

SeaBird Exploration

Investor presentation at EAGE

13 June 2017





Proposed restructuring

Company overview

Introduction and background

**Company
transformation
/
Improved
competitive
position**

- Significant operational improvements and cost reductions from 2014 to 2016
 - Annual savings of approximately USD 16 million at comparable fleet size; substantially ahead of announced target savings of USD 10 million in 2015
- Improved cost elasticity
 - Implementing shift to 100% of crew cost on flexible contracts
 - Warm-stacking as standard operational procedure when idle
- Fleet right-sized to adapt to current market
 - Fleet reduced from nine to five vessels
 - Only one vessel long-term chartered (charter hire renegotiated to significantly lower non-cash day rate accumulating to mature together with secured debt)
- Enhanced planning to optimize cost and logistics

**The seismic market
has troughed**

- Day rates have stabilized
- Significant increase in tender activity starting Q4 2016
- Substantial list of potential leads; solid mix in terms of type of work as well as geography

**Restructuring
implemented but
financial situation
remains critical**

- The conversion of leads into contracts has taken more time than expected
- Comprehensive financial restructuring under implementation
- Still strained liquidity; additional capital required to bridge cash shortfall H2 2017 and provide reasonable working capital

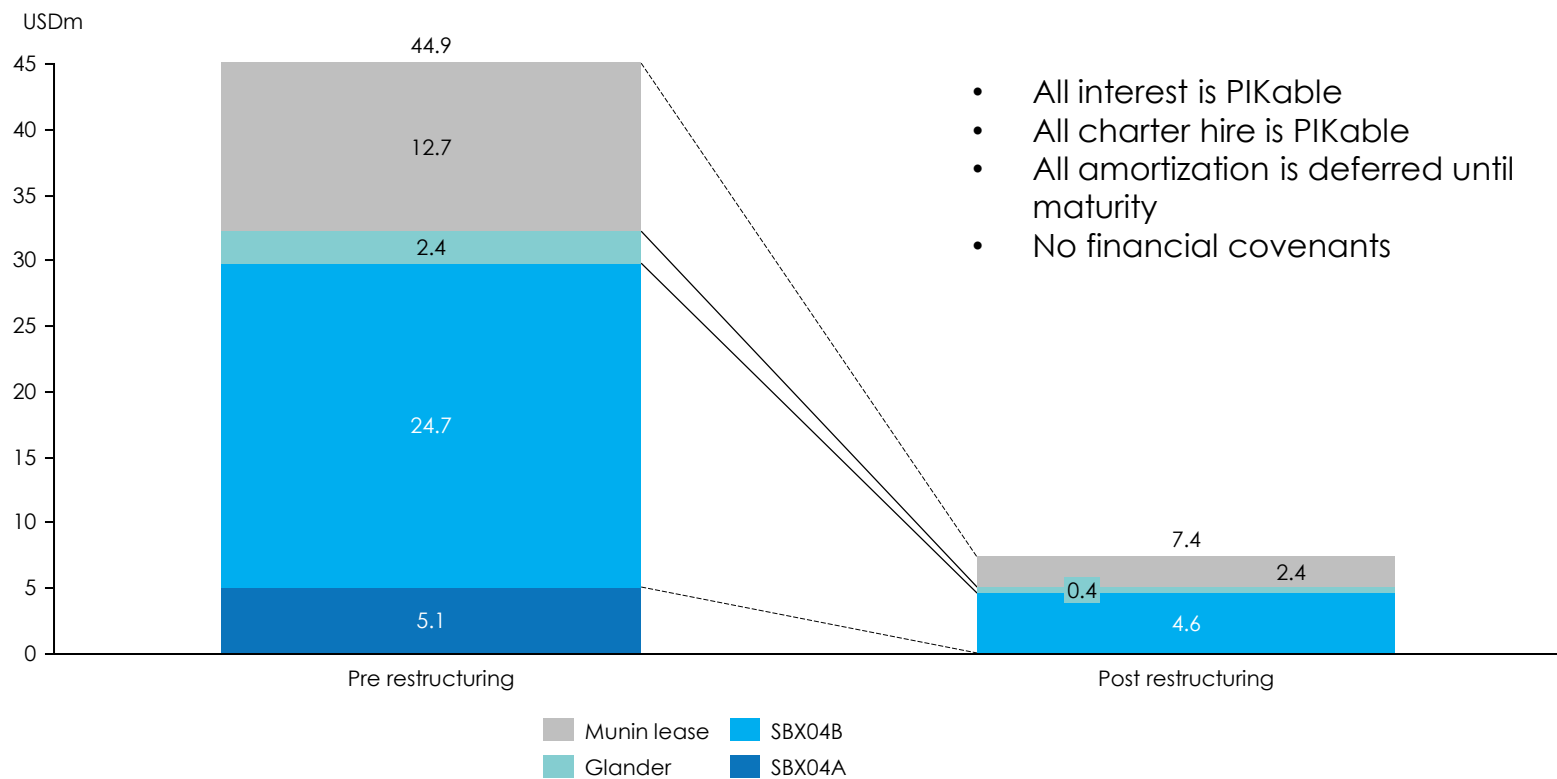
Key terms of the restructuring

SBX04 A	<ul style="list-style-type: none"> • Cancellation of loan (face value USD 5.0m + accrued interest USD 0.1m) in exchange for multi-client library (book value per Q1 of USD 2.7m) • 25% of net income from the multi client library to benefit the Tranche B bondholders and Glander
