

SeaBird Exploration

Third Quarter Presentation
10 November 2017

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Forward-looking statements

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Agenda

- Highlights
- Restructuring and cost reduction
- Operational review
- Financial review
- Summary and outlook
- Q&A

Highlights



Highlights

Financial results

- Revenues of \$2.7 million (\$2.6 million Q2 2017)
- Adjusted EBITDA of negative \$5.0 million (negative \$6.3 million Q2 2017)
- Adjusted EBIT of negative \$8.2 million (negative \$9.7 million Q2 2017)
- Financial restructuring completed
 - Total face value debt reduced to \$5.7 million
 - Munin charterhire reduced to \$2,088 per day
 - Pay-in-kind option on SBX04 and charterhire; no financial covenants
- NOK 100 million equity offering completed after close of quarter
 - NOK 5 million repair issue under evaluation

Quarterly observations

- Letter of intent to conduct a shallow water 3D survey with a duration of approximately two months
- Option agreement with TGS to provide up to 20 vessel months of seismic services
- Implemented incremental cost reduction program; SG&A cost for Q4 to decline relative to Q3

Restructuring and cost reduction



Debt restructuring summary

- Completed comprehensive restructuring of debt and charter agreements
- Substantially reduced financial obligations; flexible capital structure
- Key restructuring elements
 - SBX04 A tranche settled against multi-client portfolio; 25% of future net income from portfolio to SBX04 B tranche and Glander credit facility
 - SBX04 B tranche and Glander credit facility 81.5% converted to equity at NOK 5.00 per share; \$5.0 million remaining (maturity 30 June 2020, no financial covenants, pay-in-kind interest, payable in whole or in part at any time at 100%)
 - Ordinat (Munin Explorer) 81.5% of future and unpaid charter hire converted to equity at NOK 5.00 per share; adjusted lease expiring 30 June 2020 at day rate of \$2,088 per day (pay-in-kind day rate)
 - Koleh loan (Voyager Explorer) unchanged at \$0.7 million
- Transaction announced 26 May 2017
 - SBX04 bondholder approval 6 June 2017
 - Shareholder approval 13 June
 - All conditions precedent satisfied 1 August 2017

Debt and charter hire conversion mechanics

Debt conversion

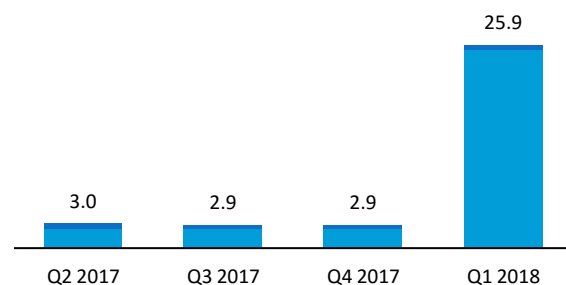
Conversion price NOK	5.00
USD/NOK	8.37
Conversion price USD	0.60

	Previous „claim“	New debt/lease	To be converted	Shares	
SBX04B (inc accrued interest)	24,709,922	4,559,409	20,150,513	33,731,959	58.7%
Glander (inc accrued interest)	2,387,801	440,591	1,947,210	3,259,630	5.7%
Ordinat	12,744,776	2,351,632	10,393,144	17,398,123	30.3%
Current shares				3,065,434	5.3%
	39,842,499	7,351,632		57,455,145	

Reduced commitments

Restructured debt obligations²⁾

Pre restructuring

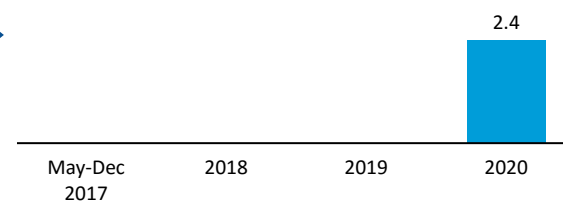
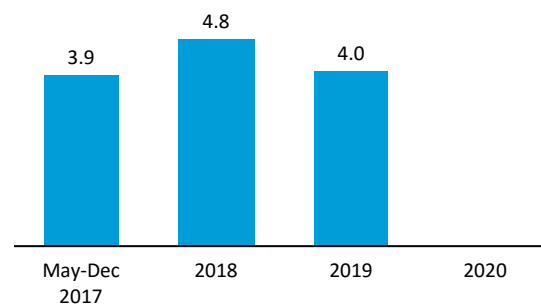


Post restructuring



■ Interest ■ Principal

Charter hire obligations



Notes:

