

SeaBird Exploration

Fourth Quarter Presentation
26 February 2019

CEO Hans Petter Klohs
CFO Nils Haugestad



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Agenda

- Highlights
- Market and operational review
- Financial review
- Summary and outlook
- Q&A

Highlights



Q4-18 Highlights

Key financial & operational figures

- Revenues of \$6.8 million (\$5.4 million Q3 2018)
- EBITDA of negative \$1.2 million (negative \$2.8 million Q3 2018)
- EBIT of negative \$3.6 million (negative \$4.2 million Q3 2018)
- 58% fleet utilization
- CAPEX of \$19.8 million (Eagle; \$ 19.2m)
- Multi-client investment of \$1.0 million

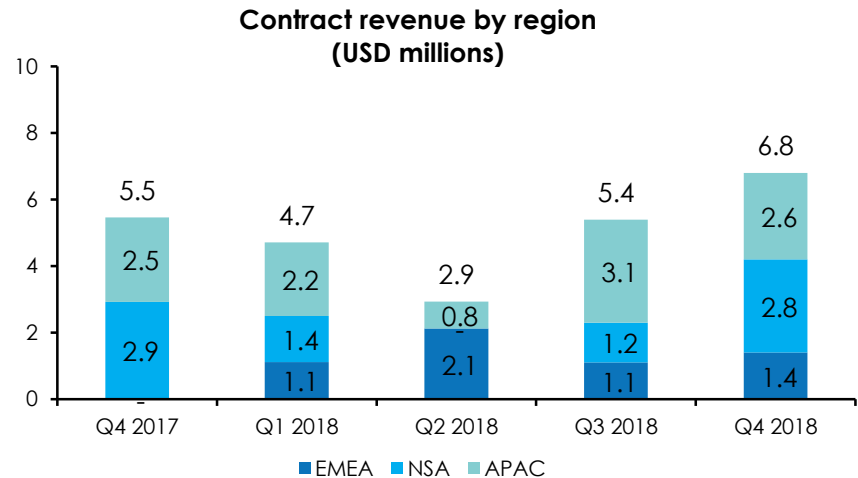
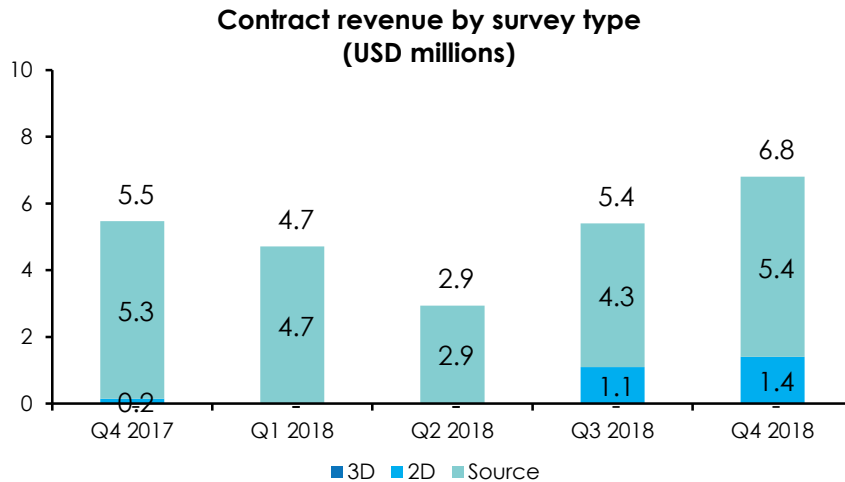
Major events during the quarter

- Took delivery of Eagle Explorer (ex. Geowave Voyager) and 40 km solid streamer in November
 - Docking completed 20 December with mobilization to source project 24 December
 - Ramp-up operating expenses of \$0.8 million in the quarter
 - 160 days firm contract with options to extend
- Awarded two 2D surveys for international oil & gas operators – to be acquired in first half 2019

