

SeaBird Exploration

Pareto Securities' Oil & Offshore Conference
11 September 2019

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SeaBird Exploration - investment highlights

Established seismic operator

- Market leading high-end 2D seismic and source vessel provider
- ~25 years operational track record and long-standing relations with tier 1 clients
- Only full-service provider with core focus on our niche markets

Global market presence

Flexible cost structure

- Steady growth in source market; modest cyclical recovery in 2D/3D
- Global economic uncertainty may impact timing of recovery
- Well positioned for structural shift towards ocean bottom seismic spending (OBN)
- Increased operational fleet from 2 to 6 vessels, whereof 2 flexible charter-in
- 20 – 30% increase in day rates compared to one year ago

Sound investment platform

- NOK 400m “all equity” fleet & equipment renewal – est. payback less than 4 years
- Clean balance sheet: net cash – only USD 5m gross debt – no covenants
- Listed on Oslo Stock Exchange with actively traded share
- Company targets to distribute all excess free cash flow to shareholders

Structural shift in the seismic industry

SBX is well positioned to benefit from this shift

Time period	E&P companies focus	Impact for seismic industry
2005 to 2014	<ul style="list-style-type: none"> • «Elephant» discoveries in harsh and Deepwater regions • Large scale seismic surveys 	<ul style="list-style-type: none"> • Large, high capacity 3D streamer vessels • Increasing multi-client activity
2018 ↓	<ul style="list-style-type: none"> • Increased oil recovery (IOR) on existing fields • Near-field development • Frontier exploration in regions focusing on energy security 	<ul style="list-style-type: none"> • OBS is well suited for the “new” E&P focus • OBS market share ~20% vs 10% in 2013 • High source vessel intensity in OBS projects • 20-25 active source vessels today vs 5-10 in 2016 • Selective frontier 2D and niche 3D exploration • ~ 5 active 2D vessels today vs ~20-30 in 2013

Seismic industry overview

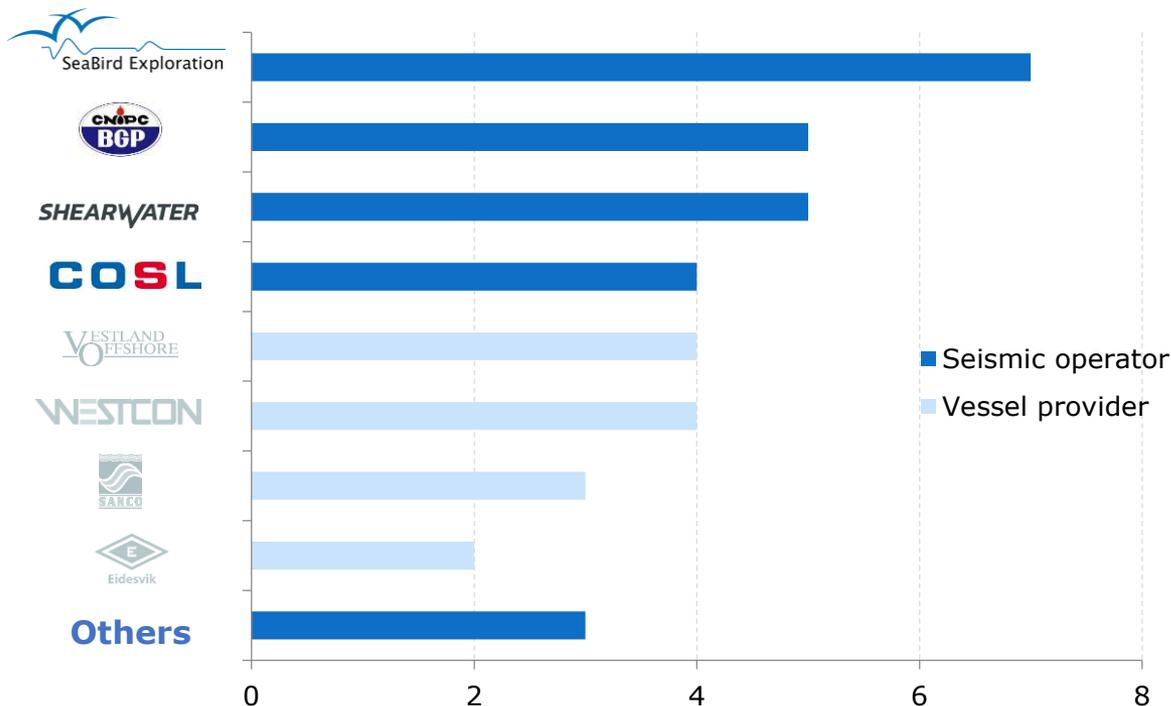
BGP migrating into OBS – PGS, Polarcus, Shearwater focusing on 3D