1) Includes accrued interest in period leading up to 30 June 2017

2) Includes SB04 and credit facility; does not include unsecured note \$0.7 million maturing 1. January 2018

Subsequent equity offering

- NOK 100 million equity private placement completed 2 October 2017, subsequent to quarter end
 - Subscription price NOK 0.10 per share
 - New A-class shares with nominal value \$0.001 per share; rank pari passu with ordinary shares
- Proposed A-class repair issue NOK 5 million
 - Targeted for end of November to early December
- A-class shares to be converted into ordinary shares following reduction of nominal value for each ordinary share from current \$0.1 to \$0.001
- Merging of share classes expected to be completed by late December

Pro forma capitalization summary

Overview of restructuring (nominal values)					
All figures in USD millions	Q3 pre-restructuring	Restructuring adjustments	Reported Q3	Post Q3 equity offering	Proforma Q3
SBX04, A (TGS)	5.2	(5.2)	-		-
SBX04, B	24.7	(20.2)	4.6		4.6
Glander	2.4	(1.9)	0.4		0.4
Koleth	0.7	-	0.7		0.7
Total debt	33.0	(27.3)	5.7²⁾		5.7
Equity	(18.2)	26.1¹⁾	7.9	12.0³⁾	19.9
Cash balance	1.5	-	1.5	12.0	13.5

Following the completion of the restructuring,
SeaBird is in a net cash position

Notes:

- 1) Issued shares valued at \$30.6 million less equity adjustment of \$4.5 million relating to legal costs and net restructuring losses
- 2) Total book value of debt is \$4.6 million net of amortized cost
- 3) Refers to NOK 100 million share issue net of underwriting fees.
Not including repair issue of NOK 5 million

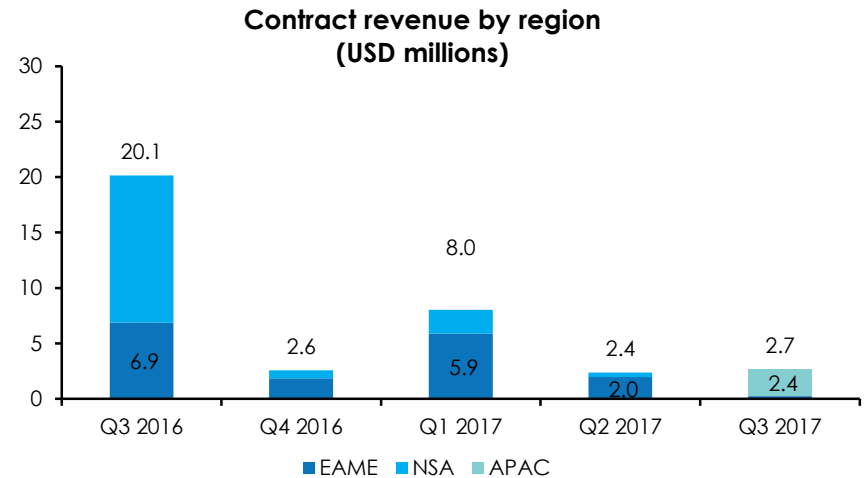
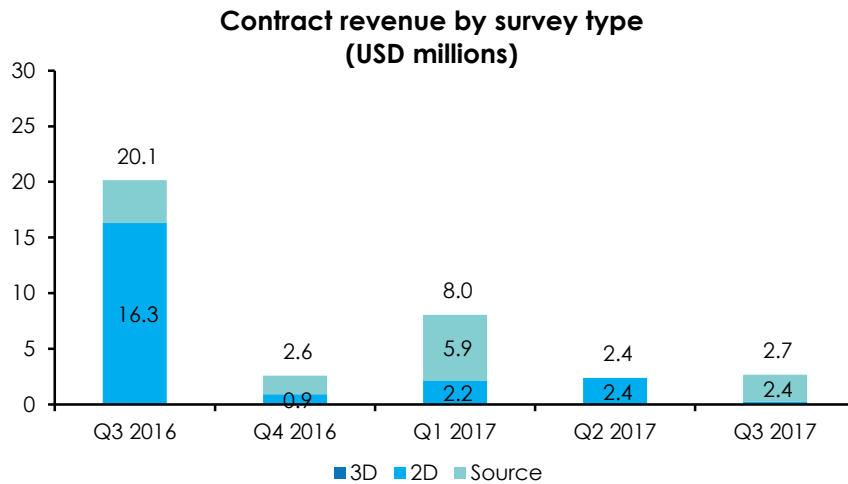
Continued cost reduction effort

