

SeaBird Exploration

Second Quarter Presentation
17 August 2018

CEO Hans Petter Klohs
CFO Nils Haugestad



Forward-looking statements

All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy and other plans and objectives for future results, constitute forward-looking statements and are prediction of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees and representatives assumes any obligation to update these statements. This presentation includes historical financial data. Your attention is directed to the notes to such data for a description of the accounting principles used to prepare historical data. This presentation must be viewed only in connection with the company's separately distributed Q2 2018 earnings release.

Agenda

- Highlights
- Acquisition of Geowave Voyager
- Market and operational review
- Financial review
- Summary
- Q&A

Highlights



Q2-18 Highlights

Financial results

- Revenues of \$2.9 million (\$4.7 million Q1 2018)
- EBITDA of negative \$2.3 million
- Adjusted EBITDA of negative \$1.4 million (negative \$1.0 million Q1 2018)
- EBIT of negative \$4.0 million
- Adjusted EBIT of negative \$3.1 million (negative \$2.7 million Q1 2018)
- Non-recurring tax gains of \$2.1 million during the quarter

Quarterly and post quarter events

- 22% fleet utilization (44% based on two active vessels)
- Raised \$17.1 million additional capital net of fees late May
- Acquisition of Geowave Voyager and 40 km solid streamer in July for \$ 17 million

Acquisition of Geowave Voyager



Geowave Voyager

Vessel specs

- Built 2009 **~ \$120 million** newbuild cost
 - 10 streamer capacity
 - Newbuild cost was for vessel only and excludes streamer & source
- Well suited for 2D, Source and niche-3D
 - Powerful 2D and Source vessel
 - MoA with CGG allows for up to 6 streamer operations in 3D-mode
 - Can be modified for use as node laying vessel in the OBN market
- Vessel has remained active throughout the downturn
 - Last project was a 2D project for Equinor
 - Source vessel for CGG in Q3-18
- Increase in earnings capacity from early Q1-19 with slight increase in SG&A run rate



Source: CGG Eidesvik Ship Management AS

Transaction & Investment analysis

Transaction details

- **\$17 million** purchase price
- Purchase price includes:
 - Fully rigged vessel including 3 high capacity compressors and full suite of source equipment
 - 40km Sercel Sentinel Solid streamer
- «Preferred supplier» to CGG for 2D/Source projects
 - When using the Geowave Voyager
- Final agreement signed with scheduled transfer of ownership in late Q4
 - 10% deposit paid in August
 - 90% to be paid on closing (delivery) in Q4

Fleet overview

A fleet of 5 vessels adapted to flexible service offering and matching industry technical requirements

