

SeaBird Exploration

Third Quarter Presentation
7 November 2019

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Forward-looking statements

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Agenda

- Highlights
- Strategic update
- Market and operational review
- Financial review
- Outlook
- Q&A

Highlights



Q3-19 Highlights

Key financial & operational figures

- Revenues of \$16.0 million (\$5.4 million Q3 2018)
- Clean EBITDA of \$2.0 million (negative \$2.8 million Q3 2018)
- 68% fleet utilization
- CAPEX of \$12.7 million

Major events during the quarter

- 196% increase in revenues year-over-year
- Pricing continuing to strengthen
- Increased streamer survey demand
- Special items of net \$3.7 million relating to extraordinary equipment testing and repair and subsequent project delays on three surveys
- Acquired BOA Thalassa (Fulmar) early in the quarter; NOK 28 million share issue to bondholders as part settlement of BOA Thalassa acquisition

Strategic update



Strategy update

- Maximize stakeholder value by providing safe, high-quality seismic 2D and niche 3D data acquisition and source services to our clients in a cost-efficient manner
- Operate 5 – 7 vessels in the niche streamer and source segments
 - Maintain capability to seize financially attractive niche 3D opportunities
 - Shallow water and smaller surveys
- Asset light with a flexible fleet
 - Maintain core, owned fleet
 - Add flexible capacity by chartering vessels from tonnage providers
 - Vessels to be able to move quickly between segments to increase utilization
- Lean project organization
 - Moving main office to Bergen
 - Reduce SG&A - flexible cost base to reflect activity level
 - Hands-on management with short reporting and decision lines

Flexible fleet – niche streamer and source

5 – 7 vessels capable of niche streamer and source operations

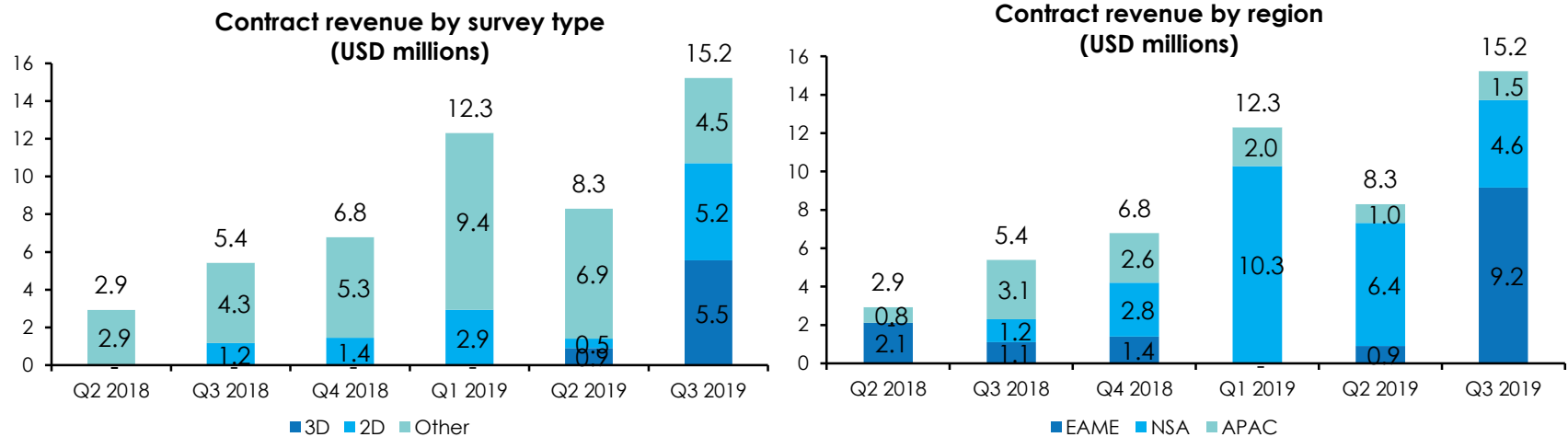


	EAGLE EXPLORER	FULMAR EXPLORER	VOYAGER EXPLORER	TBN EXPLORER	NORDIC EXPLORER	PETREL EXPLORER	HARRIER EXPLORER	OSPREY EXPLORER
<i>Status</i>	Owned	Owned	Flex BB	Flex TC	Flex TC	Owned	Owned	Owned
<i>Source</i>	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
<i>2D</i>	Yes	Yes	Yes	Yes	Yes	EM - TC	Yes	Yes
<i>3D</i>	Yes	No	Yes	Yes	Yes	NA	No	No
<i>Streamer</i>	Sentinel	Sentinel	Sentinel	Sentinel	DigiStreamer	NA	DigiStreamer	NA