- The company is continuing its cost management efforts
- Onshore staff further reduced; offices under consolidation
- General onshore expense estimates reduced significantly
- Target annual SG&A run rate reduced relative to Q3
- SG&A target based on current activity levels; would expect costs to increase moderately as vessel utilization improves

Operational review

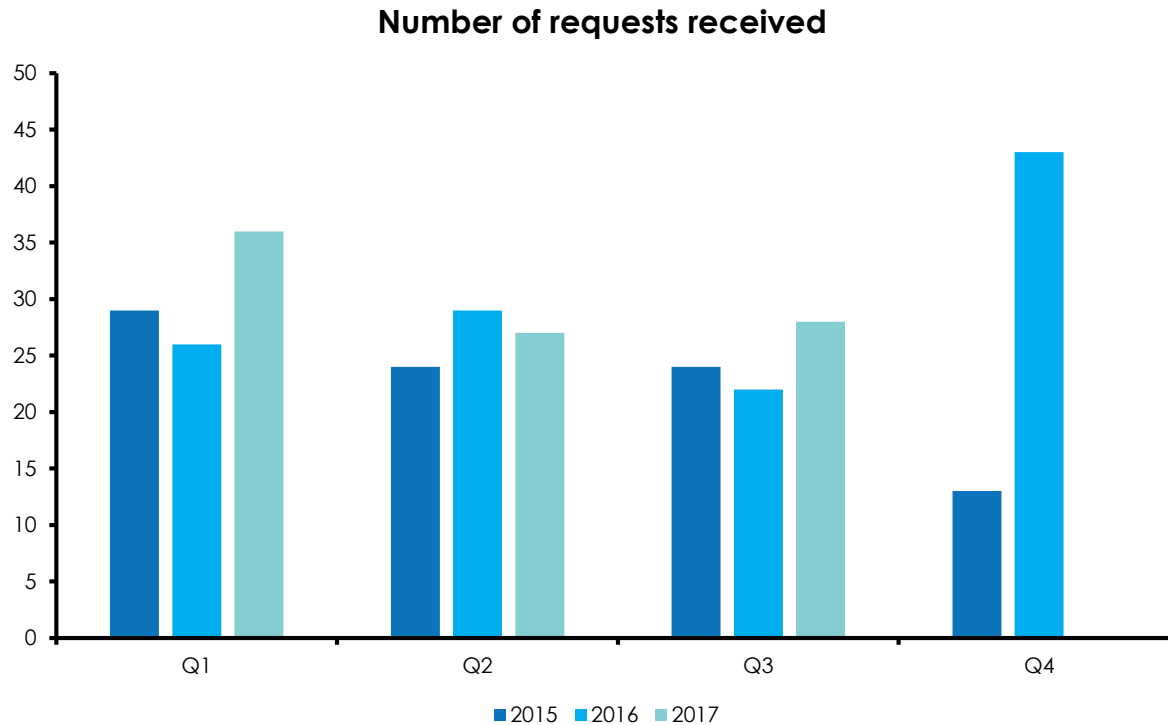


Segment operating activity



- Q3 revenues impacted by market weakness
- Largest revenue contribution from APAC region in Q3

Tender and bid activity



Business Update

- With two vessels currently at work on projects extending into Q1, utilization expected higher in Q4-17 as compared to prior two quarters
- Letter of intent to conduct a shallow water 3D seismic survey in the West Africa region with a duration of approximately two months; anticipated project start up during the first half of 2018
- Option agreement signed with TGS to provide up to 600 vessel days of seismic services
 - Call-off under the option agreement may be made throughout 2017; agreement may be extended through 2018 under certain conditions