Category	Equipment	Technology independent	Technology dependent
OBS	    	  	 
3D	  	   	  
2D	 	  	
Source	 	   	
Vessel only (no seismic acquisition capacity)		        	

SeaBird is the market leader in an attractive niche market

Largest operator of active 2D/source vessels¹

Largest operator of active 2D/source vessels¹



SeaBird offers a global fleet and full-service platform with reduced mobilization costs compared to peers

SeaBird market segments

Global provider of source vessels and seismic data acquisition services

Business segments

Source

- OBN and WAZ surveys
- IOR driven structural growth in OBN

2D acquisition

- Frontier exploration
- Exploration driven cyclical recovery

Niche 3D (4-8 streamers)

- Low cost base -> Attractive margins
- Renewed focus shallow water exploration

Multiclient

- Partnership model
- High pre-funding required



A diversified blue-chip client base

Major oil



National oil



Independent oil



Seismic



Fleet renewal completed in Q2 2019

Attractive acquisition economics for BOA Galatea and BOA Thalassa



- BOA Galatea (renamed Fulmar Explorer) and BOA Thalassa (to be renamed Petrel Explorer) are sister vessels built 2008/09 in Norway for approximately USD 50m each
- Agreed acquisition price USD ~11 million/vessel
- Can be made source vessel capable at cost of ~USD 8 million (USD 11 million/vessel including existing equipment) ¹
- All-in cost of USD ~22 million/vessel¹ implies attractive EV/EBITDA of ~3.7x² at current source market rates
- BOA Thalassa is currently chartered by EMGS
 - Firm until March 2020, options to extend for 2 x 6 months
 - Implied ~3.6x² EV/EBITDA in EM seabed logging mode
- Vessel acquisition completed in June & July 2019

Two of very few vessels meeting high-end requirements in a growing OBS market

Strengthened balance sheet

USD 40 million fleet renewal in 2018/19 financed with equity

- Acquired the “Eagle Explorer”, “Boa Thalassa” and “Boa Galatea” for approximately USD 40 million during the last twelve months
 - 70-80% discount to new build cost
 - 100% financed with equity
- Significant pool of in-sea equipment worth about USD 10 -15 million in second hand market
 - Source equipment
 - Recording / streamer equipment
- Limited financial indebtedness
 - SBX04 bond: Q2 book value of USD 4.8 million; due 30 June 2020
 - Trade payable agreement: Q2 book value USD 0.1 million; due 30 June 2020
 - Book equity of 72% as per 30 June 2019

Fleet overview

Last 12 month development: Three modern vessels added - one vintage vessel retired