SBX04 B	<ul style="list-style-type: none"> • Conversion of loan (face value USD 24.3m + accrued interest USD 0.4m) • Equitization of USD 20.2m into 58.7% of shares (issue price NOK 5.0, USDNOK 8.37) • Rollover bonds of USD 4.6m • Extension of three years (i.e. until 30 June 2020) • Suspension of all financial covenants • Payment in kind interest for all interest, no amortization
Glander	<ul style="list-style-type: none"> • Conversion of loan (face value USD 2.3m + accrued interest USD 0.04m) • Equitization of USD 1.9m into 5.7% of shares (issue price NOK 5.0, USDNOK 8.37) • Rollover credit facility of USD 0.4m • Same financial terms as SBX04 B
Ordinat / Munin	<ul style="list-style-type: none"> • Reduction of charter hire to USD 2,088 per day until the maturity of SBX04B (30 June 2020). The lease can be accumulated at the company's option and not paid in cash before 30 June 2020. Total cumulative lease payments amount to USD 2.4m • Remaining claim of USD 10.4m, converted to 30.3% of shares (issue price NOK 5.0, USDNOK 8.37)
Existing shareholders	<ul style="list-style-type: none"> • 5.3% pro forma ownership
Other	<ul style="list-style-type: none"> • The new shares will become tradable on Oslo Børs upon prospectus approval by the NFSA, currently expected mid July • To facilitate trade of the new shares, the company will endeavor to list the newly issued shares on Merkur Market in the interim period prior to admission to Oslo Børs

Significant commitment reduction

No cash debt service on restructured commitments until 30 June 2020

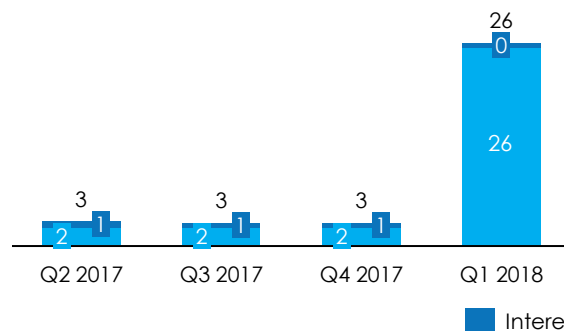
Effect of restructuring on debt and lease obligations