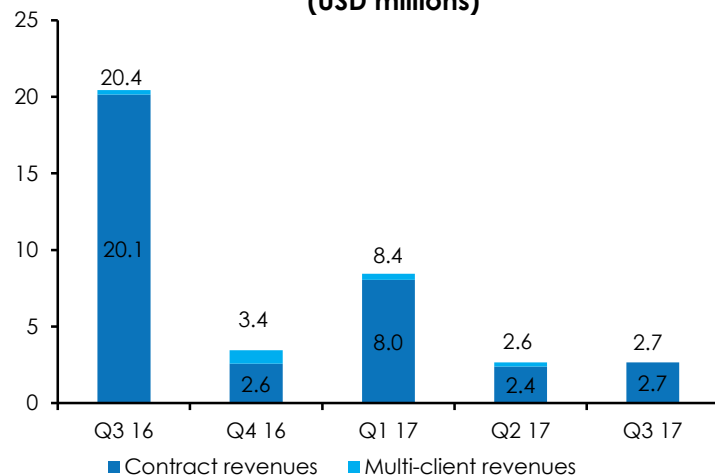


Financial review

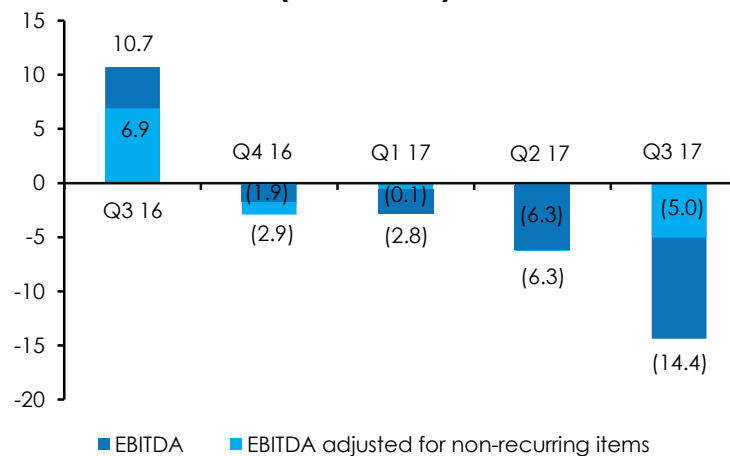


Historical operating comparison

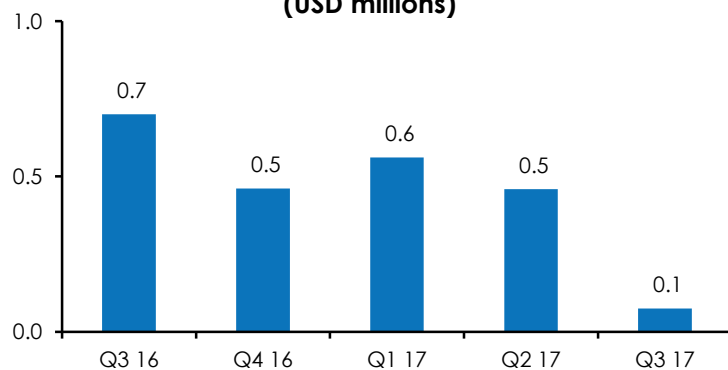
Revenues
(USD millions)



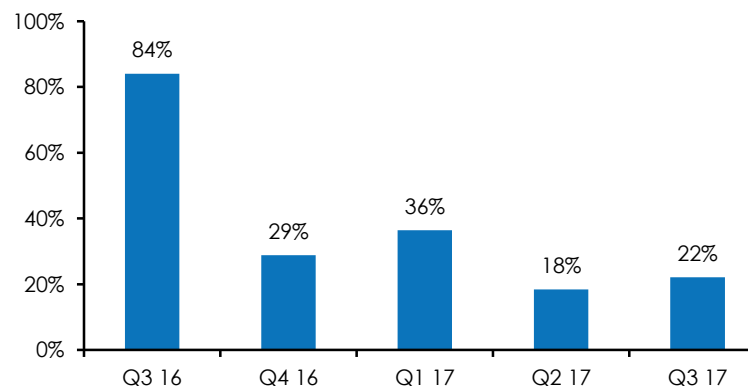
EBITDA
(USD millions)