2D and source vessels



Aquila Explorer

2D - 1 X 12 Km
Source

- Dual Source
- Dual Propulsion

Owned vessel



Osprey Explorer

2D - 1 X 12 Km
Source

- Dual Source
- Dual Propulsion

Owned vessel



Harrier Explorer

2D - 1 X 12 Km
Source

- Dual Source
- Dual Propulsion

Owned vessel

3D/2D and source vessels



Geowave Voyager

3D - 6 X 8 000m
2D - 1 X 12 Km
Source

- Dual Source
- Dual Propulsion

Owned vessel



Voyager Explorer

3D-SW - 4 X 6 000m
2D - 1 X 12 Km
Source

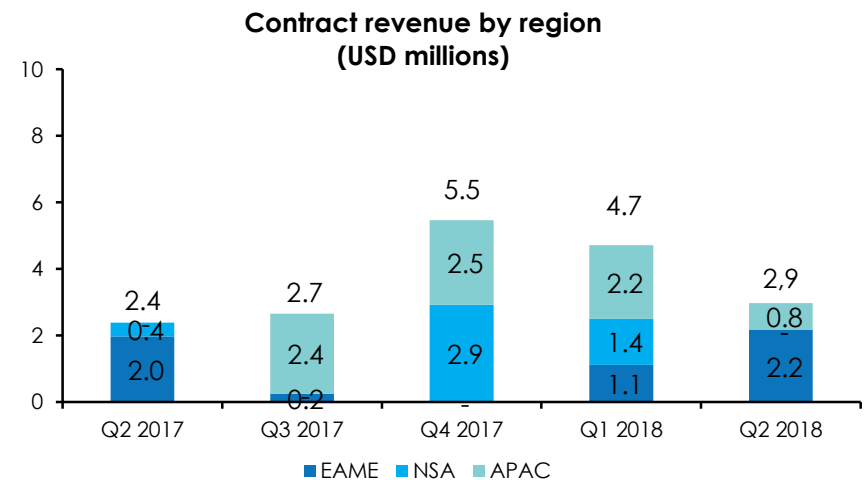
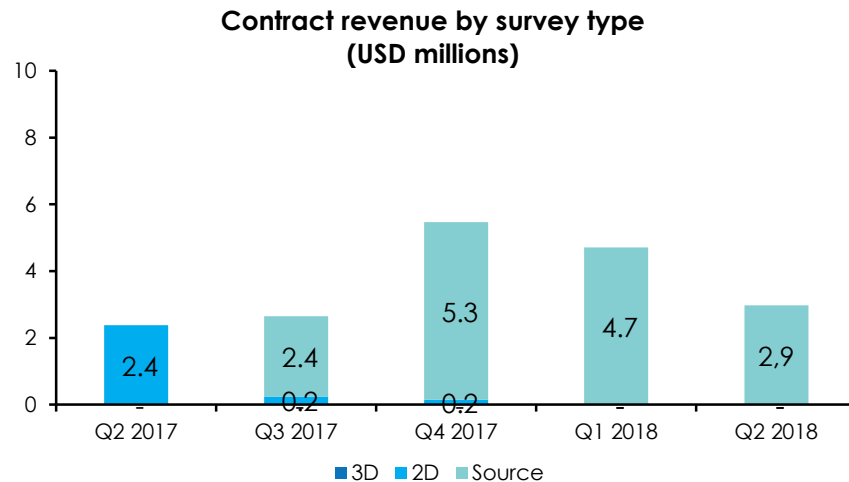
- Dual Source
- Dual Propulsion

Chartered vessel

Market and operational review



Segment operating activity



Key take-aways:

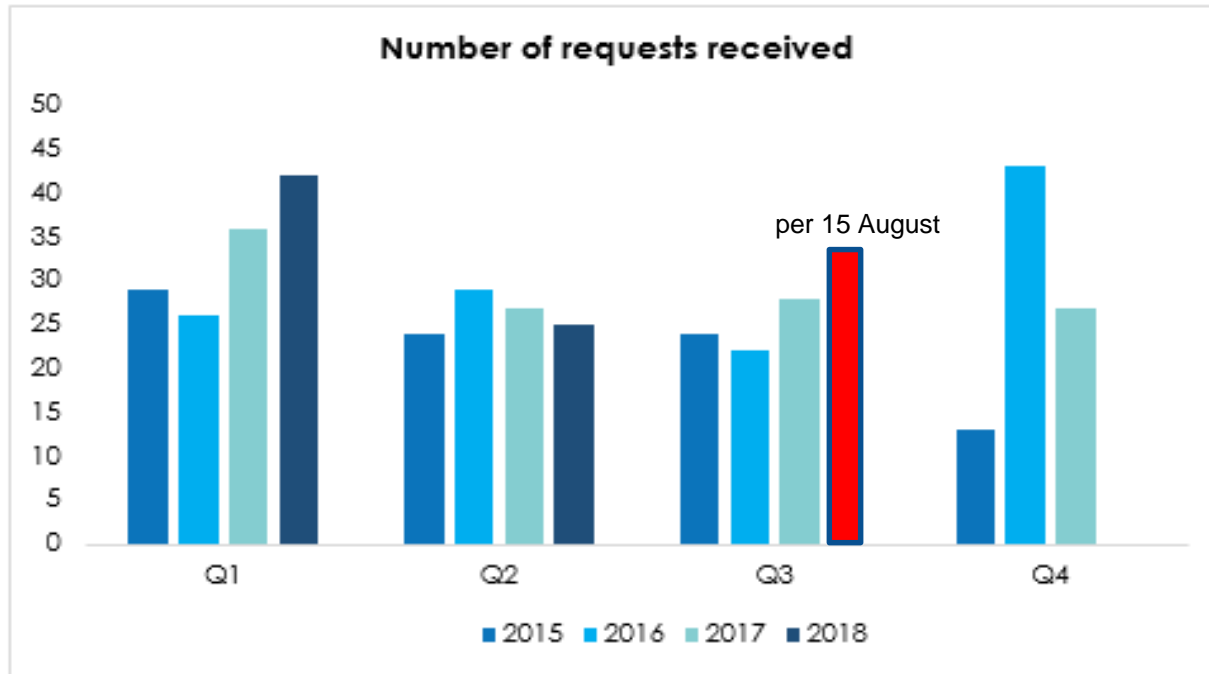
- Continued high activity in the growing ocean bottom survey market;
 - Two vessels active during the quarter as source vessels
 - Split between two regions