2D and source vessels



Harrier Explorer

2D - 1 X 12 Km
Source

Owned vessel

Osprey Explorer

2D - 1 X 12 Km
Source

Owned vessel

3D/2D and source vessels



Eagle Explorer

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

Owned vessel

Voyager Explorer

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

Chartered vessel

EM vessel



Petrel Explorer

Configured for
Electromagnetic seismic

Owned vessel



Fulmar Explorer

To be rigged for source
operations

Owned vessel¹⁾



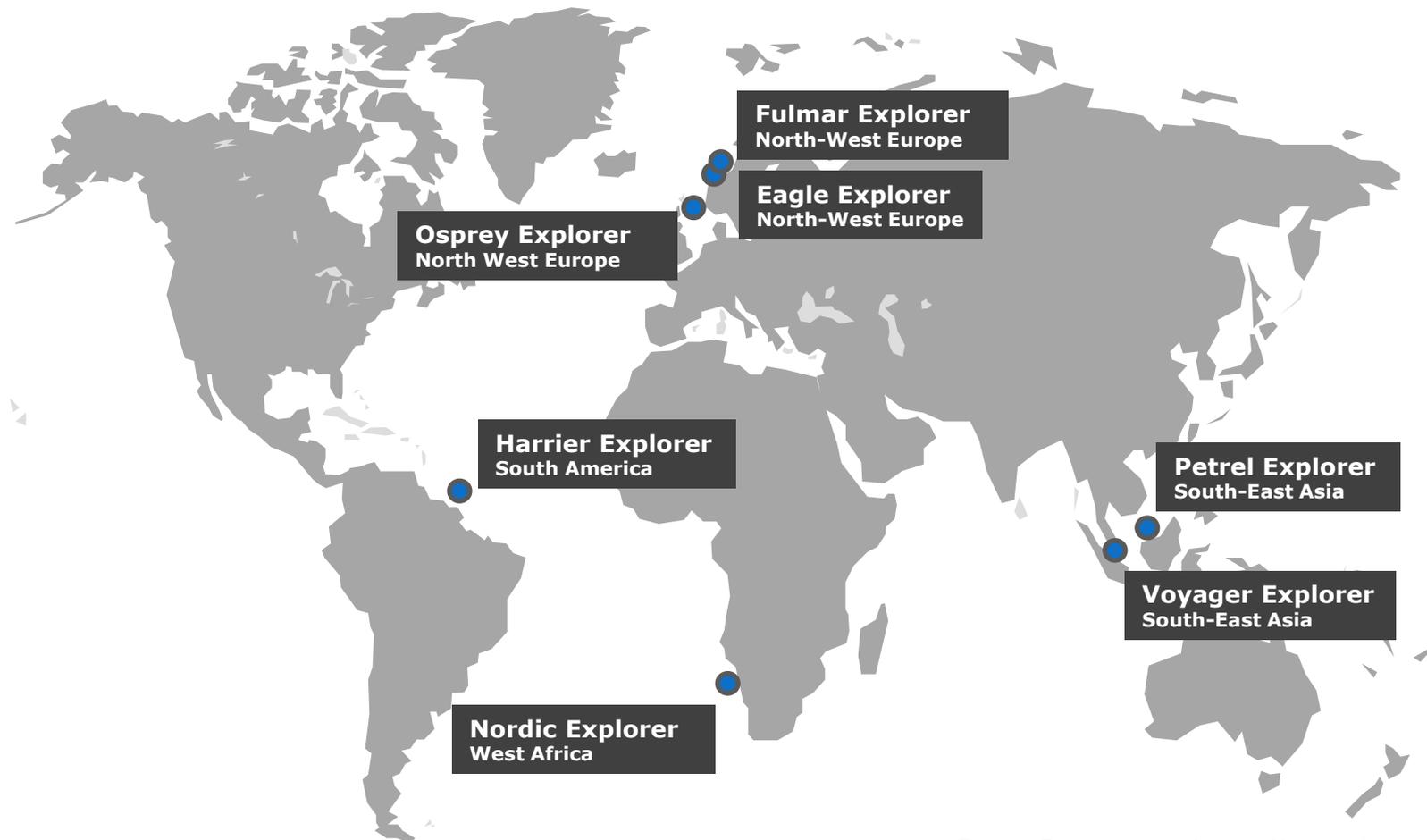
Nordic Explorer

3D-SW - 4 X 8 km
2D - 1 X 12 Km
Source

Chartered vessel

1) Acquired in July 2019

SeaBird fleet positioning

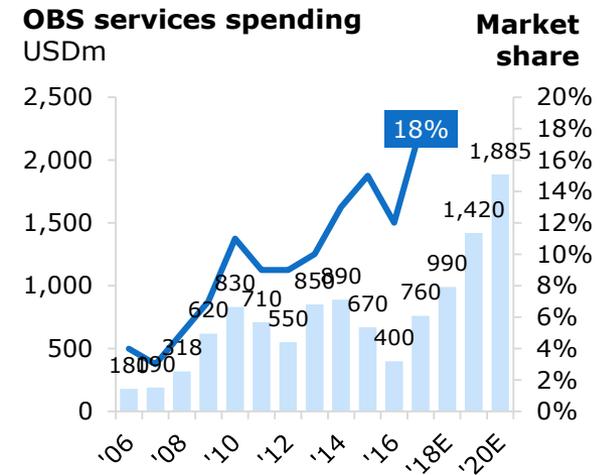


- Fulmar Explorer transited to Norway for upgrades
- Voyager Explorer warm-stacked in South-East Asia