Market and operational review



Segment operating activity



Key take-aways:

- Continuous increase in revenues reflecting improved market and enlarged fleet
- High activity in the EAME region

Note: contract revenues does not include \$0.8 million in multi-client revenues in Q3 2019 and \$0.9 million in Q2 2019

Operational update

Five vessels in operation during the quarter

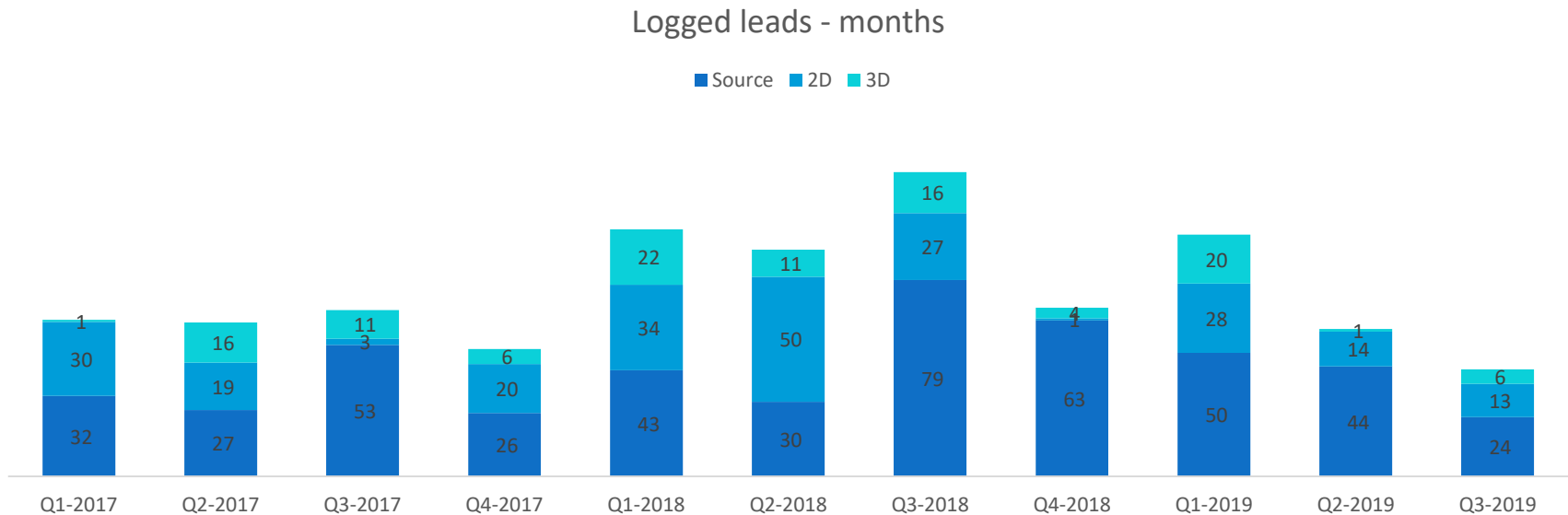
- Harrier Explorer (NSA)
 - Continued on 2D project in South America
- Eagle Explorer (GoM)
 - Source project in North Sea
 - Commenced on a 2D project in North Sea
- Osprey Explorer (GoM)
 - Mobilized to North Sea, and commenced on a source project
- Petrel Explorer (Asia Pacific)
 - Operating on contract with EMGS
- Voyager Explorer (Asia Pacific)
 - Idle; preparing for new source project
- Nordic Explorer (WAF)
 - Finished 3D project, and commenced on a 2D project in Africa



Market trends

- Source vessel demand driven by ocean bottom seismic
 - Oil & gas companies' focus on increased oil recovery on producing fields, as well as near-field exploration
 - Tendency for increased multi-client activity in OBN
 - Based on recent discussions with clients, we expect to see high OBN activity in 2020
- Demand for proprietary 2D and niche 3D surveys
 - License obligations
 - High conversion ratio, but surveys are relatively small
 - Energy security emerging as a demand driver in select regions – Far East and Africa
- Signs that conversion ratio for 2D multi-client is increasing
 - Confirmed surveys
 - More specific discussions with potential clients