Reduced commitments

Restructured debt obligations

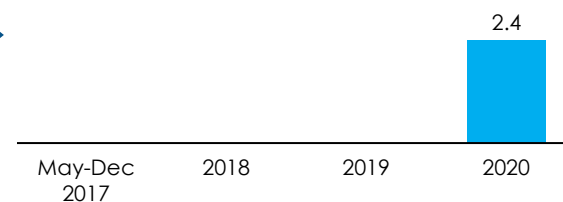
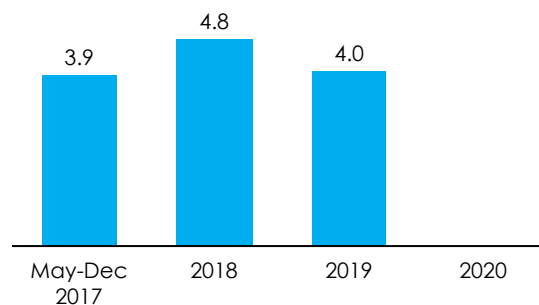
Pre restructuring



Post restructuring



Charter hire obligations



Share ownership post restructuring

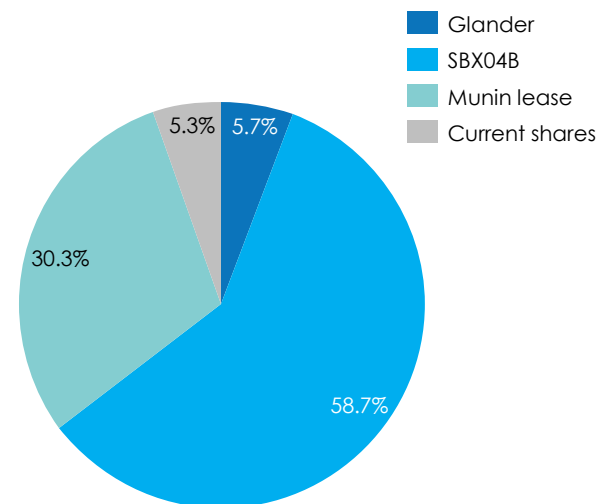
Conversion mechanics

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

New bond/debt to Glander 5,000,000

	"Claim"	New debt/lease	To be converted	Shares	
	USD	USD	USD	#	%
SBX04B (incl. accrued interest)	24,709,922	4,559,409	20,150,513	33,731,959	58.7%
Glander (incl. accrued interest)	2,387,801	440,591	1,947,210	3,259,630	5.7%
Munin lease	12,744,776	2,351,632	10,393,144	17,398,123	30.3%
Current shares				3,065,434	5.3%
Total	39,842,499	7,351,632	32,490,867	57,455,145	100%

Ownership (%)



Timeline

- 6 June 2017: bondholders approved transaction (100% voted in favor)
- 13 June 2017: EGM for shareholders to approve transaction
- All conditions precedent must be fulfilled within 15 August 2017, but are expected fulfilled earlier
- Once conditions precedent are fulfilled, new shares expected to become tradable on Merkur Market within 5-10 business days
 - Transfer of new shares to Oslo Børs when NFSA approves prospectus
- Alternatives to strengthen the company balance sheet are under consideration, including potential equity issue



