

SeaBird Exploration

Third Quarter Presentation
8 November 2018

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Agenda

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

Highlights



Q3-18 Highlights

Key financial & operational figures

- 55% fleet utilization
- Revenues of \$5.4 million (\$2.9 million Q2 2018)
- EBITDA of negative \$2.8 million (negative \$2.3 million Q2 2018)
- EBIT of negative \$4.2 million (negative \$4.0 million Q2 2018)
- CAPEX of \$1.2 million
- Multi-client investment of \$0.6 million

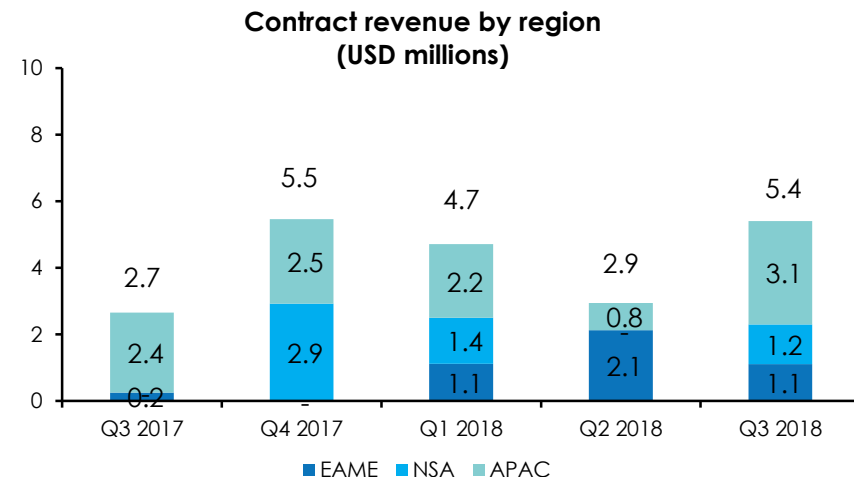
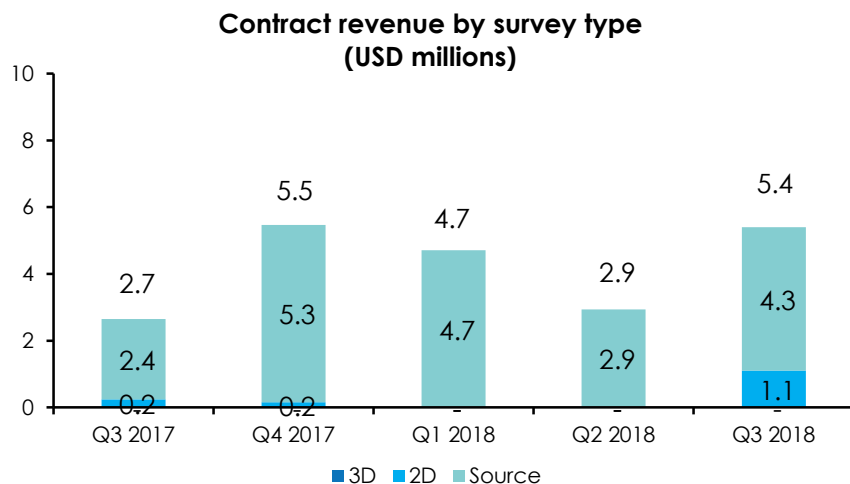
Quarterly and post quarter events

- Acquisition of Geowave Voyager and 40 km solid streamer in July for \$17 million
 - Payment at delivery in November
- Operating cost negatively impacted by \$2 million;
 - Re-activation of Harrier Explorer and seismic equipment upgrades on vessels
 - Deferred mobilization costs from previous quarter
 - Osprey project start-up delay
- Raised \$16.7 million additional capital net of fees during Q3