Tender activity in SeaBird markets



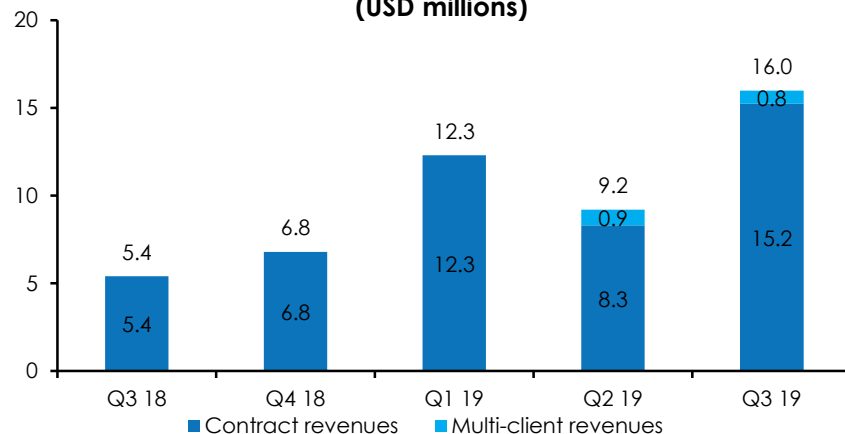
- Healthy OBN related tendering activity – expect tenders for several surveys to come out in Q4
- 2D tendering continues at a moderate pace – but we expect more surveys to realize than before
- Still short lead time from contract award to project start-up

