be amended with the maturity date being extended until 30 June 2020, no principal payments until 30 June 2020 and the introduction of payment-in-kind interest for all interest payments to be made under the Glander Credit Facility.

• The company entered into an Exchange Agreement and a confirmation with TGS that all SBX04 Bonds outstanding under Tranche A shall be transferred to the company and that any interest on such SBX04 Bonds shall be irrevocably discharged in exchange for the transfer of title to the majority of the company's multi-client library assets to TGS, and confirmation that the company has cancelled all SBX04 Bonds under Tranche A. As part of the agreement there will be a post-closing due diligence period ending in quarter four where TGS will have the opportunity to return to SeaBird certain parts of the multi-client libraries that they may elect not to take ownership of. In relation to this agreement between the company and TGS there has also been established an Income Distribution Agreement between TGS and the Bond Trustee that will secure the Tranche B bondholders and Glander 25% of the income from any utilization, sale or other disposal of the multi-client libraries by TGS, less costs (defined as 10% of sales).

• The company entered into an agreement with the SBX04 bondholders to convert ~81.5% of tranche B of the SBX04 bond loan including accrued interest, as of 3 June 2017, in an aggregate amount of approximately $20.15 million into equity (33,731,959 shares) at an offer price reflecting a subscription price of equity at NOK 5.00 per share and that the remaining claim of SBX04, tranche B be of $4,559,409 will be amended with the maturity date being extended until 30 June 2020, no principal payments until 30 June 2020 and the introduction of payment-in-kind interest for all interest payments to be made under the SBX04 bond loan.

• The company also entered into an addendum to the Munin Charter Contract pursuant to which the charter period for the Munin Charter Contract will be extended to 30 June 2020, the charter hire will be reduced to $2,088 per day for the period from 3 June 2017 until 30 June 2020 and where the new charter hire can, at the company's discretion, be accumulated and not paid in cash before 30 June 2020. In accordance with this addendum, the difference between the new charter hire of $2,088 per day and the remaining and unpaid previous charter hire were converted into 17,398,123 shares at NOK 5.00 per share in accordance with the terms of the restructuring.

On 6 June 2017, the bondholders of SBX04 approved the restructuring proposal with the requisite majority in a bondholder meeting. Furthermore, on 13 June 2017, the company held an extraordinary general meeting to approve the conversion of debt into equity and to approve the restructuring. All proposals on the agenda were adopted with requisite majority.

On 1 August 2017, the company announced that all consents required for the restructuring had been obtained. The company effectuated the closing of the restructuring on 7 August, including the issuance of 54,389,711 new shares. The total number of shares in the company after issuance of the new shares was 57,455,145. The company will as a consequence of the restructuring reduce its debt and lease burden by approximately $37.5 million, have $5.7 million nominal value in outstanding financial debt and have no significant debt maturities until 30 June 2020. Additionally, all financial covenants throughout the term of the SBX04 bond agreement have been suspended.

The company booked a net operational restructuring loss of $5.7 million and a $1.2 million financial restructuring gain during the quarter. The SBX04 Tranche A bond loan was exchanged for the multi-client library as a part of the agreement with TGS resulting in a $3.0 million operational restructuring gain offset by a $8.6 million operational restructuring loss related to the modification of the Munin lease and settlement of Munin charter hire payables. The issuance of shares to partly settle the debt owed to Glander resulted in a $0.03 million operational restructuring gain. The company also incurred $0.6 million in transaction costs, of which $0.2 million was allocated to the operational restructuring loss account. Moreover, the company booked a net $1.2 million financial restructuring gain related to the issuance of shares to SBX04 Tranche B bondholders. The amount includes a fair value gain of $1.1 million partially offset by $0.4 million in allocated financial advisory cost. All share transactions in the restructuring has been booked at fair value using a share price of NOK 4.45 (closing share price at 1 August 2017) while the contractual share price in the restructuring agreements was NOK 5.00. The issuance of the new shares in relation the restructuring has increased the company's share capital by $30.6 million.

