Q4 2017

SeaBird Exploration

CONTENTS

$5.5 m

revenues

-$1.5 m

adjusted EBITDA

42%

fleet utilization

NOK 105 m

in new equity raised from private placement and equity repair issue completed during the quarter

2017 SUMMARY OBSERVATIONS FOR THE FOURTH QUARTER

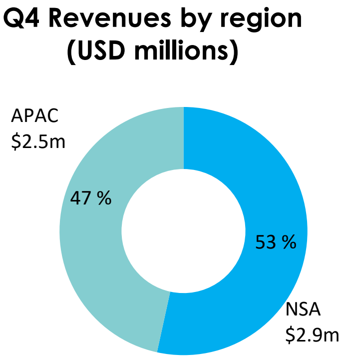
SeaBird recorded a 42.2% active vessel utilization in Q4 2017 compared to 22.1% in Q3. The fourth quarter was characterized by substantial competition, long contracting lead-time and continued market uncertainty.

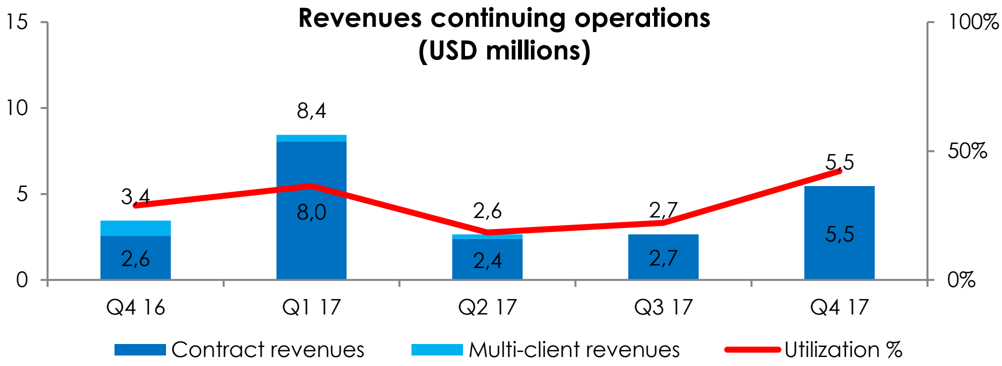
During the quarter, the company completed an equity offering and a subsequent equity repair offering, raising NOK 105 million in gross proceeds.

The company implemented further reduction in onshore headcount and administrative costs during the quarter. The company expects the SG&A costs to continue to decline in the first quarter 2018.

- Revenues for the quarter were $5.5 million, an increase of 59% compared to Q4 2016 and up 106% relative to Q3 2017.
- Contract revenues for the period were $5.5 million, up 112% from Q4 2016 and up 106% relative to Q3 2017.
- Reported EBITDA was negative $2.1 million compared to negative $1.9 million for Q4 2016 and negative $14.4 million for Q3 2017. EBITDA adjusted for non-recurring items of negative $1.5 million.
- Reported EBIT for the quarter was negative $4.7 million compared to negative $5.5 million for Q4 2016 and negative $25.6 million for Q3 2017. Adjusted EBIT of negative $3.6 million.

KEY HIGHLIGHTS





Operational review

Vessel utilization in the fourth quarter of 2017 improved relative to quarter two and quarter three. Active vessel utilization for the fourth quarter was 42.2%, up from 22.1% in the third quarter. Contract surveys represented 42.2% of vessel capacity compared to 22.1% for the third quarter of 2017. Technical downtime for the fleet was 1.4% in Q4 2017, up from 0.2% in Q3.

Voyager Explorer continued on its source contract in Asia, which is expected to be completed at the end of the first quarter of 2018. Osprey Explorer was employed on a source contract in South America during the quarter, which continued into the first quarter 2018.

Harrier Explorer and Aquila Explorer were not active on projects in the quarter while the Munin Explorer remained stacked in North America. The Northern Explorer was in transit late in the quarter to be decommissioned. The company has executed an agreement to divest the vessel. Delivery of the vessel was completed in the first quarter of 2018. Yard stay represented 0% of active vessel capacity during the quarter.