Proposed restructuring

Company overview

Investment highlights

The seismic
market has
troughed

2D industry
leader,
favorable supply
side

Attractive
upside potential

Stable market
pricing

Significant
commitment
reduction

Global reach
and scale

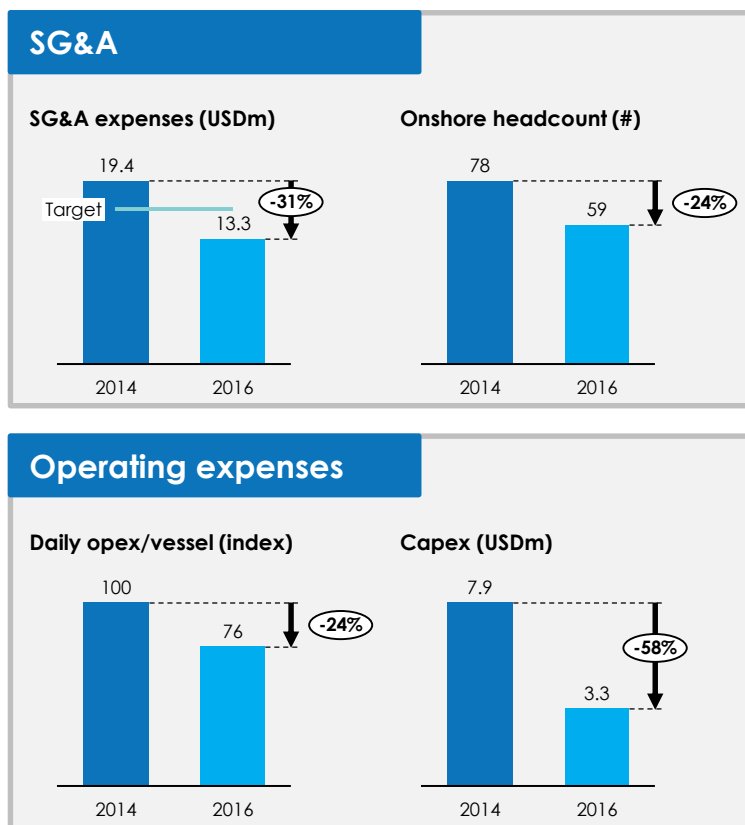
Highly flexible
cost structure

Strong
operational
performance

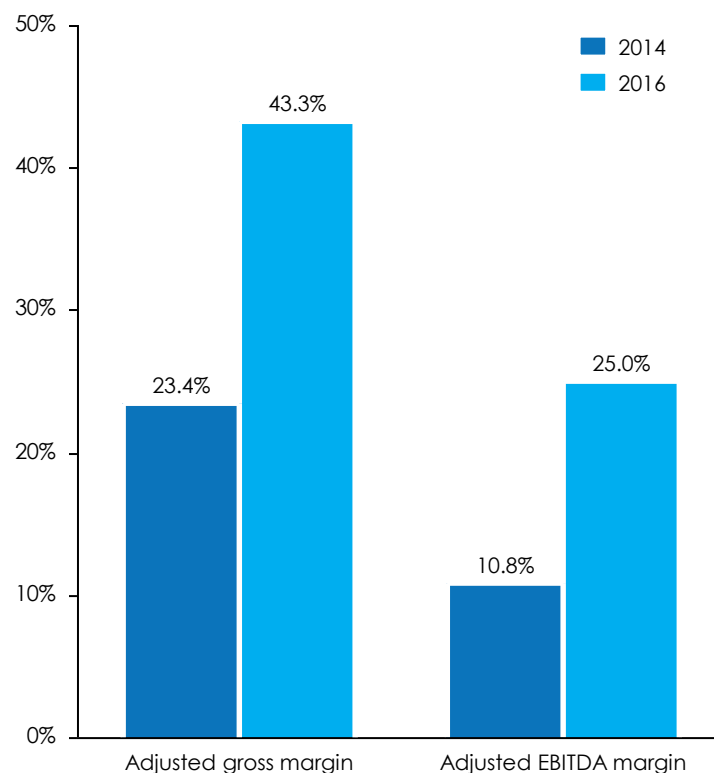


Strong operational performance

Continuous cost focus...