Market and operational review



Segment operating activity



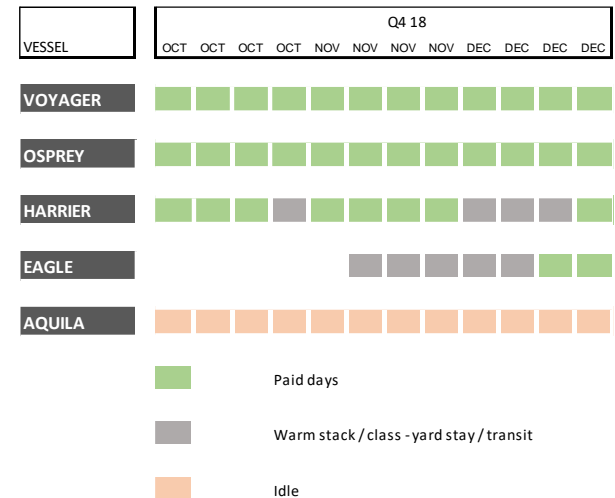
Key take-aways:

- 3 (increasing to 4 in December) vessels in operation
- Good geographical diversification (One active vessel in every region)
- Harrier in EMEA on multi-client project most of the utilized time in the quarter
- Cyclical rebound in 2D activity and awards

Operational update

Four vessels in operation in all regions

- Voyager Explorer (Asia Pacific)
 - Continuation of project which commenced in Q3
 - Current project to continue until March 2019, Client has option to extended for additional 30 days
- Osprey Explorer (GoM)
 - Continuation of source/OBN project in the US Gulf of Mexico
 - Expected to continue until late March 2019
- Harrier Explorer (NWE/SA)
 - MC2D Deep Imaging project on NCS halted for the season in October after acquiring ~2,100 km
 - Two minor 2D contract projects completed in the quarter
 - Executed two-week site survey project on NCS
 - Started to mobilize for a 2D project in South America end of the quarter
- Eagle Explorer (GoM)
 - Dry-dock finalized in December
 - Commenced 160 days contract for CGG as source vessel supporting a WAZ survey in the Gulf of Mexico end of December



Eagle Explorer joined the fleet in December

Significant increase in earnings capacity

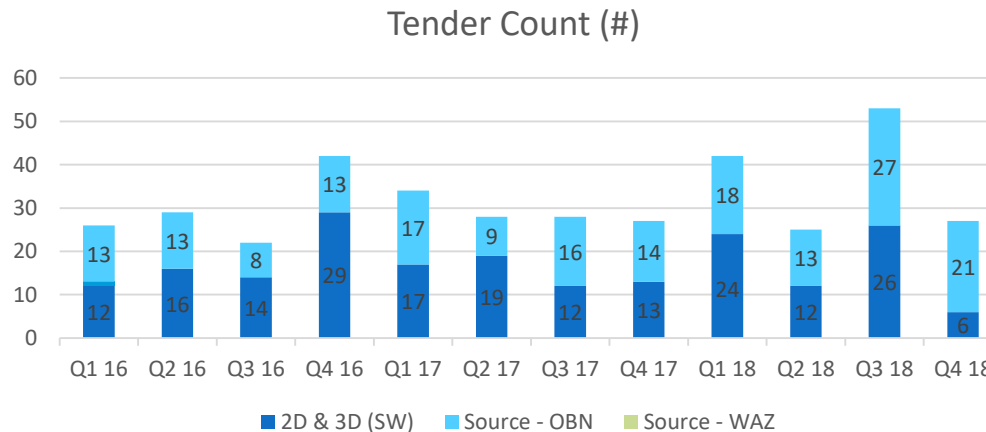
- \$17 million purchase price for fully rigged vessel including 3 high capacity compressors, full suite of source equipment and 40km Sercel Sentinel Solid streamer
- \$2.2 million capital expenditures relating to 10 year class docking in Q4-18
- Powerful niche 3D, 2D and Source vessel
- 0% technical downtime since commencement of 160 days contract with CGG in December
- Provides a significant long term increase in earnings capacity
- Pursuing several 3D leads (up to 6 streamer)