Market and operational review



Segment operating activity



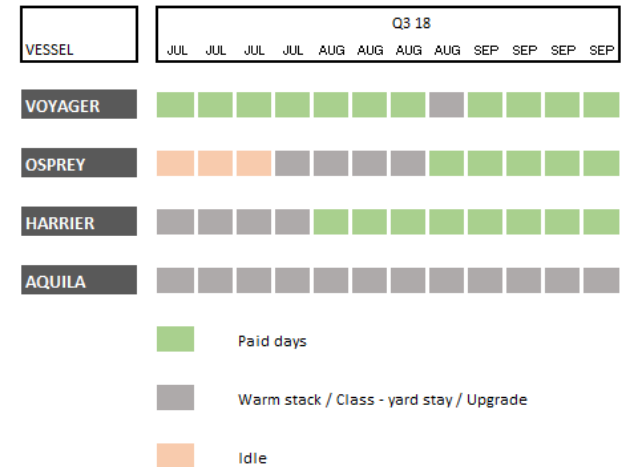
Key take-aways:

- Continued high activity in the growing ocean bottom survey («OBN») market;
 - Two vessels active during the quarter as source vessels
- Return of 2D seismic acquisition

Operational update

Three vessels in operation in all regions

- Voyager Explorer (Asia Pacific)
 - Source project July/August; reduced standby rate due to client project delay in return for increased survey duration and total revenue
 - 3-month OBN source project commenced in September
- Osprey Explorer (GoM)
 - Working as OBN source vessel (120 days firm + options)
 - Operations started later than planned due to source upgrades
- Harrier Explorer (NWE)
 - Vessel reactivation and yard stay in July
 - 2D project for oil major in Barents Sea in August
 - MC2D Deep Imaging project on NCS commenced in September 2018;
 - Acquired ~2,100 km before the project was paused in 2018 early October due to bad weather
 - Significant additional pre-funding commitment secured from oil major and program extended to 16,000 km, expected to be acquired in 2019
- Eagle Explorer (ex “Geowave Voyager”)
 - Expected to join the fleet after dry-dock in late Q4



Fleet overview

Flexible service offering - 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