...leads to margin improvement



**Estimated savings of USD 16m
on comparable fleet basis**

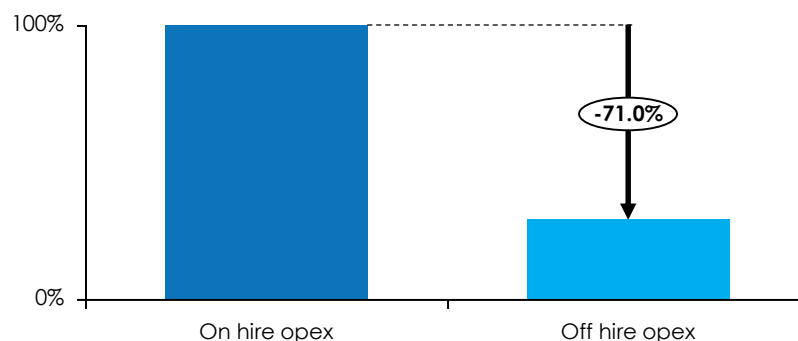
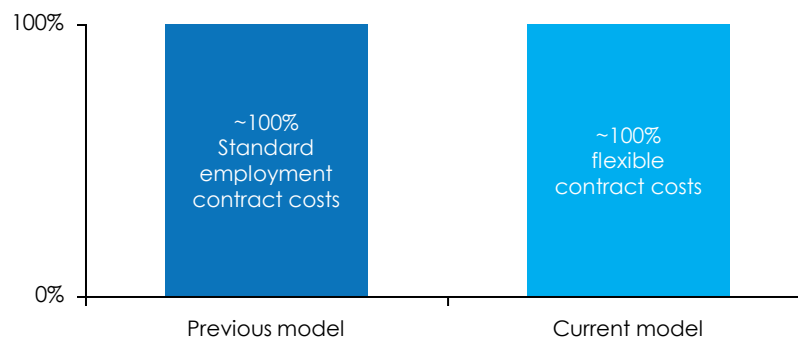
Highly flexible cost structure

Cost flexibility

Improved cost elasticity;
warm-stacking instruction

Targeting 100% of crew cost
on flexible contracts

Ability to scale up and down
depending on market activity

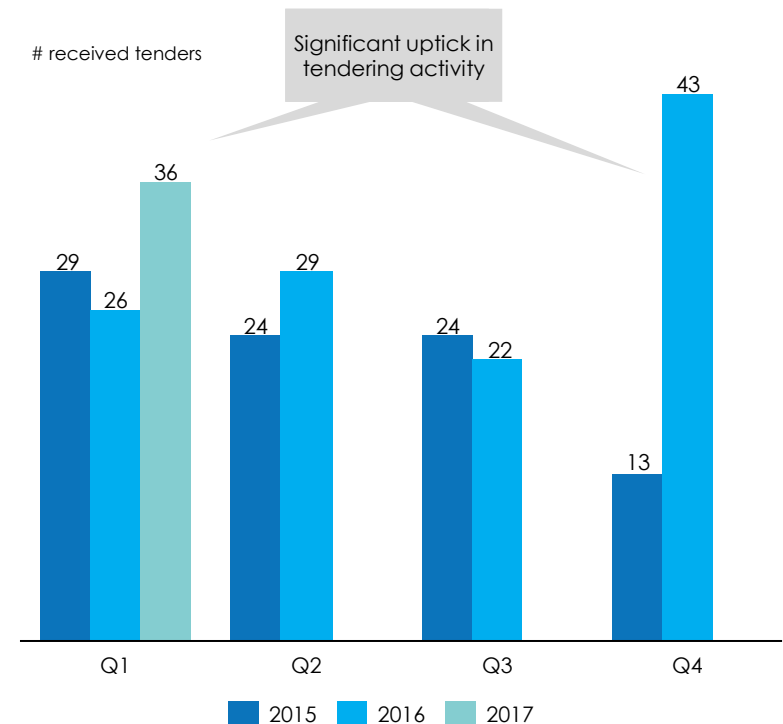


Note: excl. fuel

The seismic market has troughed

Increasing tender activity

- Tender activity and quality has improved
- Largest activity increase seen from Africa and Americas
- Growing demand for ocean bottom seismic expected to translate into higher demand for source vessels
- After two years with no activity, the niche-3D segment is resurfacing, with for example a shallow water project currently under review in Africa
- Compared to six months ago, there is a substantial increase in leads that realistically may lead to new seismic surveys
- Lengthy decision making processes shifting projects into H2