Subsequent events

On 2 October, the company held an extraordinary general meeting to create and issue Class A shares after the successful completion of the NOK 100 million private placement. The company also held a second extraordinary general meeting concerning the reduction of the company's authorized share capital and the conversion of the Class A shares into ordinary shares. The proposals on the agenda were adopted with requisite majority in both of these meetings.

On 4 October 2017, SeaBird Exploration PLC issued the 1 billion new Class A shares to the subscribers in the private placement. Following registration, the issued share capital will be US$6,745,514.5, consisting of 57,455,145 ordinary shares with par value of US$ 0.1 and 1,000,000,000 Class A shares with par value of US$ 0.001.

The company held an extraordinary general meeting on 23 October 2017 concerning the conversion of Class A shares into ordinary shares through the reduction of the company's authorized share capital and proposed changes to the board of directors and nomination committee. All proposals on the agenda were adopted with requisite majority. Mrs Annette Malm Justad, Mrs Kitty Hall and Mr Olav Haugland resigned from the board of the company effective as of 23 October 2017. The company's board of directors consists of Mr. Arne Helland (Chairman), Mr. Stig Myrseth and Mr. Hans Petter Klohs.

The Board of Directors and
Chief Executive Officer

SeaBird Exploration Plc

9 November 2017

Arne Helland
Chairman

Hans Petter Klohs
Director

Stig Myrseth
Director

Christophe Debouvry
Chief Executive Officer

Consolidated interim statement of financial position

All figures in USD 1 000's	As of 30 September 2017 (Unaudited)	As of 30 September 2016 (Unaudited)	As of 31 December 2016 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	31,333	50,123	47,541
Multi-client library	-	2,657	3,099
Long term investment	54	125	120
	31,387	**52,905**	**50,760**
Current assets			
Inventories	1,082	1,530	1,275
Trade receivables	1,495	12,921	2,135
Other current assets	3,669	3,473	3,014
Cash and cash equivalents	1,491	11,817	15,047
	7,737	**29,741**	**21,471**
Total assets	**39,124**	**82,646**	**72,231**
EQUITY			
Shareholders' equity			
Paid in capital	249,318	218,690	218,690
Equity component of warrants	2,736	2,736	2,736
Equity component of convertible loan	-	-	-
Currency translation reserve	(407)	(407)	(407)
Share options granted	-	-	-
Retained earnings	(243,754)	(192,141)	(198,950)
	7,893	**28,878**	**22,069**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	3,853	25,204	23,262
Provision for end of service benefit	-	-	-
	3,853	**25,204**	**23,262**
Current liabilities			
Trade and other payables	17,960	13,692	12,330
Provisions	3,358	4,381	2,033
Loans and borrowings	728	5,205	7,355
Tax liabilities	5,333	5,286	5,182
	27,379	**28,564**	**26,900**
Total liabilities	**31,232**	**53,768**	**50,162**
Total equity and liabilities	**39,125**	**82,646**	**72,231**

Consolidated interim statement of income

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2017	2016	2017	2016	2016
	(Unaudited)		(Unaudited)		(Audited)
Revenues	2,653	20,444	13,746	68,627	72,074
Cost of sales	(6,653)	(10,225)	(20,571)	(38,141)	(41,913)
Selling, general and administrative expenses	(3,255)	(3,109)	(9,713)	(10,230)	(13,308)
Net of bad debt charges	(1,434)	3,324	(1,258)	3,324	4,509
Other income (expenses), net	2	237	24	748	1,069
Operational restructuring loss	(5,687)	-	(5,687)	-	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	**(14,375)**	**10,671**	**(23,459)**	**24,328**	**22,431**
Depreciation	(3,061)	(3,132)	(9,231)	(10,026)	(12,829)
Amortization	(138)	(685)	(909)	(1,981)	(2,795)
Impairment	(8,073)	(9,856)	(8,073)	(9,856)	(9,856)
Earnings before interest and taxes (EBIT)	**(25,647)**	**(3,002)**	**(41,672)**	**2,465**	**(3,050)**
Finance expense	(1,511)	(1,278)	(4,001)	(4,132)	(5,469)
Other financial items, net	(295)	1,375	(421)	1,153	1,129
Financial restructuring gain	1,205	-	1,205	-	-
Profit/(loss) before income tax	**(26,248)**	**(2,905)**	**(44,889)**	**(514)**	**(7,390)**
Income tax	275	(80)	(124)	(595)	(611)
Profit/(loss) continuing operations	**(25,973)**	**(2,985)**	**(45,013)**	**(1,109)**	**(8,001)**
Net profit/(loss) discontinued operations (note 1)	-	-	209	-	93
Profit/(loss) for the period	**(25,973)**	**(2,985)**	**(44,804)**	**(1,109)**	**(7,908)**
Profit/(loss) attributable to					
Shareholders of the parent	(25,973)	(2,985)	(44,804)	(1,109)	(7,908)
Earnings per share					
Basic	(0.73)	(0.97)	(3.20)	(0.36)	(2.58)
Diluted	(0.73)	(0.97)	(3.20)	(0.36)	(2.58)
Earnings per share from continued operations					
Basic	(0.73)	(0.97)	(3.22)	(0.36)	(2.61)
Diluted	(0.73)	(0.97)	(3.22)	(0.36)	(2.61)