Eagle Explorer

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

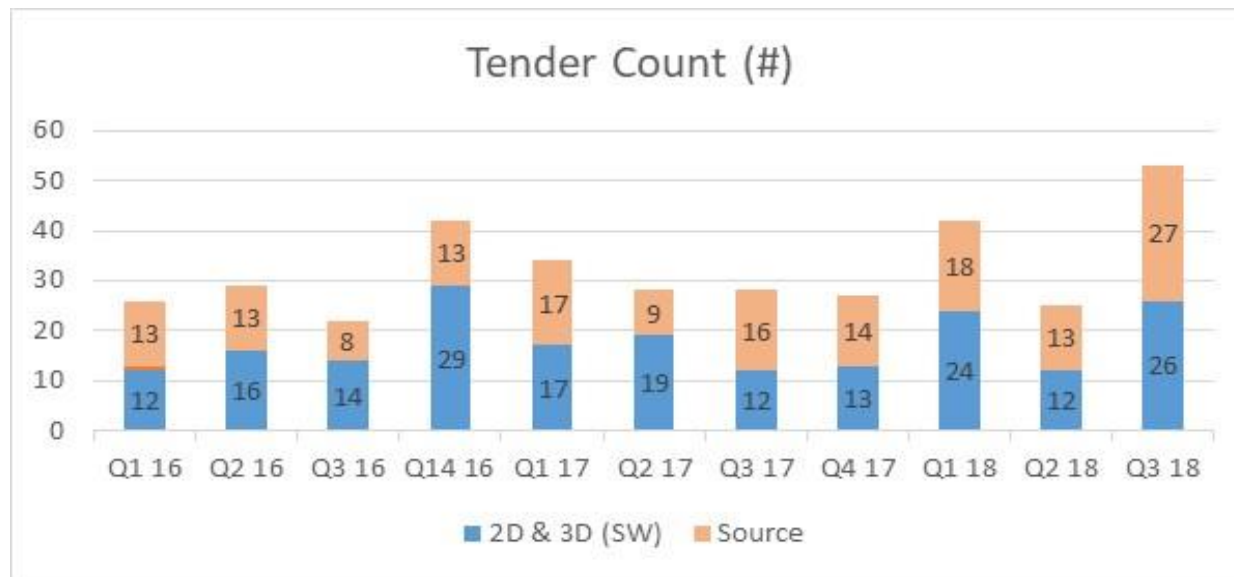
- Dual Source
- Dual Propulsion

Chartered vessel

Contract update

- Asia Pacific (APAC) region:
 - Voyager Explorer commenced source vessel project in September with estimated completion January 2019
- Europe, Middle East and Africa (EMEA) region:
 - Contract for a proprietary 2D survey for the Harrier Explorer performed in Q4 2018 with a duration of about two weeks with a contract value of close to \$1 million
 - Multi-client 2D survey (about 2 weeks) to be acquired in November. The survey is pre-funded and approximately cash neutral
- North and South America (NSA) region:
 - 2x30 day extensions for the Osprey Explorer for the OBN survey in the US Gulf of Mexico with expected completion end of December. Client holds the option to extend the survey for another one month
 - Letter of intent from a repeat client to provide two source vessels for an OBN seismic survey in the Americas region expected to commence in Q1 2019 with an expected combined duration of three to four vessel months

Tender activity in SeaBird markets



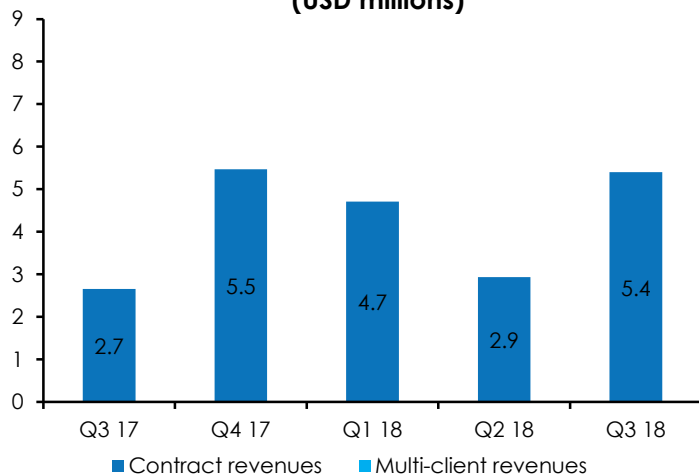
- Increase in tendering volume seen in 2018 and the 3rd quarter
- OBN market is experiencing strong growth with tenders coming from all regions
 - High OBN tender conversion rate (tenders resulting in source vessel contract awards)
- Increased number of exploration related 2D and 3D streamer survey tenders; pre-funding for planned 2D and 3D surveys is still lagging
- Split between Source (WAZ and OBN) and 2D/3D is 50/50