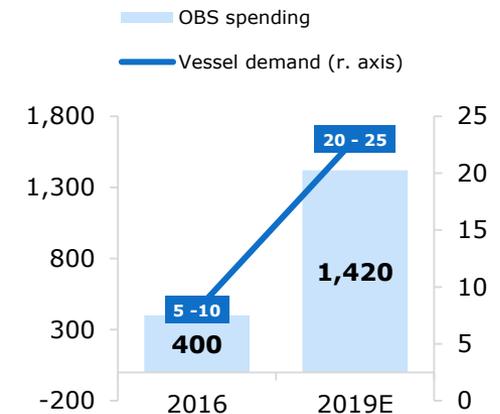
Market trends

Steady growth in source market; modest cyclical recovery in 2D/3D

- Ocean bottom seismic (OBS) market remains in structural growth trend
 - Demand driven by the oil & gas companies’ focus on IOR on producing fields and near-field exploration
 - Indications of a busy 2020 for OBS (combination of proprietary surveys and MC projects)
 - High source vessel intensity in OBS projects; 20-25 active source vessels today vs 5-10 in 2016
- Demand for proprietary 2D and niche 3D exploration surveys based on license commitments continues at a moderate pace
 - High conversion ratio, but limited survey sizes
 - Energy security key demand driver in select regions
- 2D MC conversion still lagging due to limited prefunding