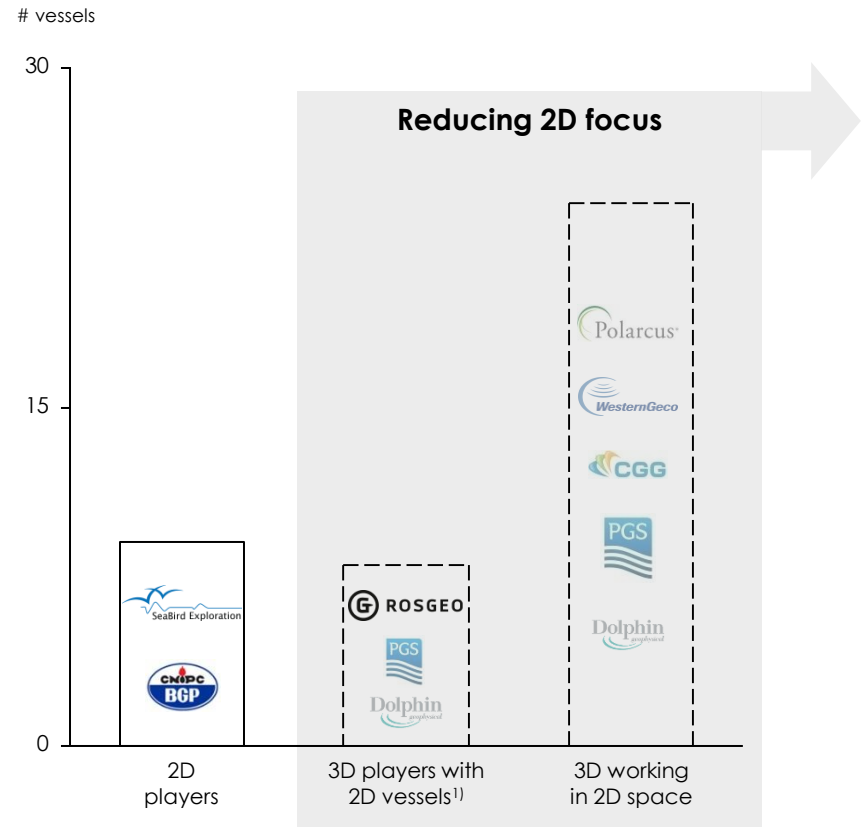


2D industry leader, favorable supply side

Observations

- Weak utilization has resulted in a significant reduction in industry fleet size
- 2D fleet shrinking as 3D players are exiting the market
- Larger 3D operators redelivering smaller 3D vessels which have been competing in SeaBird's core market
 - 3D vessels operating 2D contracts experience depressed margins
- Stacked capacity not expected to return
- Significantly smaller 2D fleet available going forward
- Only SeaBird and BGP remain with global platforms and international focus

2D market dynamics improving



Note: Approximation of players focusing on 2D

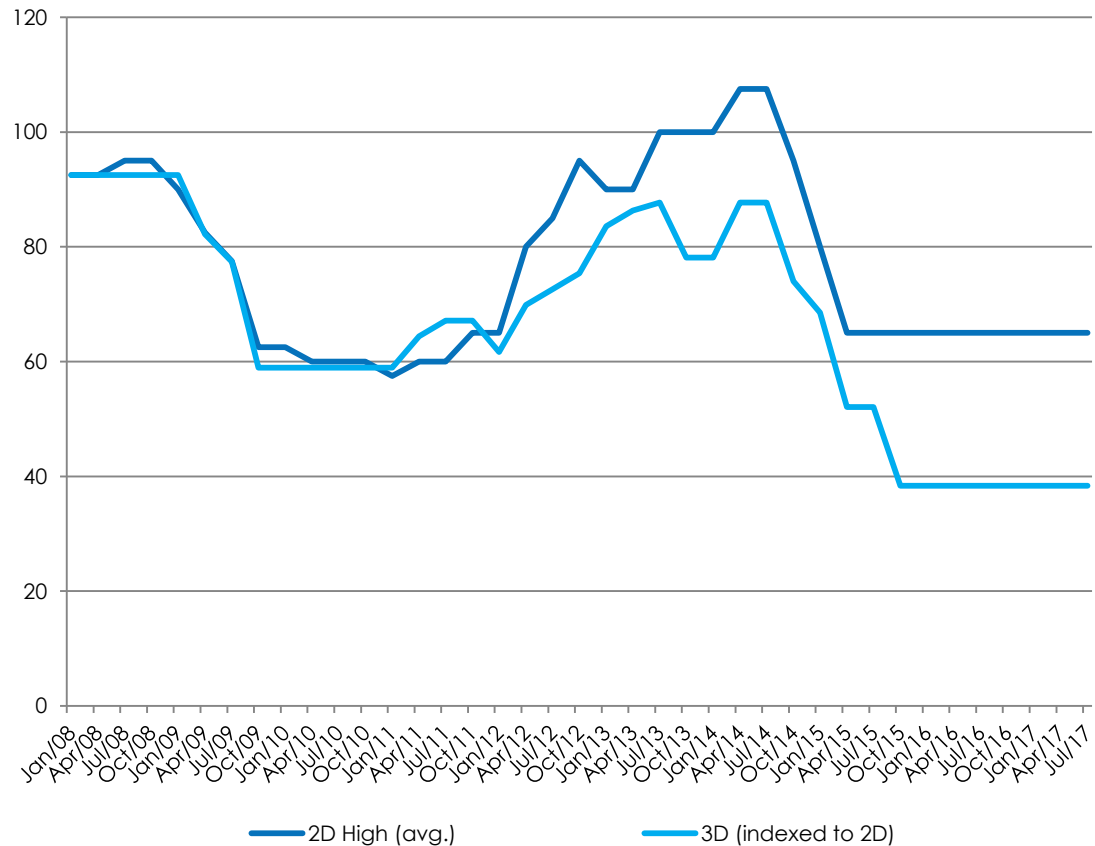
1) Rosgeo controlled by Russian government, operates in Russian waters