Consolidated interim statement of comprehensive income

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2017	2016	2017	2016	2016
	(Unaudited)		(Unaudited)		(Audited)
Profit/(loss)	**(25,973)**	**(2,985)**	**(44,804)**	**(1,109)**	**(7,908)**
Other comprehensive income					
Net movement in currency translation reserve and other changes	-	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**(25,973)**	**(2,985)**	**(44,804)**	**(1,109)**	**(7,908)**
Total comprehensive income attributable to					
Shareholders of the parent	(25,973)	(2,985)	(44,804)	(1,109)	(7,908)
Total	**(25,973)**	**(2,985)**	**(44,804)**	**(1,109)**	**(7,908)**

Consolidated interim statement of changes in equity

	Nine months ended 30 September		Year ended 31 December
	2017	2016	2016
	(Unaudited)		(Audited)
Opening balance	**22,069**	**29,976**	**29,976**
Profit/(loss) for the period	(44,804)	(1,109)	-
Increase/(decrease) in share capital	30,628	-	(7,908)
Increase/(decrease) equity component of warrants	-	-	-
Increase/(decrease) equity component of convertible loan	-	-	-
Share options granted	-	-	-
Net movements in currency translation reserve and other changes	-	11	-
Ending balance	**7,893**	**28,878**	**22,069**

Consolidated interim statement of cash flow

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2017	2016	2017	2016	2016
	(Unaudited)		(Unaudited)		(Audited)
Cash flows from operating activities					
Profit/(loss) before income tax	(26,248)	(2,905)	(44,889)	(514)	(7,390)
Adjustments for					
Non-cash effects of restructuring	3,625	-	3,625	-	-
Depreciation, amortization and impairment	11,272	13,673	18,212	21,863	25,480
Other items	(1,750)	(1,450)	(1,750)	(1,450)	(1,450)
Movement in provision	1,845	(3,609)	(1,138)	(7,787)	(10,098)
Unrealized exchange (gain)/loss	(161)	(6)	(229)	131	124
Interest expense on financial liabilities	459	958	2,474	2,930	3,918
Paid income tax	(7)	(150)	(528)	(752)	(925)
(Increase)/decrease in inventories	19	1,373	192	1,561	1,816
(Increase)/decrease in trade and other receivables	1,454	4,105	215	10,378	21,582
Increase/(decrease) in trade and other payables	7,752	(4,422)	12,248	(11,128)	(12,377)
Net cash from operating activities	**(1,740)**	**7,567**	**(11,568)**	**15,232**	**20,680**
Cash flows from investing activities					
Capital expenditures	(75)	(697)	(1,095)	(2,849)	(3,310)
Multi-client investment	-	(723)	-	(1,287)	(2,257)
Long-term investment	1	(120)	1	(120)	(115)
Net cash used in investing activities	**(74)**	**(1,540)**	**(1,094)**	**(4,256)**	**(5,682)**
Cash flows from financing activities					
Proceeds from issuance of preference shares and warrants	-	-	-	-	-
Receipts from borrowings	-	-	-	-	-
Repayment of borrowings	11	(1,575)	(218)	(3,060)	(3,274)
Interest paid	-	(723)	(677)	(2,351)	(2,930)
Net movement in currency fluctuations	-	-	-	-	-
Net cash from financing activities	**12**	**(2,298)**	**(895)**	**(5,411)**	**(6,203)**
Net (decrease)/increase in cash and cash equivalents	**(1,802)**	**3,730**	**(13,557)**	**5,565**	**8,795**
Cash and cash equivalents at beginning of the period	**3,294**	**8,087**	**15,047**	**6,252**	**6,252**
Cash and cash equivalents discontinued operations	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at end of the period	**1,493**	**11,817**	**1,491**	**11,817**	**15,047**