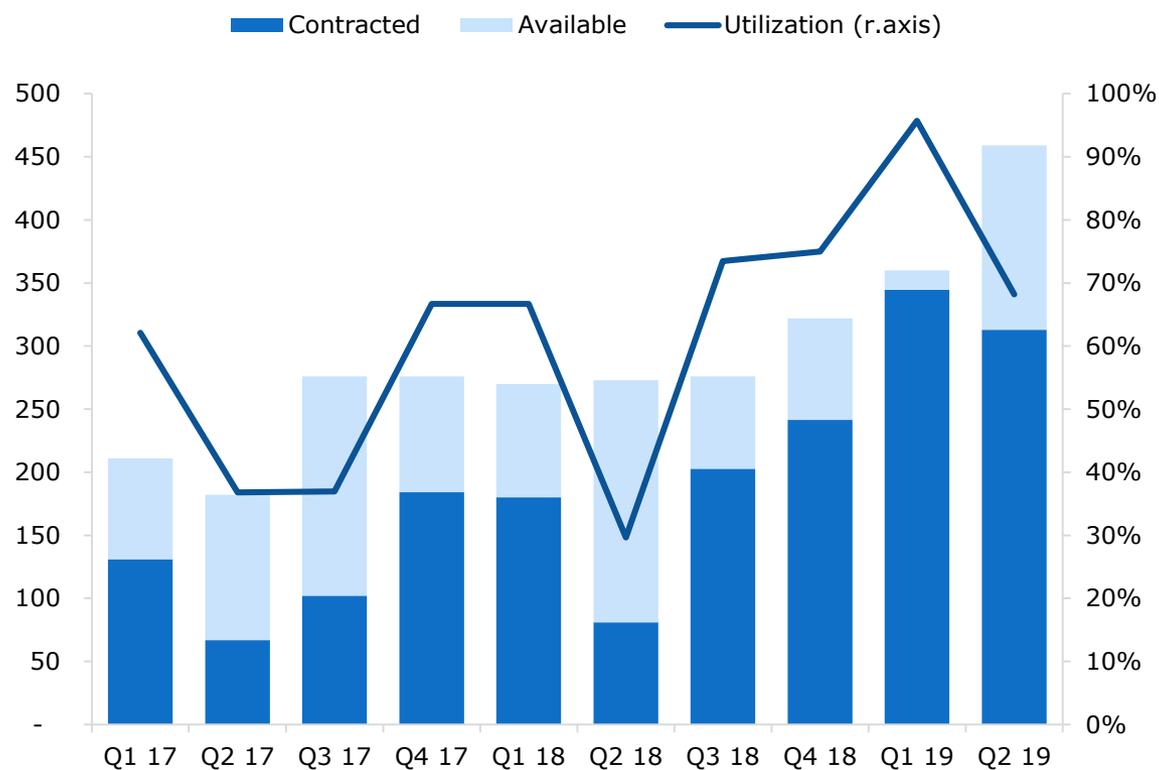


Source vessel demand

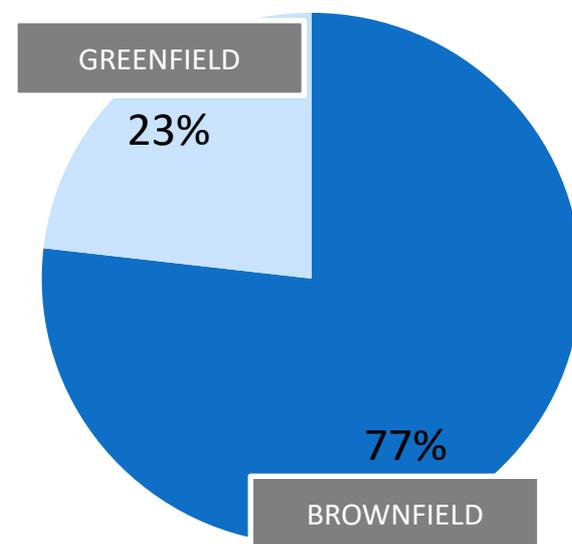


Steady increase in fleet capacity and utilization

Contracted vessel days and utilization¹



Split by type (YTD 2019)²



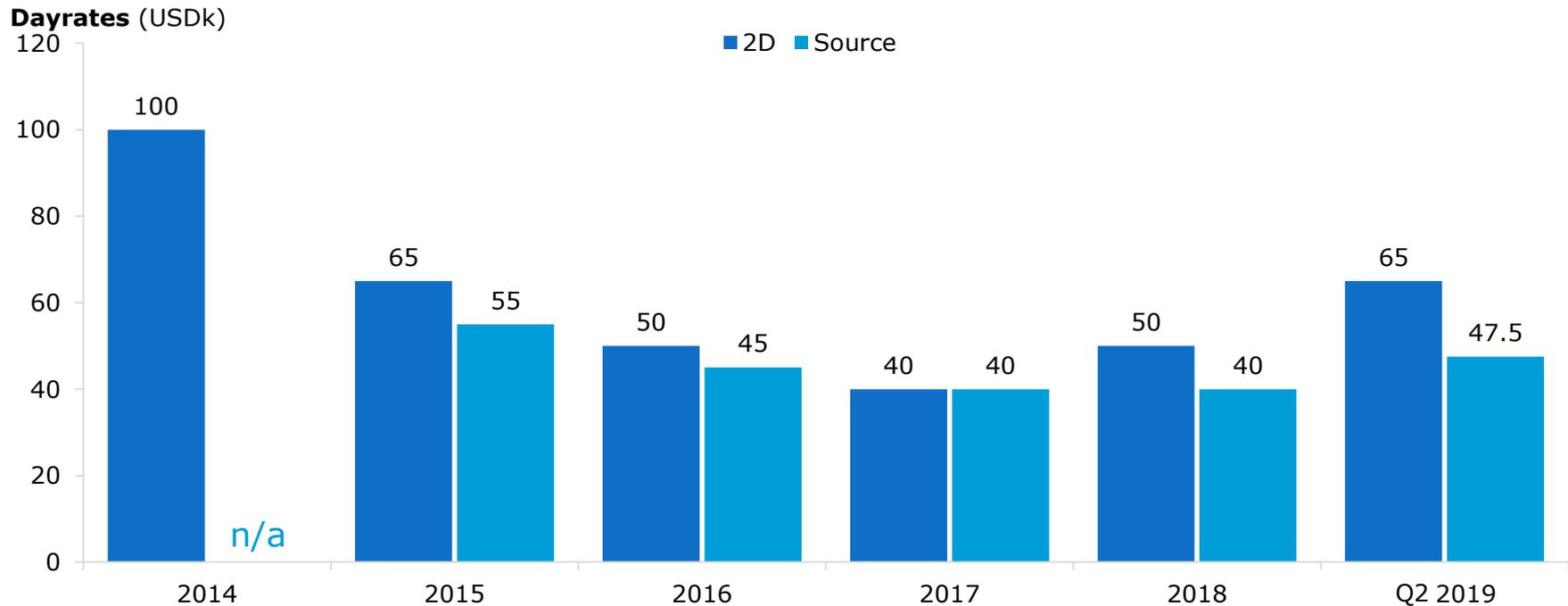
1) Includes BOA Thalassa as of 12 June 2019.