Financial review

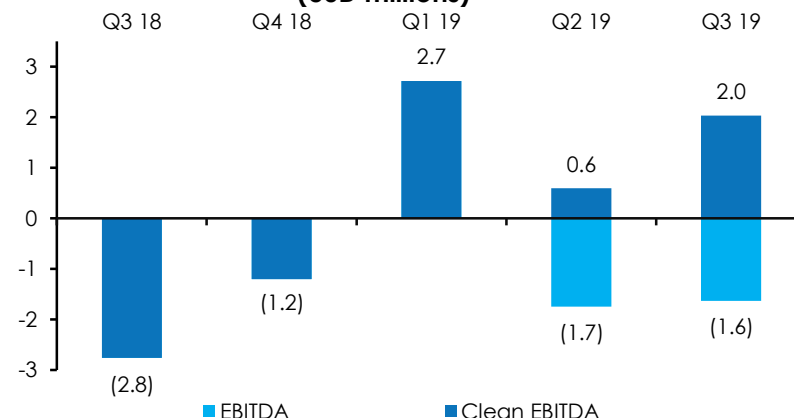


Historical operating comparison

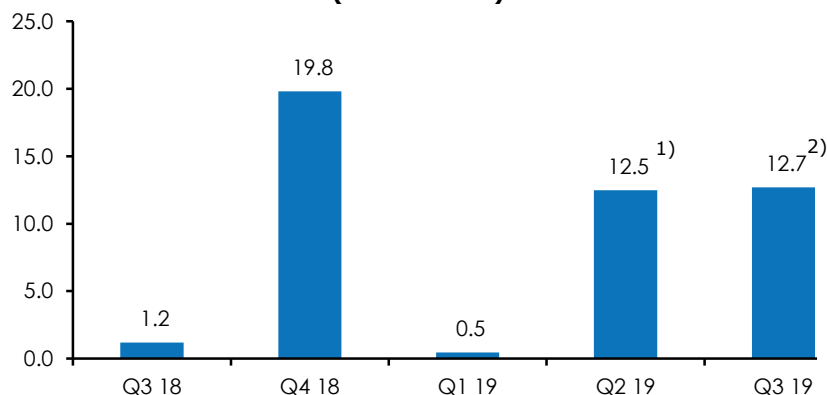
**Revenues
(USD millions)**



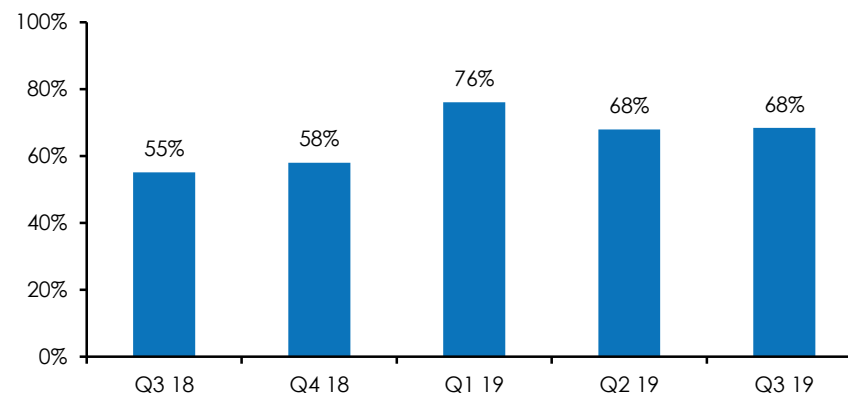
**EBITDA
(USD millions)**



**Capital expenditure
(USD millions)**



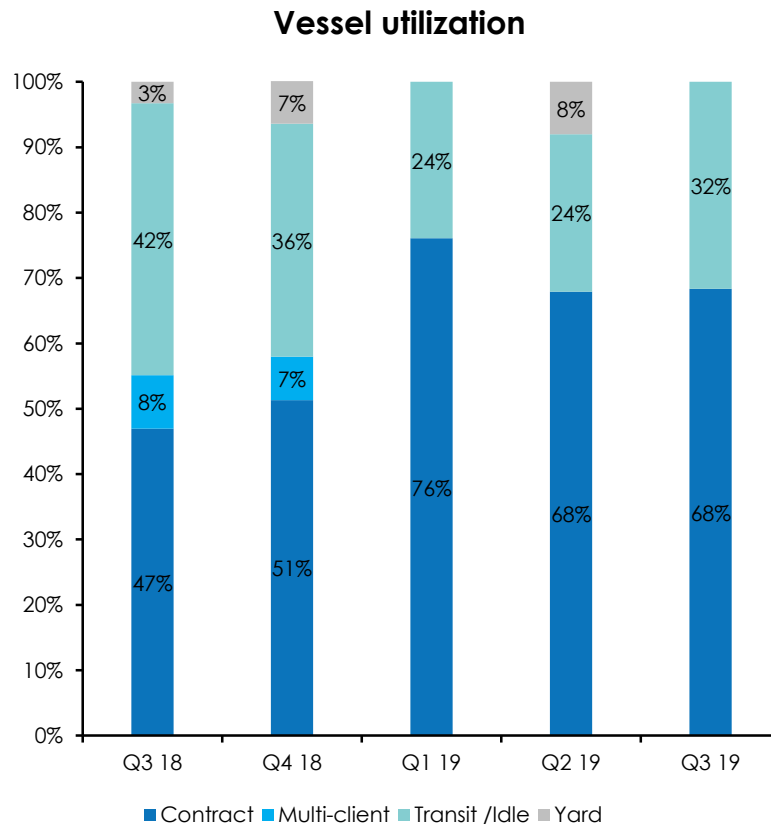
Vessel utilization



1) CAPEX includes \$3.2 million in non-cash investment in BOA Thalassa (Petrel) raised from sellers of the vessel

2) CAPEX includes \$3.2 million in non-cash investment in BOA Galatea (Fulmar) raised from sellers of the vessel

Vessel utilization



- Q3 utilization of 68% for whole fleet
 - Five vessels active
- No yard stays during the quarter

Notes:

Aquila Explorer not included in utilization from Q2 2019

BOA Thalassa and BOA Galatea included in utilization from date of delivery

Income statement Q3 2019

CONSOLIDATED INTERIM STATEMENT OF INCOME				
			Q3 2019	Q3 2018
All figures in USD millions (except EPS)	Clean	Special items	Actual	Actual
Contract	15.5	0.2	15.2	5.4
Multi-client	0.8	-	0.8	-
Total revenues	16.2	0.2	16.0	5.4
Cost of sales	(12.6)	3.4	(16.0)	(6.6)
SG&A	(2.1)	-	(2.1)	(1.6)
Reversal of bad debt charges	-	-	-	(0.0)
Other income (expenses), net	0.5	-	0.5	0.0
EBITDA	2.0	3.7	(1.6)	(2.8)
	-	-	-	-
Depreciation	(2.5)	-	(2.5)	(1.4)
Amortization and impairment	(0.7)	-	(0.7)	-
EBIT	(1.2)	3.7	(4.8)	(4.2)
Interest expense	(0.2)	-	(0.2)	(0.6)
Other financial items	0.3	-	0.3	0.2
Income tax	(0.3)	-	(0.3)	(0.0)
Profit/(loss) continuing operations	(1.4)	3.7	(5.1)	(4.6)
Net profit/(loss) discontinued operations	-	-	-	-
Profit/(loss) for the period	(1.4)	3.7	(5.1)	(4.6)
Earnings per share from continued operations				
Basic			(0.01)	(0.02)
Diluted			(0.01)	(0.02)