Note 1: Interim statement of income for discontinued operations

	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
	2017	2016	2017	2016	2016
	(Unaudited)		(Unaudited)		(Audited)
Revenues	-	-	-	-	-
Cost of sales	-	-	209.4	-	93.0
Selling, general and administrative expenses	-	-	-	-	-
Other income (expenses), net	-	-	-	-	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	**-**	**-**	**209.4**	**-**	**93.0**
Depreciation and amortization	-	-	-	-	-
Impairment	-	-	-	-	-
Earnings before interest and taxes (EBIT)	**-**	**-**	**209.4**	**-**	**93.0**
Interest expense	-	-	-	-	-
Other financial items, net	-	-	-	-	-
Profit/(loss) before income tax	**-**	**-**	**209.4**	**-**	**93.0**
Income tax	-	-	-	-	-
Profit/(loss) discontinuing operations	-	-	209.4	-	93.0
Gain/(loss) on sale of OBN business	-	-	-	-	-
Net profit/(loss) from discontinued operations	**-**	**-**	**209.4**	**-**	**93.0**
Profit/(loss) attributable to					
Shareholders of the parent	-	-	209.4	-	93.0

Selected notes and disclosures

SeaBird Exploration Plc is a limited liability company. At the end of the third quarter, the company's address was 25, Kolonakiou Street Block B, Office 101, 4103 Linopetra, Limassol, Cyprus. The company also had offices in Oslo (Norway), Houston (USA) and Singapore. The company is listed on the Oslo Stock Exchange under the ticker symbol "SBX".

Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) and the act and regulations for the Oslo Stock Exchange. The condensed interim consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016. The consolidated financial statements for the year ended 31 December 2016 and quarterly reports are available at www.sbexp.com. The financial statements as of Q3 2017, as approved by the board of directors 9 November 2017, are unaudited.

Significant accounting principles

The accounting policies used for preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for 2016 unless otherwise stated.

Risk factors

The information in this report may constitute forward-looking statements. These statements are based on various assumptions made by the company, many of which are beyond its control and all of which are subject to risks and uncertainties. Risk factors include but are not limited to the demand for our seismic services, the high level of competition in the 2D/3D market, changes in governmental regulations, adverse weather conditions, and currency and commodity price fluctuations. For further description of relevant risk factors, we refer to the annual report 2016. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward looking statements.

Segment information

All seismic vessels and operations are conducted and monitored within the company as one business segment.

Revenue recognition

Revenues and costs are recognized in line with project duration starting from first shot point in the seismic survey and ending at demobilization.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the item. Costs are included in the asset's carrying amount or recognized as a separate asset, if appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Costs of all repairs and maintenance are expensed as incurred. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:
Seismic vessels 10 to 15 years
Seismic equipment 4 to 8 years
Office equipment 4 years