2) Greenfield: 2D/3D; Brownfield: source.

And a 20-30% increase in 2D and source rates

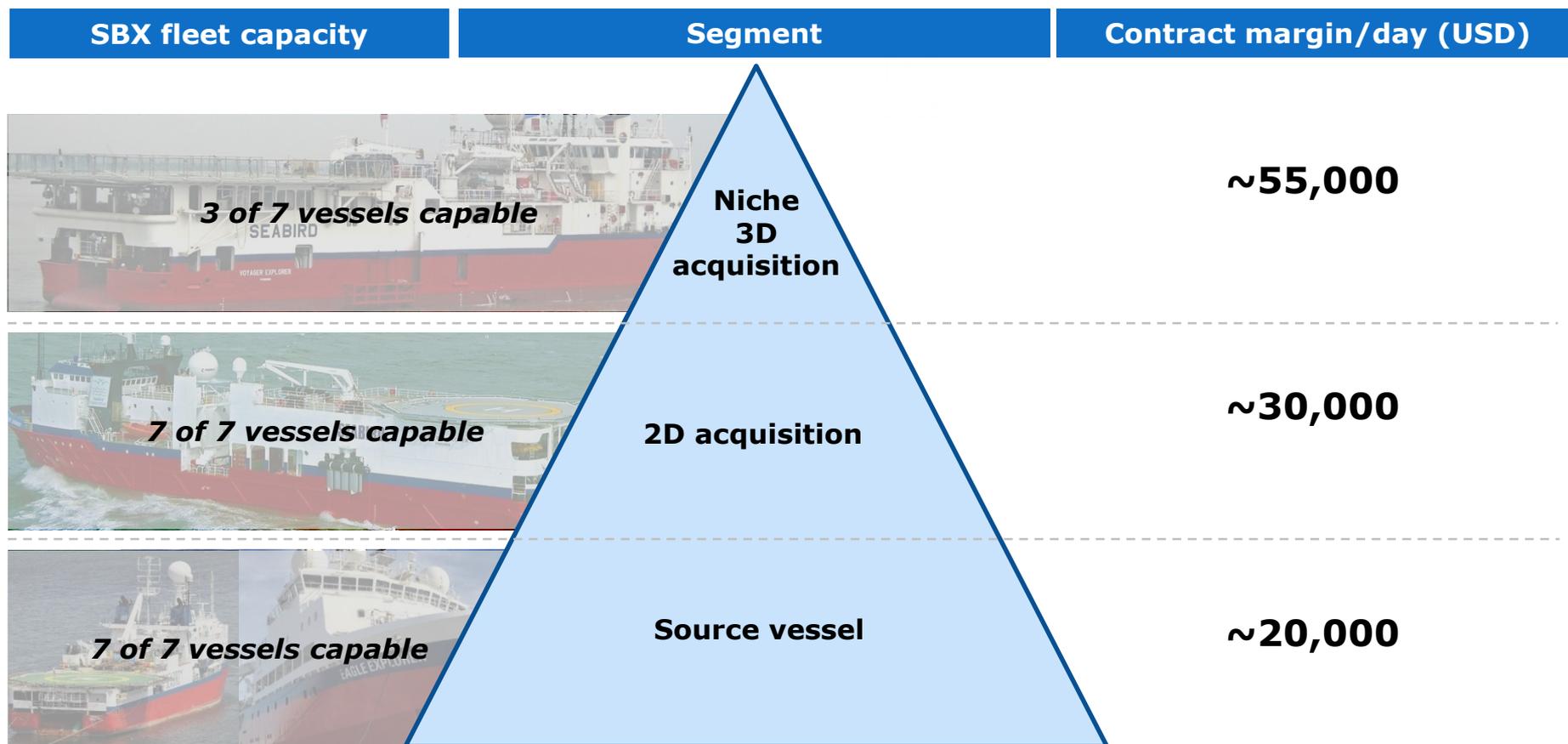
2019 YTD reports indicate improved contract prices across all seismic segments