Contract update

- Eagle Explorer on firm source contract with expected completion June 2019 and options to extend
- Harrier Explorer commencing source and 2D contracts with expected duration into Q3-19
- Voyager Explorer and Osprey Explorer continuing on source projects with estimated completion March/April 2019
- Pre-funding for the MC2D survey increased from its initial 6,000 km to approximately 16,000 km. The survey is expected to re-commence in 2019
- All active vessels on scheduled projects through quarter one
- Approximately 50% of active fleet capacity booked for quarter two

Tender activity in SeaBird markets

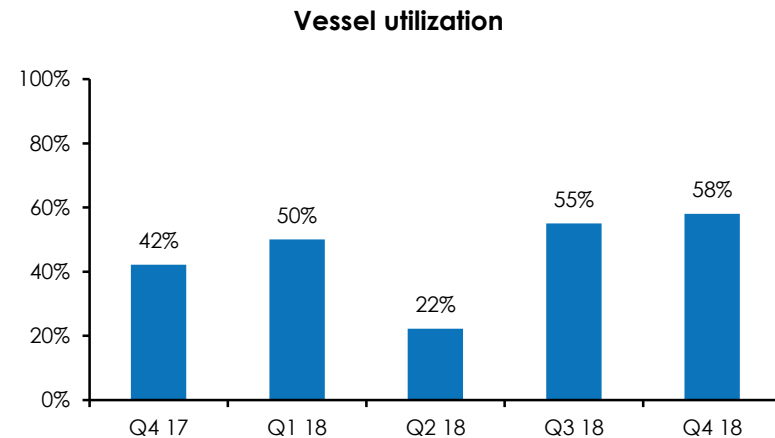
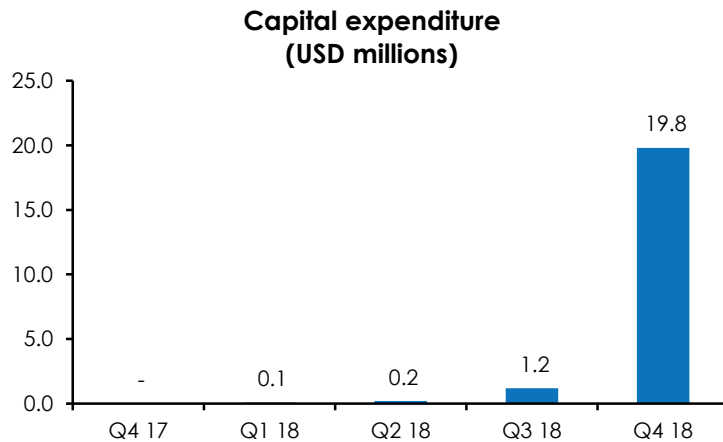
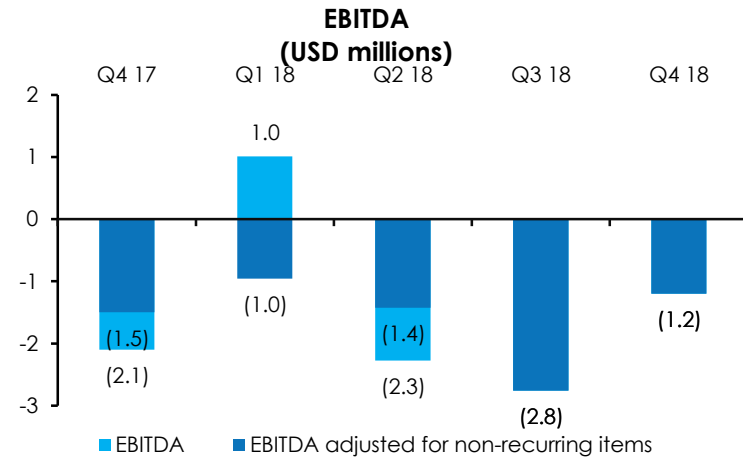
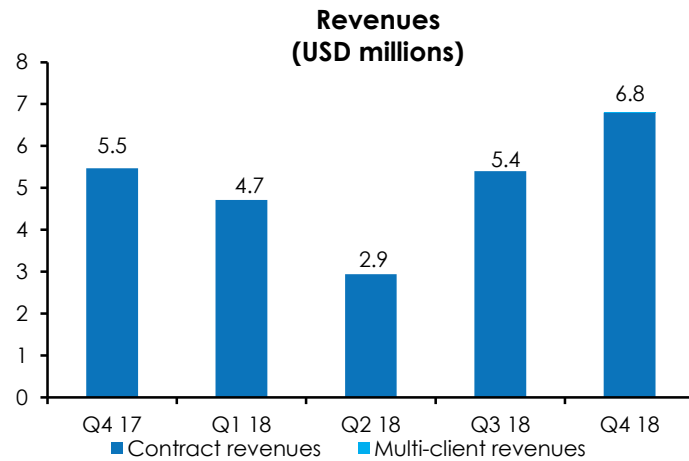


