

Pareto Securities' 27th Energy Conference

Polarcus Limited

16th September 2020

Duncan Eley, CEO

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Focused marine geophysical service provider

Global client interfaces



High-end uniform seismic fleet



Polarcus Naila
14 Streamers



V. Tikhonov – Bareboat Charter
8 Streamers



Polarcus Asima
12 Streamers



Ivan Gubkin – Bareboat Charter
14 Streamers



Polarcus Alima
12 Streamers

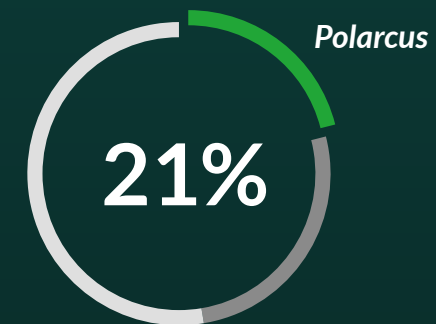


Polarcus Nadia - Stacked
12 Streamers



Polarcus Adira
14 Streamers

SHARE OF ACTIVE GLOBAL FLEET*



*Source: Polarcus, share of 3D high-end seismic active global fleet

Significant changes to industry dynamics since 2018

Three global players in the marine seismic acquisition industry

2018
5 vessel operators

Acquisition

Combined

Multi-client

2020
3 vessel operators

Acquisition

Combined



Multi-client

Vessel ownership has consolidated

Competitors' shift to pure multi-client means more acquisition clients

Agenda

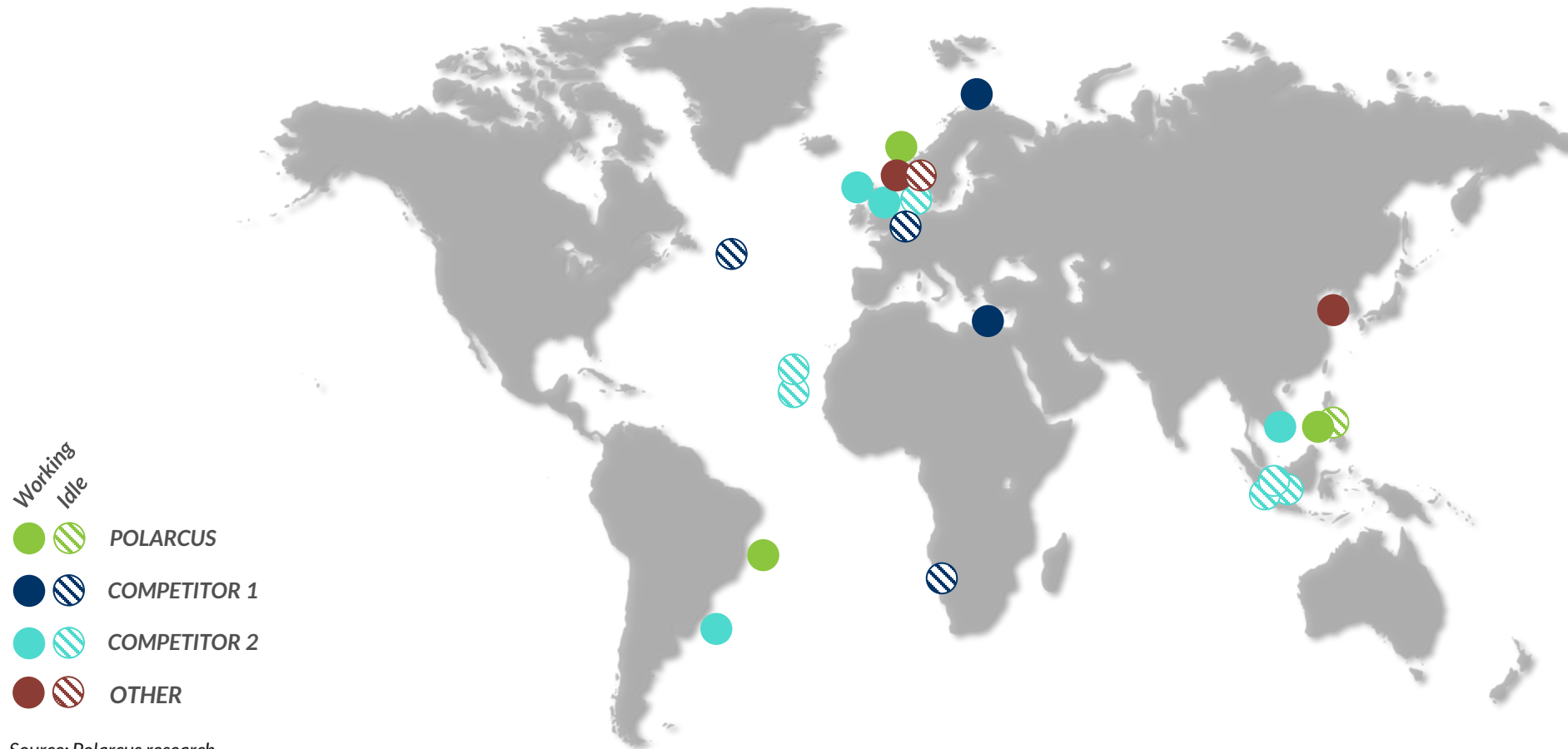
- 1 Seismic industry developments
- 2 Polarcus action plan