- Special items of \$3.7 million in the quarter represents shake down of seismic equipment, testing, equipment repairs and relocation of equipment

Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 30 September	
All figures in USD millions (except for equity ratio)	2019	2018
Property, plant and equipment	57.5	24.7
MultiClient Investment	0.5	0.6
Other non-current assets	0.2	0.6
Inventories	2.5	1.1
Trade receivables	4.4	1.0
Other current assets	5.5	2.4
Contract assets	4.2	2.0
Assets classified as held for sale	0.2	-
Restricted cash	0.2	0.9
Cash and cash equivalents	5.4	27.8
Total assets	80.5	61.2
Equity	58.8	41.1
Non-current borrowings	-	4.8
Long term tax liabilities	0.9	1.0
Other long term liabilities	0.3	0.8
Trade payables	3.3	3.0
Contract liabilities	0.7	0.0
Other payables	10.1	8.9
Current borrowings	5.0	-
Current tax liabilities	1.4	1.6
Total equity and liabilities	80.5	61.2
Net interest bearing debt	(0.4)	(22.9)
Equity ratio	73%	67%

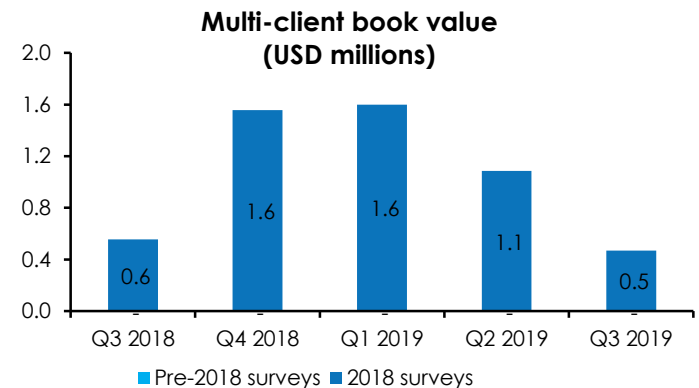
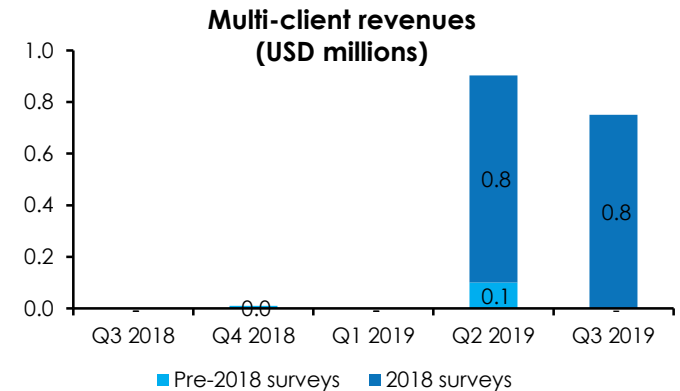
Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Quarter ended 30 September	
All figures in USD millions	2019	2018
Profit / (loss) before income tax	(4.7)	(4.6)
Depreciation, amortization and impairment	3.2	1.4
Other items	(1.6)	(0.3)
(Increase)/decrease in inventories	(0.4)	(0.2)
(Increase)/decrease in trade and other receivables	(0.5)	0.9
Increase/(decrease) in long term liabilities	(0.1)	(0.2)
Increase/(decrease) in trade and other payables	(0.3)	(0.1)
Net cash from operating activities	(4.5)	(3.1)
Capital expenditures	(9.5)	(1.2)
Long term investment	0.5	(0.5)
Multi-client investment	-	(0.3)
Net cash used in investing activities	(9.0)	(2.0)
Proceeds from issuance of ordinary shares	(0.0)	18.7
Transaction costs on issuance of ordinary shares	(0.1)	(2.1)
Receipts from borrowings	-	(0.0)
Repayment of borrowings	-	0.0
Net cash from financing activities	(0.1)	16.7
Net (decrease)/increase in cash and cash equivalents	(13.5)	11.6
Cash and cash equivalents at beginning of the period	18.9	16.2
Cash and cash equivalents at end of the period	5.4	27.8

Multi-client status

Multi-client revenues

- \$0.8 million multi-client revenues in the quarter relating to a partial sale of one EAME survey
- \$0.5 million net book value of MC-library as per 30 September
- No additional multi-client projects in the quarter



Summary



Summary



Q3 EBITDA hampered by one-off technical issues



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



Day rates increased 30% YoY



Streamlining operations into a project focused organization



Implement a more asset-light and flexible business model

Q&A