- OBN market continues strong growth with tenders coming from all regions
 - High OBN tender conversion rate (tenders resulting in source vessel contract awards)
- Reduction in nominal 2D/3D tenders during the quarter, but number of active discussions increasing
- Expecting increased streamer utilization in the revenue mix going forward
- Supply-demand balance expected to tighten compared to previous years

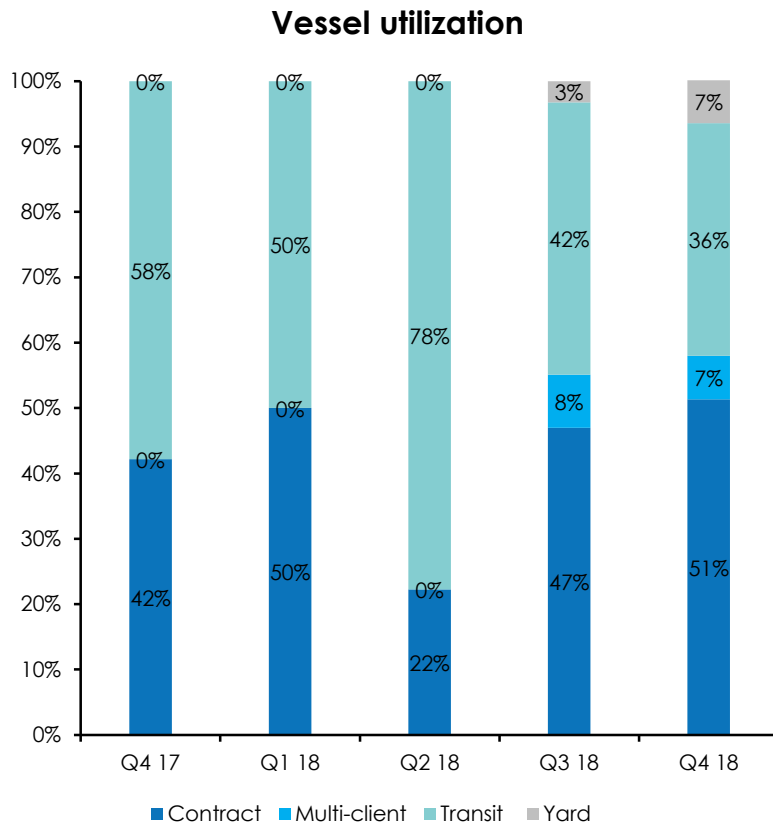
Financial review



Historical operating comparison



Vessel utilization



- Q4 utilization for five available vessels of 58%
 - Harrier Explorer active in Northern Europe and transit to South America
 - Osprey Explorer active in North America
 - Voyager Explorer active in Southeast Asia
 - Eagle Explorer joined the fleet in November; mobilized to Gulf of Mexico following yard stay (included in utilization from delivery date)
 - Aquila Explorer warm stacked in Europe