Financial review

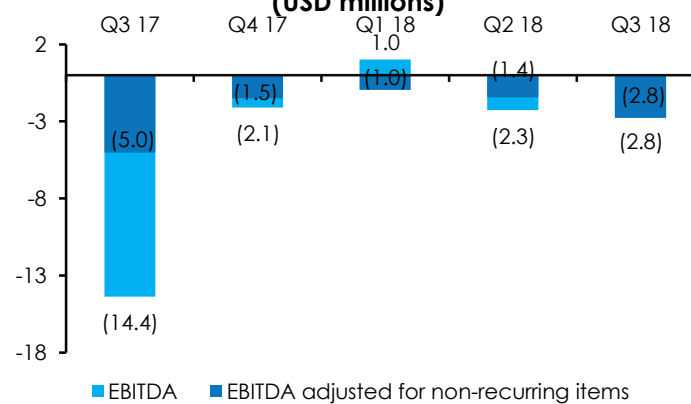


Historical operating comparison

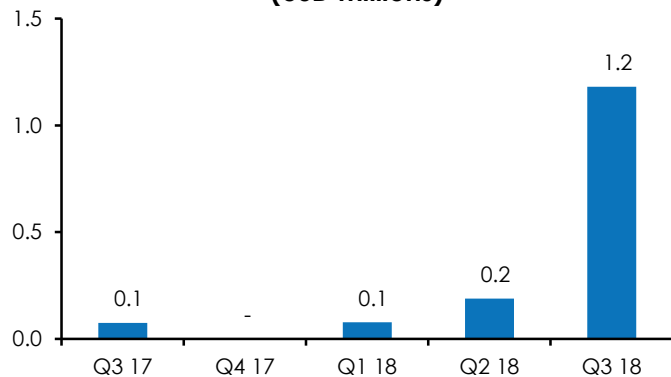
**Revenues
(USD millions)**



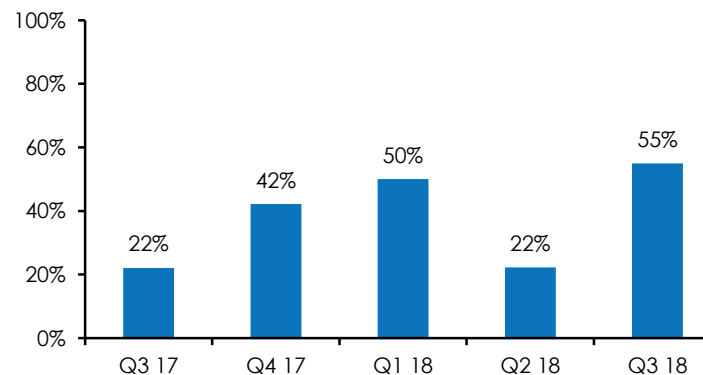
**EBITDA
(USD millions)**



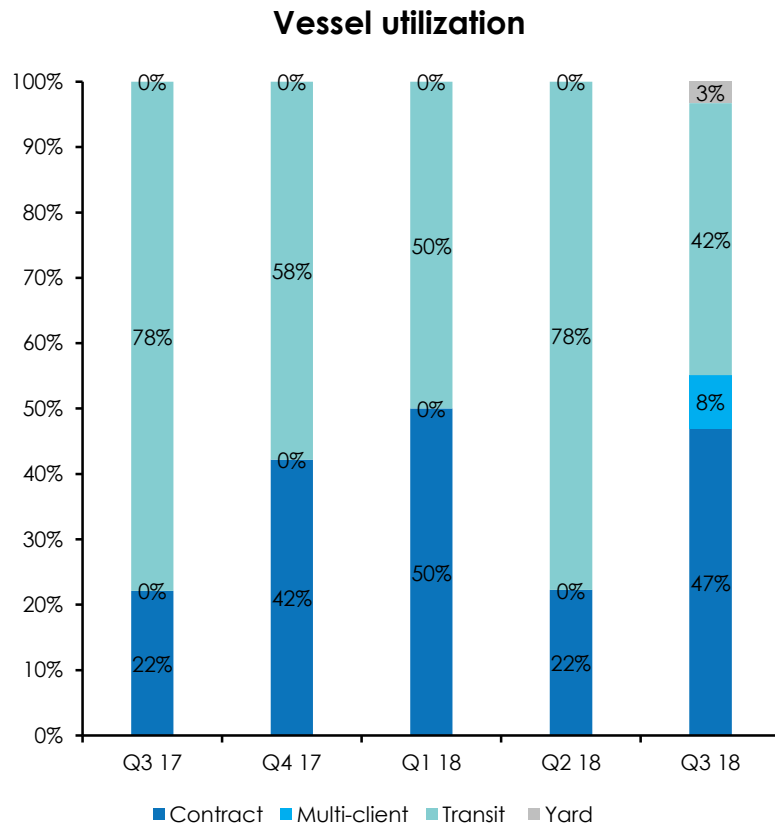
**Capital expenditure
(USD millions)**



Vessel utilization



Vessel utilization



- Q3 utilization for four available vessels of 55%
 - Harrier Explorer active in Northern Europe
 - Osprey Explorer active in North America
 - Voyager Explorer active in Southeast Asia
- Reactivation of Harrier Explorer and related yard stay