Operational update

- Osprey Explorer mobilized during the quarter for a new OBN source project in the US Gulf of Mexico
 - Operations expected to start late Q3, somewhat delayed due to technical upgrade of the source equipment
- Harrier Explorer mobilized for projects on the NCS
 - Vessel reactivation and yard stay
 - 2D project start-up mid Q3
 - 6,000 km 2DMC project to follow (cash neutral)
- Voyager Explorer started working on source project in Asia Pacific late Q2
 - Anticipated to be completed mid Q3
 - Another 3 month OBN source project in same area to follow
- Aquila Explorer will remain stacked until utilization and margins has improved
- Geowave Voyager expected to join the fleet after dry-dock in late Q4



Tender activity in SeaBird markets

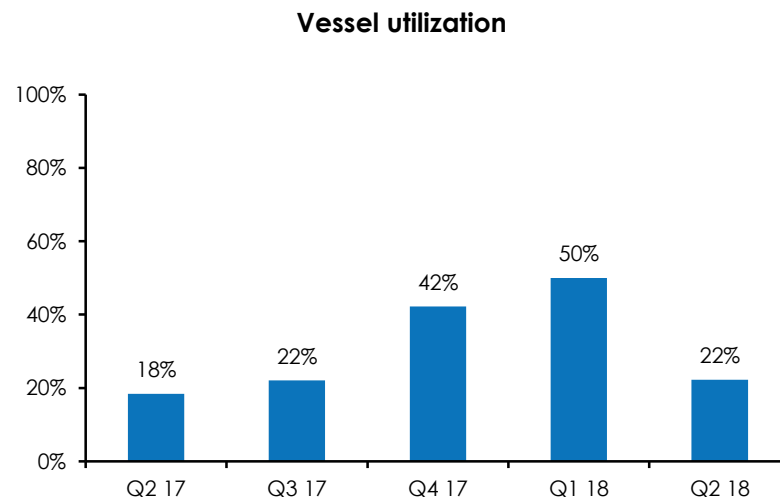
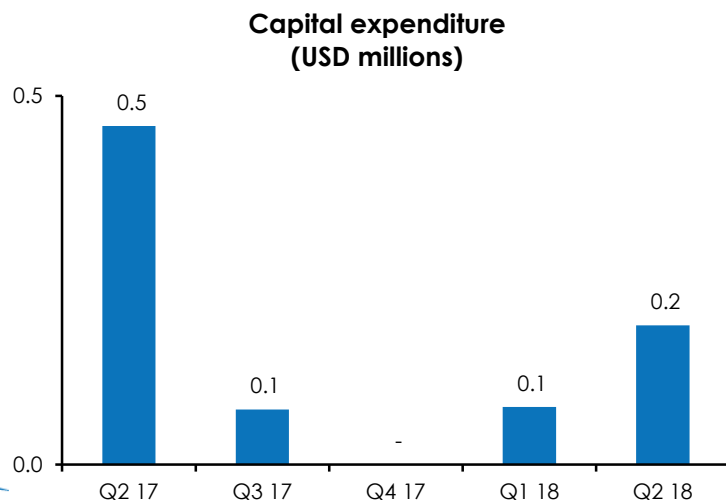
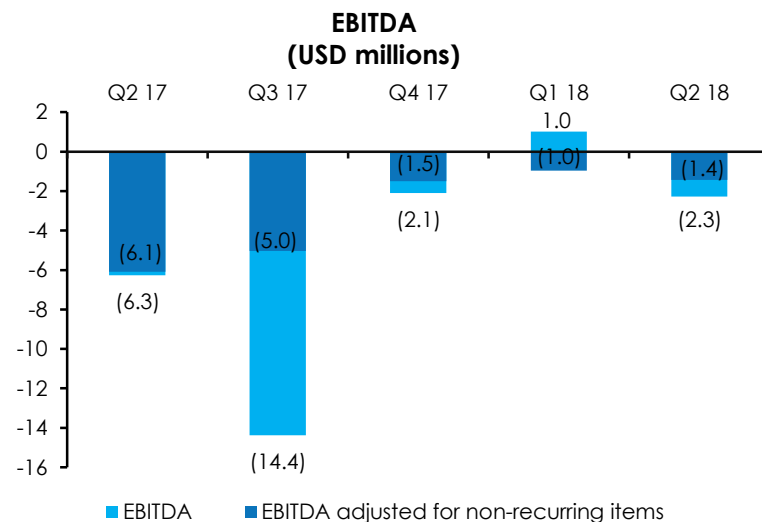
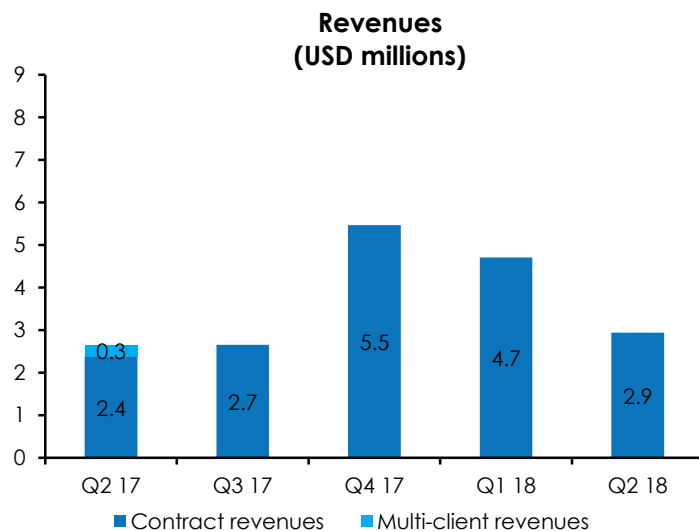