Income statement Q4 2018

CONSOLIDATED INTERIM STATEMENT OF INCOME		
	Q4 2018	Q4 2017
All figures in USD millions (except EPS)	Actual	Actual
Contract	6.8	5.5
Multi-client	0.0	-
Total revenues	6.8	5.5
Cost of sales	(5.8)	(5.4)
SG&A	(1.9)	(2.3)
Other income (expenses), net	(0.3)	-
Restructuring gain on leases	-	0.1
EBITDA	(1.2)	(2.1)
Depreciation	(2.5)	(2.1)
Impairment	-	(0.6)
EBIT	(3.6)	(4.8)
Interest and finance expense	(0.1)	(0.1)
Restructuring gain	-	(0.3)
Income tax	0.0	0.3
Profit/(loss) continuing operations	(3.7)	(4.9)
Net profit/(loss) discontinued operation	-	-
Shareholders of the parent	(3.7)	(4.9)
Earnings per share from continued operations		
Basic	(0.01)	(0.13)
Diluted	(0.01)	(0.13)

- SG&A in the quarter includes:
 - \$0.1 million non-cash option expense
 - \$0.1 million audit accruals which historically would have been booked in 2019

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Q4 2018	Q4 2017
All figures in USD millions	Actual	Actual
Profit / (loss) before income tax	(3.7)	(5.2)
Depreciation, amortization and impairment	2.5	2.7
Movement in provision	-	(0.4)
Other items	0.1	-
Unrealized exchange (gain)/loss	(0.1)	0.1
Interest expense on financial liabilities	0.2	0.1
Paid income tax	(0.0)	(0.1)
(Increase)/decrease in inventories	(0.1)	0.1
(Increase)/decrease in trade and other receivables	(1.1)	0.2
Increase/(decrease) in long term liabilities	0.0	0.4
Increase/(decrease) in trade and other payables	0.1	(5.3)
Increase/(decrease) in deferred income	0.7	-
Net cash from operating activities	(1.5)	(7.2)
Capital expenditures	(19.8)	-
Long term investment	0.0	-
Multi-client investment	(0.8)	-
Net cash used in investing activities	(20.5)	-
Proceeds from issuance of ordinary shares	-	12.6
Repayment of borrowings	(0.0)	(0.5)
Interest paid	-	0.1
Net cash from financing activities	(0.0)	12.2
Net (decrease)/increase in cash and cash equivalents	(22.0)	5.0

Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 31 December	
All figures in USD millions (except for equity ratio)	2018	2017
Property, plant and equipment	41.9	28.4
Multi-client library	1.5	-
Other non-current assets	0.6	0.1
Inventories	1.2	1.0
Trade receivables	2.1	1.2
Other current assets	5.1	3.6
Cash and cash equivalents	5.8	6.3
Restricted cash	0.2	0.2
Assets held for sale	-	0.5
Total assets	58.3	41.2
Equity	37.5	15.7
Non-current loans and borrowings	4.6	4.0
Non-current trade payable	0.4	0.4
Long term tax payable	1.3	-
Other long term provision	0.6	0.4
Current trade payable	3.0	5.1
Current other payable	8.9	7.6
Provisions	-	3.0
Current loans and borrowings	-	0.2
Deferred income	0.7	-
Current tax payable	1.5	4.8
Total equity and liabilities	58.3	41.2
Net interest bearing debt	(1.2)	(2.1)
Equity ratio %	64.3%	38.0%

- Credit facility reclassified from non-current loans and borrowings to non-current trade payables

Summary and outlook



Summary & Outlook



Q4 showed improved utilization and increased revenue



Structural growth in OBN seismic – early cyclical growth in 2D demand



All active vessels on scheduled projects through quarter one and approximately 50% of active fleet capacity booked for quarter two



Low and flexible cost base

G&A reduced ~65%, Opex reduced ~25 % through the downturn



Net cash positive and limited financial debt

Acquired «Eagle Explorer» at deep discount; opportunistically evaluating additional M&A opportunities

Q&A