The company had non-recurring charges and costs of net $1.5 million during the quarter, which includes $0.4 million in Northern Explorer transit costs, a $0.1 million charge for the Munin Explorer onerous lease, $0.2 million in non-recurring legal costs and office closing costs, $0.2 million in restructuring losses related to additional interest due to changes in cost of capital partly offset by a gain in relation to the multi-client library debt settlement with TGS, $0.3 million in impairment for seismic equipment and $0.2 million in multi-client impairment. The return of the multi-client surveys was a subsequent event, but booked in quarter four as a $0.2 million reclassification between restructuring gain and impairment of a multi-client survey.

Capital expenditures were nil during the quarter compared to $0.5 million in Q4 2016. Lost time injury frequency (LTIF) rate for the quarter was 0.0.

Regional overview

North and South America (NSA) represented the largest portion of revenues during the quarter. NSA revenues of $2.9 million represented 53% of total Q4 revenues. The Osprey Explorer continued on its source project in South America during the period.

Asia Pacific (APAC) revenues of $2.5 million represented 47% of total Q4 revenues. Voyager Explorer worked on its source project in South East Asia during the quarter.

Europe and Middle East (EMEA) revenues during the quarter were nil.

Outlook

Oil prices and oil exploration macro indicators improved markedly in the second half of the year. We expect that these improvements will translate into growing market demand in all our core business segments. Moreover, the continued structural growth in the ocean bottom seismic market is expected to result in increasing source vessel demand and the company is well positioned to capitalize on this development.

The company expects to have two vessels active towards the end of quarter one 2018 and aims to maintain two vessels in operation throughout the year. Based on achieving the company's 2018 plan of maintaining two vessels in active operation 70% of the time, the company is adequately funded.

Financial comparison

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

The company reports net loss of $5.8 million for Q4 2017 (net loss of $6.9 million in the same period in 2016).

Revenues were $5.5 million in Q4 2017 ($3.4 million). The increased revenues are primarily due to higher utilization.

Cost of sales was $5.4 million in Q4 2017 ($3.8 million). The increase is predominantly due to higher project activity and a $0.4 million non-recurring charge related to the decommissioning of the Northern Explorer. The company booked approximately $1 million in total cost of sales related to decommissioned vessels during quarter.

SG&A was $2.3 million in Q4 2017, down from $3.1 million in Q4 2016. The decrease is principally due to reduced onshore headcount and cost cutting efforts partially offset by additional legal costs in relation to the two equity issues completed in the quarter. The company expects SG&A to decline further in Q1 2018 in line with previously communicated targets. SG&A run-rate per December is approximately $1.5 million per quarter after completion of the cost cutting effort.

Net bad debt charges were nil in Q4 2017 (gain of $1.2 million).

Other income (expense) was $0.0 million in Q4 2017 ($0.3 million).

Operational restructuring gain was $0.1 million in Q4 2017 (nil).

EBITDA was negative $2.1 million in Q4 2017 (negative $1.9 million).

Depreciation, amortization and impairment were $2.7 million in Q4 2017 ($3.6 million). The decrease is due to lower book values triggered by the reduction in the fleet and booking of the impairment on the Northern Explorer in Q3.

Finance expense was $0.4 million in Q4 2017 ($1.3 million). The decrease relates to the reduced debt levels in the company following the recently implemented restructuring.

Other financial items were negative $0.3 million in Q4 2017 ($0.0 million).

Financial restructuring loss was $0.3 million in Q4 2017 (nil) resulting from an interest charge due to lowered estimated debt market rates for the company's debt.

Income tax cost was $0.1 million in Q4 2017 ($0.0 million).

Capital expenditures in the quarter were nil ($0.5 million).

Key figures - continuing operations

All figures in USD 1 000'S (except EPS and equity ratio)	Quarter ended 31 December		Year ended 31 December	
	2017 (Unaudited)	2016 (Audited)	2017 (Unaudited)	2016 (Audited)
Revenues	5,466	3,447	19,212	72,074
EBITDA	(2,096)	(1,898)	(25,556)	22,431
EBIT	(4,781)	(5,515)	(46,453)	(3,050)
Profit/(loss)	(5,877)	(6,891)	(50,890)	(8,001)
Earnings per share (diluted)	(0.01)	(2.25)	(0.19)	(2.61)
Cash flow operating activities	(7,170)	5,448	(18,737)	20,680
Capital expenditures	-	(461)	(1,095)	(3,310)
Total assets	41,247	72,231	41,247	72,231
Net interest bearing debt	(1,909)	15,569	(1,909)	15,569
Equity ratio	35.5%	30.6%	35.5%	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 $6.6 million ($15.0 million in Q4 2016), of which $0.2 million was restricted in connection with deposits and taxes. Net cash from operating activities was negative $7.2 million in Q4 2017. The negative operational cash flow in quarter four was mainly due to operational optimization, one-time payable unwind, payment of financial advisory fees and settlement of one-off office closing costs.