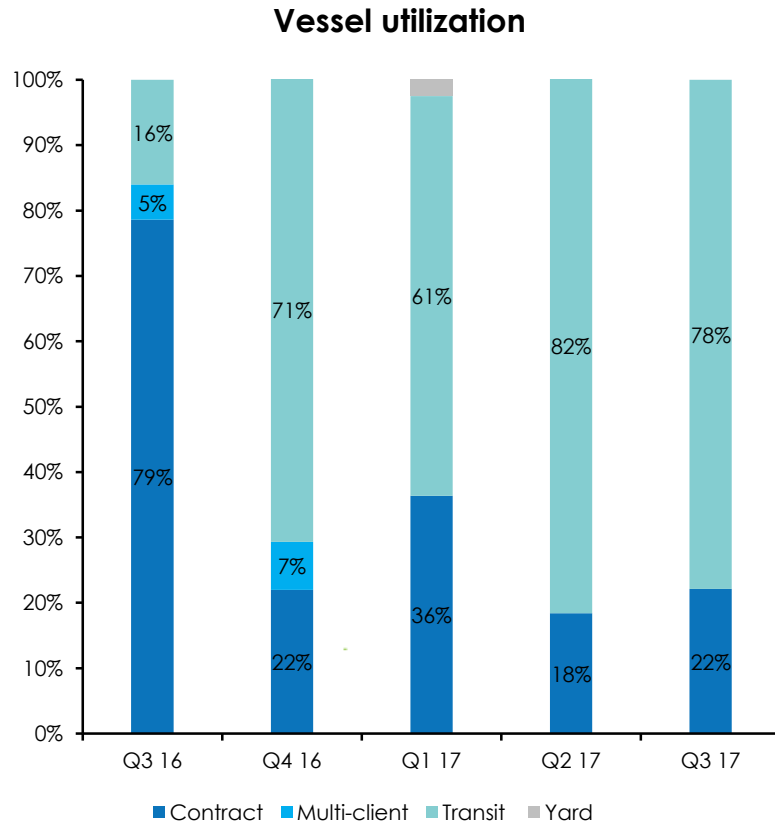
Capital expenditure
(USD millions)



Vessel utilization



Vessel utilization



- Q3 utilization of 22%
 - One vessel working in the APAC region
 - One vessel completing a project in the EAME region early in the quarter

Income statement Q3 2017

CONSOLIDATED INTERIM STATEMENT OF INCOME

	Adjusted	Non-recurring items	Quarter ended 30 September	
All figures in USD millions (except EPS)	2017	2017	2017	2016
Contract	2.7	-	2.7	20.1
Multi-client	-	-	-	0.3
Total revenues	2.7	-	2.7	20.4
Cost of sales	(5.0)	1.6	(6.7)	(10.2)
SG&A	(2.7)	0.6	(3.3)	(3.1)
Bad debt charges	(0.0)	1.4	(1.4)	3.3
Other income (expenses), net	0.0	-	0.0	0.2
Operational restructuring loss	(0.0)	5.7	(5.7)	-
EBITDA	(5.0)	9.3	(14.4)	10.7
Depreciation	(3.1)	-	(3.1)	(3.1)
Amortization	(0.1)	-	(0.1)	(0.7)
Impairment	(0.0)	8.1	(8.1)	(9.9)
EBIT	(8.2)	17.4	(25.6)	(3.0)
Interest and finance expense	(0.9)	0.9	(1.8)	0.1
Financial restructuring gain	(0.0)	(1.2)	1.2	-
Income tax	(0.0)	(0.3)	0.3	(0.1)
Profit/(loss)	(9.2)	16.8	(26.0)	(3.0)
Earnings per share from continued operations				
Basic			(0.73)	(0.97)
Diluted			(0.73)	(0.97)

Summary non-recurring charges

Overview of adjustments	
	USD millions
Cost of sales	
Onerous lease charge Munin Explorer	1.8
Other	(0.2)
Total cost of sales	1.6
SG&A	
Transaction and restructuring related costs	0.6
Net bad debt charges	1.4
Operational restructuring loss	
Munin charter conversion	8.6
Gain on sale multi-client library (SBX04 Tranche A)	(3.0)
Other	0.1
Total	5.7
Impairment	
Northern Explorer	8.1
Financial restructuring gain (SBX04 B)	(1.2)
Other net	0.6
Total adjustments	16.8