The company's value in use model includes estimates of the expected future cash flows from each cash generating unit (each vessel) based on day-rate, utilization, direct and indirect costs and required capital investments over the remaining life of the vessel. These cash flows are discounted at the company's weighted average cost of capital (17%) to estimate the present value, which is compared to book value at the relevant balance sheet date. Impairment of property, plant and equipment is evaluated annually based on value in use calculations. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Currently, there is an overcapacity of vessels in the seismic market and there is a high uncertainty with regards to the future outlook in terms of utilization and day rates. There is a risk that an impairment of property, plant and equipment could be triggered by the lay-up of additional vessels, an extended lay-up period, a reduction in economic life or reduced utilization or contract day rates. The value in use model is based on revenue day rates in line with current market rates, increasing moderately in 2018 and beyond. Utilization is assumed to be in line with historical averages. To the extent that increases in day rates do not materialize, this could have a substantial effect on the value in use calculation. For example, an impairment of $4.7 million would be required if day rates remain at current rates through the life of the vessels. Similarly, a ten percentage point reduction in utilization throughout the life of the vessels, would require an estimated impairment of $0.9 million. The changes in these estimates from the previous quarter is largely due to reduced book values of the company's vessels and the impairment charge booked on the Northern Explorer.

Provisions for restructuring costs, onerous contracts and legal claims are measured at the management's best estimate of the expenditure required to settle the present obligation at the reporting date, and are discounted to present value. Due to the uncertain market outlook, there is a risk that an additional provision may need to be established for the leased vessel Munin Explorer due to an extended lay-up period, a reduction in economic life, reduced utilization, reduced contract day rates or additional costs to redeliver the vessel to its owner.

Leased vessels provisions

The Munin Explorer is chartered on a bareboat contract that runs through June 2020, with a current day rate of $2,088. Monthly charter hire costs is accrued monthly with optional deferred payment until 30 June 2020. During Q2 2015, the company decided to stack the Munin Explorer. The company booked operational restructuring charges of net $7.7 million for Munin Explorer in 2015, $0.2 million in 2016, $2.8 million in Q1 2017 and $1.8 million in Q3 2017. The vessel is currently expected to return to operation in Q3 2019. The provision covers the net present value of lay-up costs and capital expenditures less estimated profits for the remainder of the lease period. In the event that Munin Explorer is not reactivated at all, the company would incur the cost of remaining outstanding monthly charter hire amounting to $2.1 million and additional vessel stacking and redelivery costs until the end of the charter party, of which $3.2 million already has been provided for as a part of provisions as of 30 June 2017. Please see table below for additional details.

Provisions	USD millions
Opening balance 1 July 2017	1.6
Incurred cost	(0.2)
Interest expense	0.0
Changes in provision estimate	1.9
Ending balance 30 Sep	**3.4**

Multi-client library

Costs directly incurred in acquiring, processing and otherwise completing multi-client seismic surveys are capitalized to the multi-client library in the period when they occur.
• During the work in progress phase, amortization is based on total cost versus forecasted total revenues of the project.
• After a project is completed, a straight-line amortization is applied. The straight-line amortization will be assigned over the project's remaining useful life, which for most projects is expected to be four years. The straight-line amortization will be distributed evenly through the financial year, independently of sales during the quarters.

Multi-client sales in Q3 2017 were nil ($0.3 million). Multi-client amortization in Q3 2017 was $0.1 million ($0.7 million), of which $0.1 million was related to minimum amortization. Multi-client impairment was nil in Q3 2017 (nil).

During the quarter the company exchanged the majority of its multi-client library with TGS to settle the outstanding principal and interest for the SBX04 tranche A bond loan. The remaining multi-client library has zero book value and consists of two surveys in the EMEA region. A post-closing due diligence period (ending in Q4) was agreed, whereby TGS may return to SeaBird certain parts of the multi-client library. Any such return would not trigger any compensation from SeaBird to TGS. In case any multi-client surveys are returned to SeaBird, a potential reclassification adjustment may be required and could affect the income statement.

Multi-client library	USD millions
Opening balance 1 July 2017	2.3
Capitalized cost	-
Capitalized depreciation	-
Impairment	-
Amortization	(0.1)
Exchanged for SBX04 Tranche A	(2.2)
Net book value 30 Sep 2017	**-**

Debt securities and maturities

The company has one bond loan (SBX04; SeaBird Exploration Finance Limited First Lien Callable Bond Issue 2015/2020), one secured credit facility and one unsecured note. The total book value of outstanding debt as per 30 September 2017 is $4.6 million. Please see table below for additional details.