- Significant increase in tendering volume seen through the summer and into 3rd quarter
- More diversified demand from all regions for source vessel (towed WAZ surveys, OBN surveys), 2D and shallow water 3D surveys
- Split between Source (WAZ and OBN) and 2D/3D is 60/40
- Tenders for OBN source vessels with multi year duration

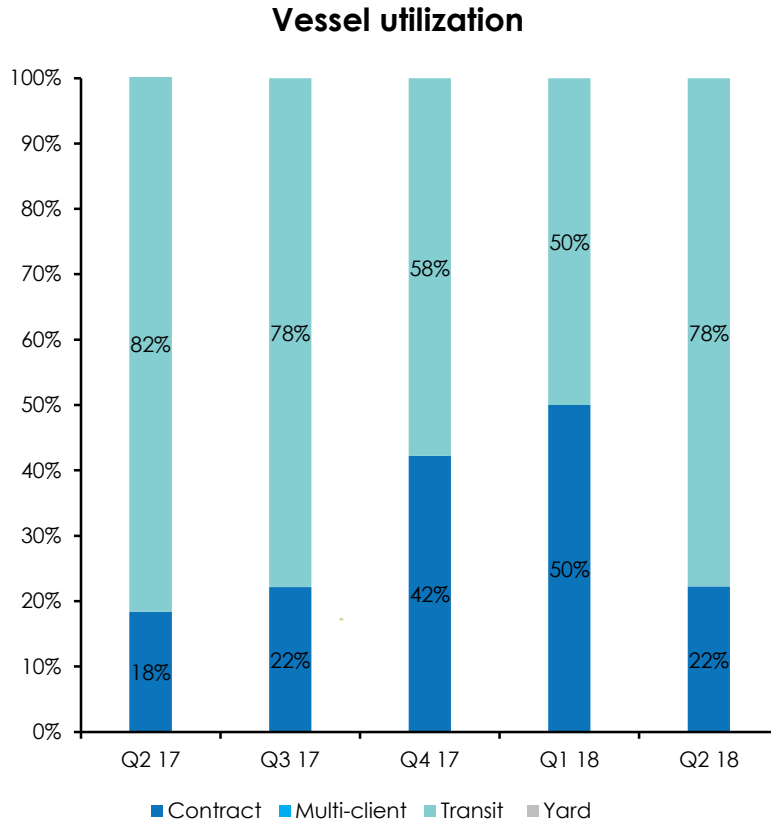
Financial review



Historical operating comparison



Vessel utilization



- Q2 utilization for available vessels of 22%
- Two working vessels in the quarter
 - Osprey Explorer active in Africa
 - Voyager Explorer active in Southeast Asia
- Four vessels available in fleet