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 2015/2018 Tranche B") is recognized in the books at amortized cost of $4.0 million per Q4 2017 (nominal value of $4.6 million plus payment in kind interest of $0.1 million plus accrued interest of $0.0 million plus amortized interest of $0.0 million less fair value adjustment of $0.7 million). 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 Q4 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 $0.4 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 Q4 2017 amounted to $0.5 million and additional amounts drawn on the credit facility during the period was $0.5 million. Interest paid during Q4 2017 was nil.

The three year unsecured loan is recognized at amortized cost of $0.22 million (initial nominal value of $2.1 million plus amortized interest $0.0 million less fair value adjustment of $0.0 million less principal repayments of $1.8 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 Q4 2017 was nil and principal repayments during Q4 2017 was $0.5 million. Net interest bearing debt was negative $1.9 million as at the end of Q4 2017 ($15.6 million in Q4 2016). Accrued interest on the bond loan, credit facility and the unsecured note for Q4 2017 was $0.2 million ($0.2 million).

The total outstanding amount of shares in the company is 57,455,145 common shares and 1,050,000,000 Class A shares at 31 December 2017. The company's issued share capital as per 31 December is US$6,795,514.5, consisting of 57,455,145 ordinary shares with par value of US$ 0.1 and 1,050,000,000 Class A shares with par value of US$ 0.001. 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 carried out a private placement of equity and a repair offering of Class A shares, raising total gross proceeds of NOK 105 million at the NOK 0.1 offer price. The private placement was directed to a limited group of investors while the repair issue was offered to the company's 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 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 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.

Subsequent events

On 16 January 2018, the company's listed warrants expired and were delisted from the Oslo Stock Exchange.

The post-closing due diligence period, whereby TGS may return to SeaBird certain parts of the multi-client library, was completed. Two multi-client surveys in the South East Asia region and one survey in West-Africa will remain with SeaBird. The return of the multi-client surveys to SeaBird was booked in quarter four as a $0.2 million reclassification between restructuring gain and impairment loss on multi-client libraries.

On 5 February 2018, the company's 1,050,000,000 class A shares were converted to ordinary shares at a rate of 1 class A share to 1 ordinary share. Moreover, a reduction in the company's authorized share capital was completed through the reduction of the nominal value of the ordinary shares from US$ 0.1 to US$ 0.001 per share. The total outstanding amount of shares in the company is 1,107,455,145 common shares after the completion of the share conversion.

On 16 February 2018, the company entered into a settlement agreement with Ordinat Shipping AS, the owners of Munin Explorer for the termination of the charter party agreement and redelivery of the vessel. The transaction is conditional on the fulfilment of certain preconditions and is expected to be approximately cash neutral to the company in 2018 and 2019. The company is estimating that the transaction will save in excess of $2 million over the term of the contract, including the forgiveness of the $2.4 million charter hire payment due 30 June 2020. The settlement agreement provides for a three year non-competition restriction whereby the vessel cannot compete in the company's markets.

On 19 February 2018, the company announced that it signed an agreement to provide a source vessel (Osprey Explorer) for an upcoming survey in West Africa. The project is anticipated to commence during Q1 and will have a duration of approximately 60 days.