Debt securities	USD millions
Short term debt	
Unsecured debt	
Unsecured note, face value	0.7
Fair value adjustment and accumulated amortized interest*	(0.0)
Accrued interest	0.0
Current loans and borrowings 30 Sep 2017	**0.7**
Long term debt	
Secured debt	
SBX04 bond loan, face value	4.6
Secured credit facility, face value	0.4
Fair value adjustment and accumulated amortized interest*	(1.2)
Accrued interest	0.1
Non-current loans and borrowings 30 Sep 2017	**3.9**

*of which SBX04: $1.1 million, secured credit facility: $0.1 million

The SBX04 bond loan and the credit facility matures 30 June 2020. Neither the bond loan nor the credit facility will have any principal payments before 30 June 2020. All accrued interest may be paid-in-kind and deferred until 30 June 2020. Please see the restructuring and subsequent events section for further details. The unsecured note is payable in nine equal quarterly instalments of $236 thousand, with the first instalment falling due 1 January 2016.

Aggregate maturities of loans and borrowings	USD millions
Overview of repayment	
Q4 2017	0.7
2018	-
2019	-
2020*	5.0
Total debt principal 2017	**5.7**

Discontinued operations

On 8 December 2011, the company sold the ocean bottom node business (accounted for as discontinued operations) to Fugro Norway AS. The company has no remaining assets or potential revenues therefrom, but has provided for certain tax liabilities in relation to the discontinued operations. The company had net income of nil related to discontinued operations in the quarter. See note 1 to the consolidated income statement for the income statement for discontinued operations.

Share capital and stock options

The total number of ordinary shares at 30 September 2017 is 57,455,145 with a nominal value of $0.1 per share. During the quarter the company announced a private placement of 1,000,000,000 new Class A shares at a price of NOK 0.10 per Offer Share raising NOK 100 million in gross proceeds. The private placement was completed 2 October. The new shares have been delivered to investors subsequent to quarter end. These new shares will be converted into ordinary shares at a rate of 1 Offer Share per ordinary share. The conversion is expected to be completed during quarter four. The ordinary share count will then be 1,057,455,145. Furthermore, 884,686 warrants are outstanding, each with an exercise price of NOK 100 per share and an expiration date of 15 January

2018. The company has no stock options outstanding as at 30 September 2017.

Taxes

The parent company, SeaBird Exploration Plc, is subject to taxation in Norway while the majority of its subsidiaries are subject to taxation in Cyprus. The company is also subject to taxation in various other jurisdictions because of its global operations. The company is continuing to evaluate its historical tax exposures, which might change the reported tax expense.

Related party transactions

All related party transactions have been entered into on an arm's length basis. The company had no related party transactions during the quarter.

Going concern

The company's accounts have been prepared on the basis of a going concern assumption. In the view of the board of directors, the continued challenging market conditions create a material risk to this assumption. In the event that new backlog cannot be secured on satisfactory rates or at all, the company would need to sell assets or raise additional financing, which may not be available at that time. Alternatives may exist to sell or otherwise monetize certain assets, but the ability to sell or otherwise monetize assets, being primarily made up of owned vessels, would require consent from lenders as all such assets are held as security for loan arrangements, and may therefore not be available within a short time frame or at all. Should none of these financing arrangements be available at that time, such circumstance would have a significant negative effect on SeaBird's financing situation and its ability to continue operations. In such a scenario, the company would be unable to meet its liabilities as they fall due and to continue as a going concern. In such event, SeaBird would be unable to realize the carrying value of its property, plant and equipment, whose values on a forced sale basis would be significantly lower than their carrying values.

CYPRUS – HEAD OFFICE
25, Kolonakiou Street
Block B, Office 101
4103 Linopetra, Limassol
Cyprus

UNITED STATES
820 Gessner
Suite 1275
Houston, TX 77024
USA

NORWAY
Cort Adelers gate 16
N-0254 Oslo
PO Box 1302 Vika
N-0112 Oslo
Norway

SINGAPORE
1 Fullerton Road
#02-01 One Fullerton
Singapore 049213

WWW.SBEXP.COM

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