Income statement Q2 2018

CONSOLIDATED INTERIM STATEMENT OF INCOME				
All figures in USD millions (except EPS)	Adjusted	Non-recurring items	Q2 2018 Q2 2017	
			Actual	Actual
Contract	2.9	-	2.9	2.4
Multi-client	-	-	-	0.3
Total revenues	2.9	-	2.9	2.6
Cost of sales	(3.0)	0.5	(3.5)	(5.6)
SG&A	(1.4)	0.4	(1.8)	(3.4)
Reversal of bad debt charges	-	-	-	0.1
Other income (expenses), net	0.0	-	0.0	-
Restructuring gain on leases	-	-	-	-
EBITDA	(1.4)	0.8	(2.3)	(6.3)
Depreciation	(1.7)	-	(1.7)	(3.1)
Amortization	-	-	-	(0.4)
Impairment	(0.0)	-	(0.0)	-
EBIT	(3.1)	0.8	(4.0)	(9.7)
Interest and finance expense	(0.6)	-	(0.6)	(1.5)
Restructuring gain	-	-	-	-
Income tax	(0.2)	(1.2)	1.0	0.0
Profit/(loss) continuing operations	(3.9)	(0.3)	(3.6)	(11.2)
Net profit/(loss) discontinued operation	-	(0.9)	0.9	-
Profit/(loss) for the period	(3.9)	(1.2)	(2.7)	(11.2)
Earnings per share from continued operations				
Basic			(0.0)	(3.6)
Diluted			(0.0)	(3.6)

Non-recurring items:

- \$0.4 million CEO end of service cost (SGA)
- \$0.5 million final cost for discontinued vessels Munin and Northern
- \$2.1 million tax gain as a result of reversal of historical tax provisions

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Quarter ended 30 June	
All figures in USD millions	2018	2017
Profit / (loss) before income tax	(4.6)	(11.2)
Non-cash effects of restructuring	-	-
Depreciation, amortization and impairment	1.7	3.5
Movement in provision	-	(1.5)
Unrealized exchange (gain) /loss	0.2	(0.0)
Interest expense on financial liabilities	0.2	1.0
Paid income tax	(0.0)	(0.2)
(Increase)/decrease in inventories	0.1	0.1
(Increase)/decrease in trade and other receivables	0.6	3.0
Increase/(decrease) in long term liabilities	(0.1)	-
Increase/(decrease) in trade and other payables	(2.9)	0.6
Net cash from operating activities	(2.8)	(4.7)
Capital expenditures	(0.2)	(0.5)
Other term investment	-	-
Multi-client investment	-	-
Net cash used in investing activities	(0.2)	(0.5)
Proceeds from issuance of ordinary shares	17.1	-
Receipts from borrowings	(1.0)	-
Repayment of borrowings	0.5	(0.2)
Interest paid	-	(0.1)
Net movement in currency fluctuations	-	-
Net cash from financing activities	17.0	(0.4)
Net (decrease)/increase in cash and cash equivalents	14.0	(5.5)

Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 30 June	
All figures in USD millions (except for equity ratio)	2018	2017
Property, plant and equipment	25.3	42.4
Multi-client library	-	2.3
Other non-current assets	0.1	0.1
Inventories	0.9	1.1
Trade receivables	2.7	3.6
Other current assets	3.4	2.8
Cash and cash equivalents	17.1	3.3
Assets classified as held for sale	-	-
Total assets	49.4	55.7
Equity	29.0	3.2
Non-current loans and borrowings	4.6	-
Other long-term liabilities	0.9	-
Long term tax payable	1.2	-
Trade payables	3.9	13.9
Other payables	8.1	-
Provisions	-	1.6
Tax payable	1.6	5.1
Current loans and borrowings	-	31.8
Total equity and liabilities	49.4	55.7
Net interest bearing debt	(12.5)	28.5
Equity ratio %	58.8%	5.8%

Raised \$17.1 million in net additional capital in Q2

Overview of share issues	Gross amount	Issue price	Number of shares issued	Number of outstanding shares	
May private placement	NOK 150 million	0.16	937,500,000	2,044,955,145	
May repair issue	NOK 25 million	0.16	156,250,000	2,201,205,145	
July private placement	NOK 120 million	0.19	632,000,000	2,833,205,145	To be booked in Q3
July repair issue (to be completed)	NOK 19 million	0.19	100,000,000	2,933,205,145	

2,833,205,145 shares currently outstanding¹⁾

1) As of 17 August 2018

Summary



Summary

- SeaBird's operational and financial reorganization is completed
 - Reducing debt with 85% and SG&A with 70% during 2H 2017
 - Raised gross NOK 295 million in new equity in May-August 2018
- Market activity on the up, with good tendering activity, particularly within OBN
- SeaBird positioned to benefit from strong demand side effects;
 - Towed streamer seismic in early stage of **cyclical recovery**
 - **Structural increase** in ocean bottom seismic activity
 - **High operational leverage** in a recovery
- Will utilize a net cash positive balance sheet to **renew and grow the fleet at current attractive pricing levels**, assuming satisfactory backlog is secured

Q&A