The Board of Directors and Chief Executive Officer

SeaBird Exploration Plc

22 February 2018

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 31 December 2017 (Unaudited)	2016 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	28,408	47,541
Multi-Client Investment	-	3,099
Long term investments	54	120
	28,462	**50,760**
Current assets		
Inventories	996	1,275
Trade receivables	1,157	2,135
Other current assets	3,591	3,014
Cash and cash equivalents	6,554	15,047
Assets classified as held for sale	487	
	12,785	**21,471**
Total assets	**41,247**	**72,231**
EQUITY		
Shareholders' equity		
Paid in Capital	261,947	218,690
Equity component of warrants	2,736	2,736
Equity component of convertible loan	-	-
Currency translation reserve	(407)	(407)
Share options granted	-	-
Retained earnings	(249,631)	(198,950)
	14,645	**22,069**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	4,420	23,262
Other long term liability	443	-
	4,863	**23,262**
Current liabilities		
Trade payables	5,085	5,621
Other payables	8,202	6,709
Provisions	2,994	2,033
Loans and borrowings	225	7,355
Tax payable	5,233	5,182
	21,739	**26,900**
Total liabilities	**26,602**	**50,162**

Consolidated interim statement of income

All figures in USD 000's (except EPS)	Quarter ended 31 December 2017 (Unaudited)	Quarter ended 31 December 2016 (Audited)	Year ended 31 December 2017 (Unaudited)	Year ended 31 December 2016 (Audited)
Revenues	5,466	3,447	19,212	72,074
Cost of sales	(5,413)	(3,772)	(25,983)	(41,913)
Selling, general and administrative expenses	(2,289)	(3,078)	(12,002)	(13,308)
Net bad debt charges	-	1,185	(1,258)	4,509
Other income (expenses), net	-	320	24	1,069
Operational restructuring loss	138	-	(5,549)	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	**(2,096)**	**(1,898)**	**(25,556)**	**22,431**
Depreciation	(2,130)	(2,803)	(11,360)	(12,829)
Amortization	-	(814)	(909)	(2,795)
Impairment	(554)	-	(8,628)	(9,856)
Earnings before interest and taxes (EBIT)	**(4,781)**	**(5,515)**	**(46,453)**	**(3,050)**
Finance expense	(388)	(1,337)	(4,388)	(5,469)
Other financial items, net	(329)	(24)	(750)	1,129
Financial restructuring gain	(321)	-	884	-
Profit/(loss) before income tax	**(5,818)**	**(6,876)**	**(50,708)**	**(7,390)**
Income tax	(58)	(16)	(182)	(611)
Profit/(loss) continuing operations	**(5,877)**	**(6,891)**	**(50,890)**	**(8,001)**
Net profit/(loss) discontinued operations (note 1)	-	93	209	93
Profit/(loss) for the period	**(5,877)**	**(6,798)**	**(50,681)**	**(7,908)**
Profit/(loss) attributable to				
Shareholders of the parent	(5,877)	(6,798)	(50,681)	(7,908)
Earnings per share	-	-	-	-
Basic	(0.01)	(2.22)	(0.19)	(2.58)
Diluted	(0.01)	(2.22)	(0.19)	(2.58)
Earnings per share from continued operations				
Basic	(0.01)	(2.25)	(0.19)	(2.61)
Diluted	(0.01)	(2.25)	(0.19)	(2.61)

Consolidated interim statement of comprehensive income

All figures in USD 1 000's	Quarter ended 31 December 2017 (Unaudited)	Quarter ended 31 December 2016 (Audited)	Year ended 31 December 2017 (Unaudited)	Year ended 31 December 2016 (Audited)
Profit/(loss)	**(5,877)**	**(6,798)**	**(50,681)**	**(7,908)**
Other comprehensive income	-	-	-	-
Net movement in currency translation reserve and other changes	-	-	-	-
Total other comprehensive income, net of tax	**-**	**-**	**-**	**-**
Total comprehensive income	**(5,877)**	**(6,798)**	**(50,681)**	**(7,908)**
Total comprehensive income attributable to	**-**	**-**	**-**	**-**
Shareholders of the parent	(5,877)	(6,798)	(50,681)	(7,908)
Total	**(5,877)**	**(6,798)**	**(50,681)**	**(7,908)**

Consolidated interim statement of changes in equity

All figures in USD 1 000's	Year ended 31 December 2017 (Unaudited)	Year ended 31 December 2016 (Audited)
Opening balance	**22,069**	**29,976**
Profit/(loss) for the period	(50,681)	-
Increase/(decrease) in share capital	43,257	(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	-	-
Ending balance	**14,645**	**22,069**