Income statement Q3 2018

CONSOLIDATED INTERIM STATEMENT OF INCOME		
	Q3 2018	Q3 2017
All figures in USD millions (except EPS)	Actual	Actual
Contract	5.4	2.7
Multi-client	-	-
Total revenues	5.4	2.7
Cost of sales	(6.6)	(6.7)
SG&A	(1.6)	(3.3)
Reversal of bad debt charges	-	(1.4)
Other income (expenses), net	0.0	0.0
Restructuring gain on leases	-	(5.7)
EBITDA	(2.8)	(14.4)
Depreciation	(1.4)	(3.1)
Amortization	-	(0.1)
Impairment	-	(8.1)
EBIT	(4.2)	(25.6)
Interest and finance expense	(0.4)	(1.8)
Restructuring gain	-	1.2
Income tax	(0.0)	0.3
Profit/(loss) continuing operations	(4.6)	(26.0)
Net profit/(loss) discontinued operation	-	-
Profit/(loss) for the period	(4.6)	(26.0)
Earnings per share from continued operations		
Basic	(0.02)	(7.25)
Diluted	(0.02)	(7.25)

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Q3 2018	Q3 2017
All figures in USD millions	Actual	Actual
Profit / (loss) before income tax	(4.6)	(26.2)
Depreciation, amortization and impairment	1.4	11.3
Movement in provision	-	1.8
Other items	(0.7)	1.7
Interest expense on financial liabilities	0.1	0.5
(Increase)/decrease in trade and other receivables	0.9	1.5
Increase/(decrease) in long term liabilities	(0.2)	-
Increase/(decrease) in trade and other payables	(0.1)	7.8
Net cash from operating activities	(3.2)	(1.7)
Capital expenditures	(1.2)	(0.1)
Other long-term investment	(0.5)	0.0
Multi-client investment	(0.3)	-
Net cash used in investing activities	(2.0)	(0.1)
Proceeds from issuance of ordinary shares	16.7	-
Repayment of borrowings	0.0	0.0
Net cash from financing activities	16.7	0.0
Net (decrease)/increase in cash and cash equivalents	11.6	(1.8)

Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 30 September	
All figures in USD millions (except for equity ratio)	2018	2017
Property, plant and equipment	24.7	31.3
Multi-client library	0.6	-
Other non-current assets	0.6	0.1
Inventories	1.1	1.1
Trade receivables	1.0	1.5
Other current assets	4.4	3.7
Cash and cash equivalents	28.7	1.5
Total assets	61.2	39.1
Equity	41.1	7.9
Non-current loans and borrowings	4.8	3.9
Other long-term liabilities	0.8	-
Long term tax payable	1.0	-
Trade payables	3.0	18.0
Other payables	8.9	-
Provisions	-	3.4
Tax payable	1.6	5.3
Current loans and borrowings	-	0.7
Total equity and liabilities	61.2	39.1
Net interest bearing debt	(23.9)	3.1
Equity ratio %	67.1%	20.2%

Raised \$16.7 million in net additional capital in Q3

Overview of share issues	Gross amount	Issue price	Number of shares issued	Number of outstanding shares
May repair issue	NOK 25.0 million	1.60	15,625,000	220,120,514
July private placement	NOK 120.0 million	1.90	63,200,000	283,320,514
July repair issue	NOK 2.2 million	1.90	1,166,791	284,487,306

1 for 10 reverse share split implemented in August

284,487,306 shares currently outstanding¹⁾

1) As of 30 September 2018

Summary and outlook



Summary & Outlook



Q3 showed improved utilization, flat rates and higher cost



**Structural growth in OBN seismic – early cyclical growth in 2D demand
Increased tendering activity**



**Low and flexible cost base
G&A reduced ~65%, Opex reduced ~25 % through the downturn**



**Net cash positive and limited financial debt
Acquired «GW Voyager» at deep discount; opportunistically evaluating additional M&A opportunities**

Q&A