Cash flow statement

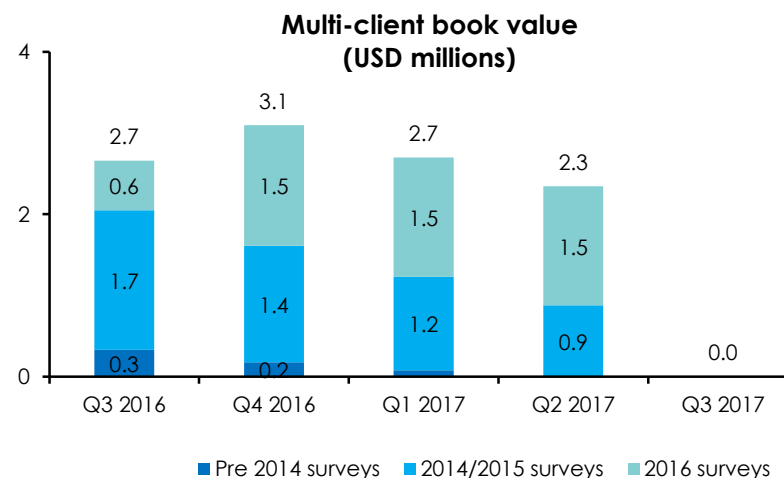
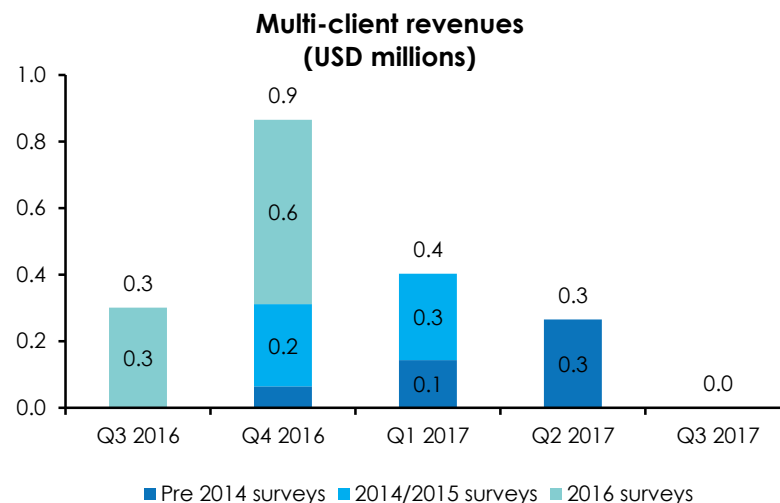
CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Quarter ended 30 September	
All figures in USD millions	2017	2016
Profit/(loss) before income tax	(26.2)	(2.9)
Restructuring gain	3.6	-
Other non-cash items	11.7	9.6
Paid income tax	(0.0)	(0.1)
(Increase)/decrease in inventories	0.0	1.4
(Increase)/decrease in trade and other receivables	1.5	4.1
Increase/(decrease) in trade and other payables	7.8	(4.4)
Net cash from operating activities	(1.7)	7.6
Capital expenditures	(0.1)	(0.7)
Other long term investment	0.0	(0.1)
Multi-client investments	(0.0)	(0.7)
Net cash from investing activities	(0.1)	(1.5)
Proceeds from share issuance	-	-
Borrowings	0.0	(1.6)
Other financial items	-	(0.7)
Net cash from financing activities	0.0	(2.3)
Net (decrease)/increase in cash and cash equivalents	(1.8)	3.7

Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 30 September	
All figures in USD millions (except for equity ratio)	2017	2016
Property, plant and equipment	31.3	50.1
Multi-client library	-	2.7
Other non-current assets	0.1	0.1
Inventories	1.1	1.5
Trade receivables	1.5	12.9
Other current assets	3.7	3.5
Cash and cash equivalents	1.5	11.8
Total assets	39.1	82.6
Equity	7.9	28.9
Non-current loans and borrowings	3.9	25.2
Trade and other payables	18.0	13.7
Provisions	3.4	4.4
Tax liabilities	5.3	5.3
Current loans and borrowings	0.7	5.2
Total equity and liabilities	39.1	82.6
Net interest bearing debt	3.1	18.6
Equity ratio %	20.2%	34.9%

Multi-client update

- No multi-client revenues in the quarter
- Multi-client library¹⁾ exchanged for Tranche A SBX04 bonds during the quarter as a part of restructuring
- Current book value of remaining multi-client library is zero



1) A post-closing due diligence period (ending in Q4) was agreed with TGS, 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.

Provisions

- Incurred \$0.2 million in operating costs and \$0.03 million in interest expense that were charged against provisions during the quarter
- Onerous lease charges of \$1.8 million relating to Munin Explorer and \$0.1 million in office leases in the quarter
- Remaining provision of \$3.4 million
 - \$3.2 million relating to Munin Explorer
 - \$0.1 million relating to office leases

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 September 2017	3.4

Summary and outlook



Outlook

- The seismic market generally remains soft, but tendering activity continues
 - Higher levels of the tendering activity as compared to 2015-16, albeit softer than during the spike recorded in Q4-16/Q1-17
 - However, long decision processes and slow conversion from tender to contract prevail
- Q4 utilization anticipated higher than Q3 with both Voyager Explorer and Osprey Explorer expected to be active on their current projects into Q1 2018
- With the fully implemented balance sheet restructuring and the reorganization/cost optimization, SeaBird is better positioned to operate in the prevailing market environment

Q&A