Consolidated interim statement of cash flow

All figures in USD 000's	Quarter ended 31 December 2017 (Unaudited)	Quarter ended 31 December 2016 (Audited)	Year ended 31 December 2017 (Unaudited)	Year ended 31 December 2016 (Audited)
Cash flows from operating activities				
Profit / (loss) before income tax	(5,818)	(6,876)	(50,708)	(7,390)
Adjustments for:	-	-		
Non-cash effects of restructuring	96	-	3,721	
Depreciation, amortization and impairment	2,684	3,617	20,897	25,480
Other items	-	-	(1,750)	(1,450)
Movement in provision	(363)	(2,311)	(1,501)	(10,098)
Unrealized exchange (gain) /loss	119	(7)	(110)	124
Interest expense on financial liabilities	79	988	2,553	3,918
Paid income tax	(81)	(173)	(609)	(925)
(Increase)/decrease in inventories	86	256	279	1,816
(Increase)/decrease in trade and other receivables	297	11,204	512	21,582
(Increase)/ decrease in due from related parties	-	-	-	-
Increase/(decrease) in long term liabilities	443	-	443	
Increase/(decrease) in trade and other payables	(4,711)	(1,250)	7,537	(12,377)
Net cash from operating activities	**(7,170)**	**5,448**	**(18,737)**	**20,680**
Cash flows from investing activities				
Capital expenditures	-	(461)	(1,095)	(3,310)
Other term investment	-	5	1	(115)
Multi-client investment	-	(969)	-	(2,257)
Net cash used in investing activities	**-**	**(1,425)**	**(1,094)**	**(5,682)**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	12,629	-	12,629	-
Receipts from borrowings	-	-	-	-
Repayment of borrowings	(488)	(214)	(706)	(3,274)
Interest paid	91	(578)	(585)	(2,930)
Net movement in currency fluctuations	-	-	-	-
Net cash from financing activities	**12,233**	**(792)**	**11,338**	**(6,203)**
Net (decrease)/increase in cash and cash equivalents	**5,063**	**3,230**	**(8,494)**	**8,795**
Cash and cash equivalents at beginning of the period	**1,491**	**11,817**	**15,047**	**6,252**
Cash and cash equivalents at end of the period	**6,554**	**15,047**	**6,554**	**15,047**

Note 1: Interim statement of income for discontinued operations

All figures in USD 1 000's	Quarter ended 31 December 2017 (Unaudited)	Quarter ended 31 December 2016 (Audited)	Year ended 31 December 2017 (Unaudited)	Year ended 31 December 2016 (Audited)
Revenues	-	-	-	-
Cost of sales	-	93.0	209.4	93.0
Selling, general and administrative expenses	-	-	-	-
Other income (expenses), net	-	-	-	-
Earnings before interest, tax, depreciation and amortization (EBITDA)	-	93.0	209.4	93.0
Depreciation and amortization	-	-	-	-
Impairment	-	-	-	-
Earnings before interest and taxes (EBIT)	-	93.0	209.4	93.0
Interest expense	-	-	-	-
Other financial items, net	-	-	-	-
Profit/(loss) before income tax	-	93.0	209.4	93.0
Income tax	-	-	-	-
Profit/(loss) discontinuing operations	-	93.0	209.4	93.0
Gain/(loss) on sale of OBN business	-	-	-	-
Net profit/(loss) from discontinued operations	-	93.0	209.4	93.0
Profit/(loss) attributable to				
Shareholders of the parent	-	93.0	209.4	93.0

Selected notes and disclosures

SeaBird Exploration Plc is a limited liability company. The company's address is 4,Riga Fereou street, Omega court, 3095 Limassol, Cyprus. The company also has offices in Oslo (Norway), United Kingdom 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 Q4 2017, as approved by the board of directors 22 February 2018, 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 (13.8%) 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 2019 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.

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. 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, $1.8 million in Q3 2017 and $0.1 million in Q4 2017. The loss provision is based on the assumption that the vessel is 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 $2.3 million and additional vessel stacking and redelivery costs until the end of the charter party, of which $2.9 million already has been provided for as a part of provisions and $0.4 million in long term liabilities as of 31 December 2017. Please see table on the next page for additional details.

Subsequent to quarter end, the company signed an agreement to redeliver Munin Explorer. Please see the subsequent events section for further details.