2D/Source day rates¹



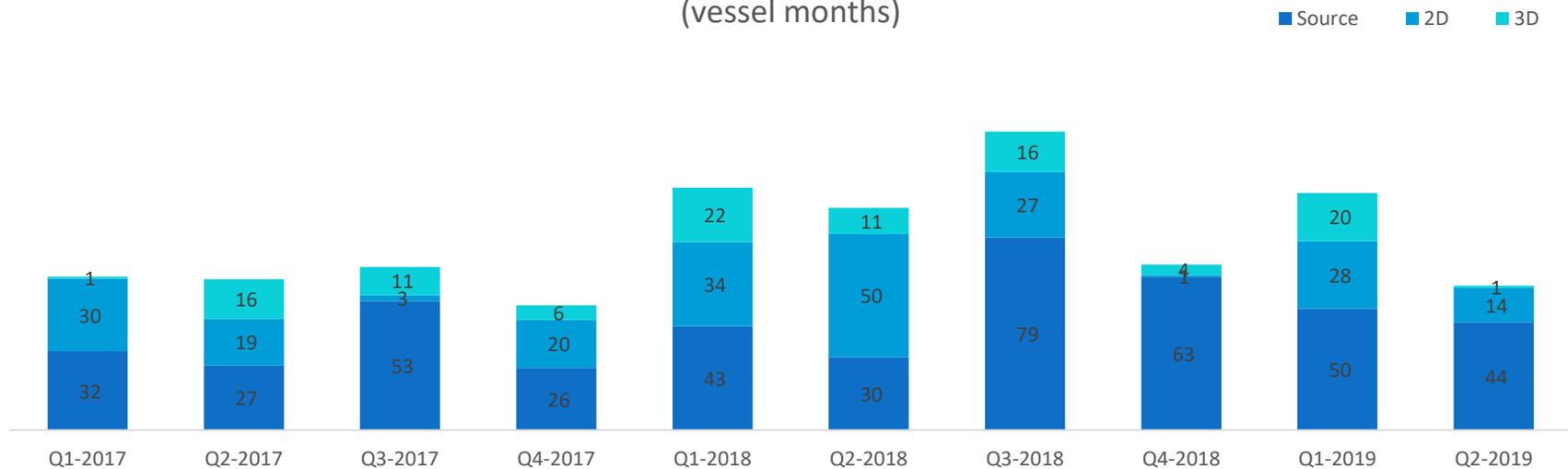
- 2D and source rates have remained cash positive throughout the downturn
- Day rates in 2019 increased across all segments in the range of 20-30% y-o-y

Versatile fleet enables upside potential from higher streamer utilization in revenue mix



Tender activity in SeaBird markets

Logged leads
(vessel months)



- Healthy OBN related tendering activity
 - Year-over-year growth in tendered vessel months, but sequential drop, in line with seasonal trends
 - Source component of projects for 2020 execution primarily in pre-tendering phase
- 2D tendering continues at a moderate pace
- Continued short lead time from contract award to project start-up
- Expect contract awards for Q4 2019 in coming weeks

Summary & Outlook



Structural growth in OBN seismic and early cyclical growth in 2D/3D



Global economic uncertainty may impact expected growth in E&P spending



Day rates increased 20-30% YoY



Fleet renewal completed – enlarged and versatile service offering



Strengthened balance sheet - net cash positive

Q&A