Stable 2D market pricing

Observations

- Controlled supply side leads to relatively stable and healthy pricing in the 2D market
- Pricing stabilized over past several months
- History would indicate a meaningful rate increase once market demand normalizes
- Reduced fleet should be a positive factor

Market rates (USDk/day)



Source: Arctic Securities Research, HIS, SeaBird

Global reach and scale

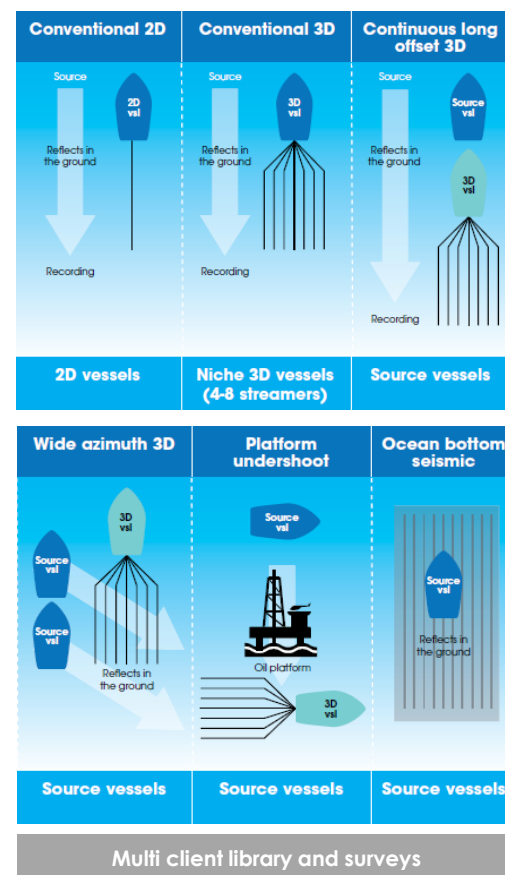
Servicing customers globally



● SeaBird fleet

- Voyager Explorer under reactivation, on project from July 2017

Scale & scope in operations



Several leads but timing remains uncertain

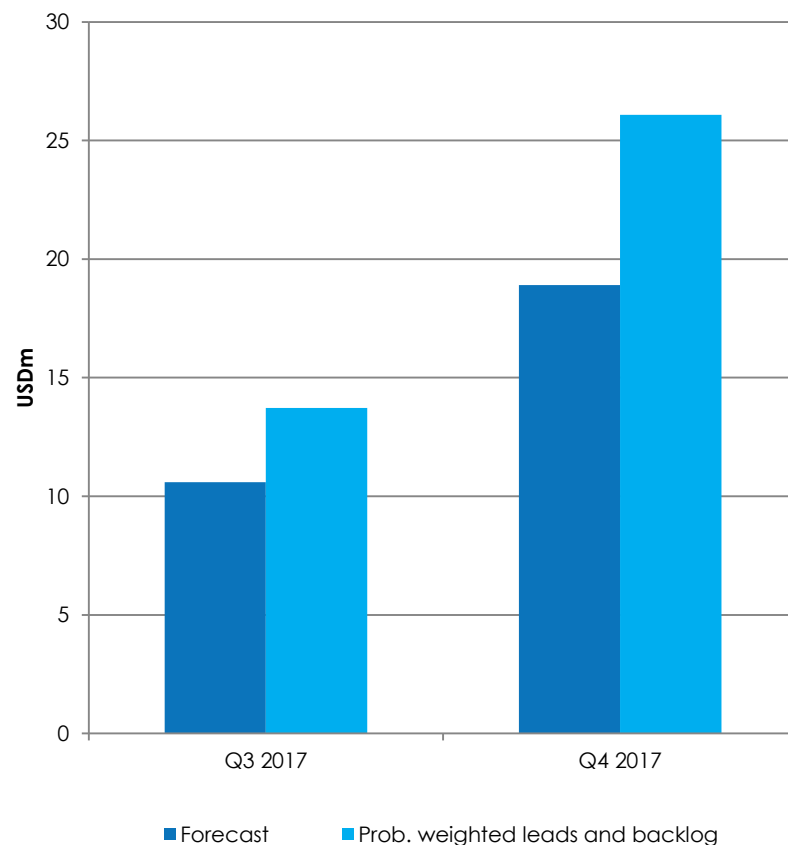
Leads

BACKLOG/HIGH PROBABILITY LEADS					Weighted value	
Startup	Region	Vessel months	Value (USDm)	Prob.	Q3 17	Q4 17
Q3 **	APAC	5.0	4.6	100 %	2.7	1.8
Q2	EAME	0.5	0.7	100 %		
Q3	EAME	0.5	0.9	100 %	0.9	
Q3	NSA	2.0	3.7	100 %	3.7	
Total firm backlog*		8.0	9.9		7.3	1.8
Q4	NSA	20.0	32.6	75 %		3.7
Q4	APAC	1.5	3.3	75 %		2.5
Q4	APAC	1.5	3.3	75 %		2.5
Q4	NSA	9.8	12.0	75 %		2.7
Q3	NSA	1.3	1.6	75 %	1.2	