Provisions	USD millions
Opening balance 1 Oct 2017	3.4
Incurred cost	(0.5)
Interest expense	0.1
Changes in provision estimate	0.1
Ending balance 31 Dec 2017	**3.0**

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 Q4 2017 were nil ($0.9 million). Multi-client amortization in Q4 2017 was nil ($0.8 million). Multi-client impairment was nil in Q4 2017 (nil).

During the quarter three, 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 post-closing due diligence period, whereby TGS may return to SeaBird certain parts of the multi-client library, was completed subsequent to quarter end. One survey in the EMEA region and two multi-client surveys in South East Asia region are to remain with SeaBird. The return of the multi-client surveys did not trigger any compensation from SeaBird.

The redelivery of the multi-client surveys was accounted for as a $0.2 million reclassification between operational restructuring gain and impairment of multi-client libraries in quarter four.

The company does not expect any additional accounting impact in Q1 2018. The remaining multi-client library has zero book value.

Multi-client library	USD millions
Opening balance 1 Oct 2017	0.0
Capitalized cost	-
Capitalized depreciation	-
Impairment	-
Amortization	-
Net book value 31 Dec 2017	0.0

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 31 December 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	0.2
Accrued interest	0.0
Current loans and borrowings 31 Dec 2017	**0.2**
Long term debt	
Secured debt	
SBX04 bond loan, face value	4.6
Secured credit facility, face value	0.4
Payment in kind (PIK) interest	0.2
Fair value adjustment *	(0.8)
Accrued interest and accumulated amortized interest	0.1
Non-current loans and borrowings 31 Dec 2017	**4.4**

*of which SBX04: $0.7 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. The unsecured note is payable in nine equal quarterly instalments of $236 thousand, with the final installment falling due 1 January 2018.

Aggregate maturities of loans and borrowings	USD millions
Overview of repayment	
2018	0.2
2019	-
2020*	5.0
Total debt principal 2017	**5.2**

*Debt related to SBX04 and credit facility matures on 30 June 2020

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 31 December 2017 is 57,455,145 with a nominal value of $0.1 per share. The company also has 1,050,000,000 Class A shares outstanding. During the quarter the company completed a private placement of 1,000,000,000 new Class A shares and a repair issue amounting to 50,000,000 new Class A shares raising total NOK 105 million in gross proceeds. Furthermore, 884,686 warrants are outstanding, each with an exercise price of NOK 100 per share and an expiration date of 15 January 2018. The company has no stock options outstanding as at 31 December 2017. On 5 February 2018, the company’s 1,050,000,000 class A shares were converted to ordinary shares at a rate of 1 class A share to 1 ordinary share. Moreover, a reduction in the company's authorized share capital was completed through the reduction of the nominal value of the ordinary shares from US$ 0.1 to US$ 0.001 per share. The total outstanding amount of shares in the company is 1,107,455,145 common shares after the completion of the share conversion.

SeaBird Exploration Finance

SeaBird Exploration Finance Limited, as the issuer of 'SeaBird Exploration Finance Limited First Lien Callable Bond Issue 2015/2020' ('SBX04'), has the following intra-group loans with other SeaBird entities as of 31 December 2017:

	USD Thousands
Receivables	
SeaBird Exploration Cyprus	29,583
Aquila Explorer	21,065
Osprey Navigation Company	12,560
SeaBird Exploration Crewing	8,801
Hawk Navigation Company	6,743
BUT SBX APAC – Indonesia	4,391
SeaBird Exploration Vessels	3,467
Munin Navigation Company	2,386
GeoBird Management AS	1,763
Seabird Crewing Mexico	1,526
Seabird Exploration Norway	1,075
Oreo Navigation Company	420
Other receivables	505
Total receivables from intra-group companies	**94,285**
Payables	
Seabird Exploration Plc	48,433
Sana Navigation Company	26,954
SeaBird Exploration Asia Pacific	4,974
Seabed Navigation Company	3,807
Harrier Navigation Company	2,275
SeaBird Exploration MC	1,937
SeaBird Exploration FZ LLC	1,828
SeaBird Exploration Shipping	1,113
Raven Navigation Company	921
Silver Queen Maritime	887
Seabird Seismic Mexico	700
Other intercompany payables	449
Total payables to intra-group companies	**94,279**
Total net receivables from intra-group companies	**6**

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.

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