Q3	NSA	4.0	4.8	60 %	0.7	2.2
Q4	NSA	3.0	5.0	50 %		2.5
Q1 18	EAME	3.0	8.0	50 %		
Q4	NSA	7.9	10.8	50 %		2.1
Q3	NSA	1.7	4.0	50 %	2.0	
Q4	NSA	2.0	2.4	50 %		1.2
Q4	EAME	4.0	6.0	40 %		1.2
Q4	NSA	0.4	1.1	40 %		0.4
Q3	NSA	2.2	4.0	20 %	0.8	
Q3	NSA	4.6	7.4	20 %	1.0	0.5
Q3	NSA	0.2	1.5	20 %	0.3	
Q4	NSA	2.0	4.0	20 %	0.4	0.4
Q4	APAC	4.0	8.0	20 %		1.2
Q4	EAME	3.0	6.0	20 %		1.2
Total high probability leads *		76.2	125.8			
Probability weighted total leads		41.8	66.6		6.4	24.3

* Contract value excludes project specific costs that will be charged to client

** Fuel paid by client

Forecast vs. prob weighted leads



Liquidity considerations

- The proposed restructuring will significantly reduce the company's debt and charter obligations
- No debt amortization before maturity; all interest and charter hire may be paid in kind
- However, new contracts entered into for 2H 2017 will not generate positive cash flow until later in the year
- Important to strengthen the balance sheet ahead of upturn
- Additional liquidity alternatives under review, including potential equity issue