Seismic industry today

	Global towed streamer fleet at <50% utilization	Competitive near-term market	Limited visibility for 2021	Projections supporting E&P spend increase in 2021
	<ul style="list-style-type: none"> • 2020 E&P investments down 25% from original budgets • 9 of 19 active global vessels working on projects • More vessels potentially taken out in H2 2020 	<ul style="list-style-type: none"> • Q2 2020 global demand down 20% year-on-year • H2 2020 projects will be limited with high competition expected • Large-scale MC projects with potential starts in H1 2021 	<ul style="list-style-type: none"> • E&P companies continue to re-evaluate investments • Tendering activity building slowly through Q3 2020 • Indications that 2021 will see increase in activity 	<ul style="list-style-type: none"> • Oil supply cuts balancing reduced demand during H2 2020 • Longer term fundamentals support E&P investment
	Operating 3 of 4 active vessels	Secured 5 awards since the end Q1 2020	Efficiency and flexibility measures implemented to mitigate fluctuating activity	Positioning for exploration & production activity increase during 2021

Less than 50% of the global active fleet on projects

Active high-end 3D seismic vessels as of September 2020



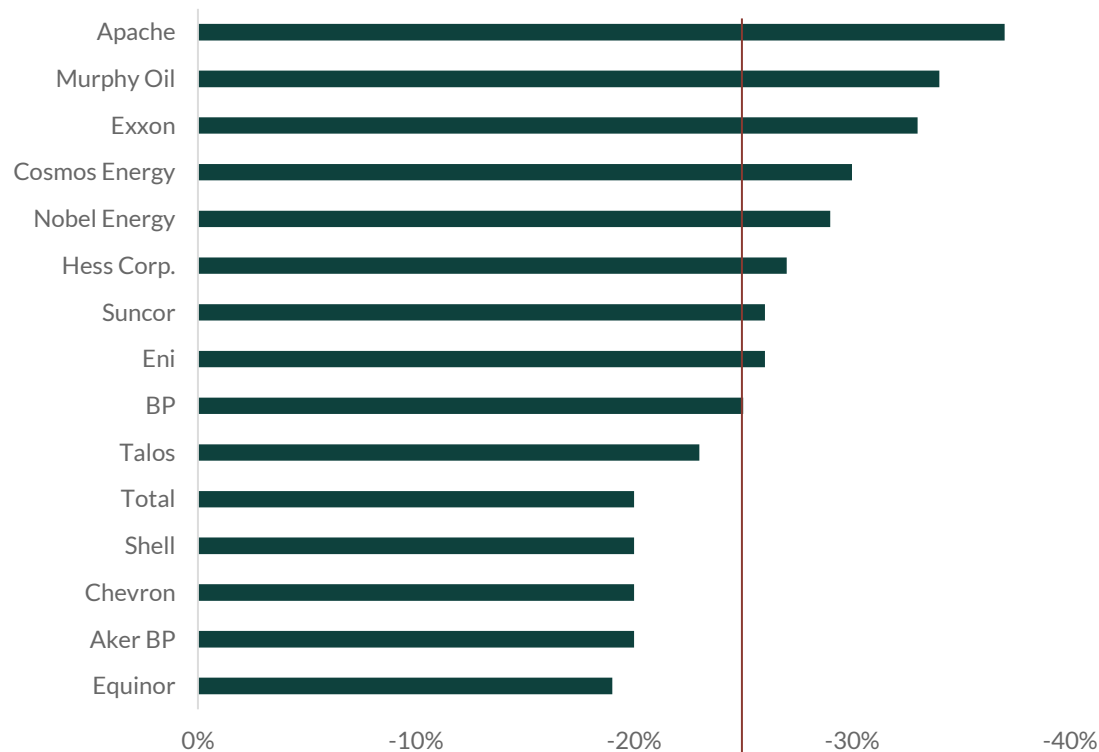
Source: Polarcus research

25% reduction in E&P company spend in 2020

E&P capex investments down ~25% vs initial 2020 budgets

Client activity increasing, lead by IOCs and NOCs

2020 capex revisions of selected E&P companies



Source: ABG Sundal Collier

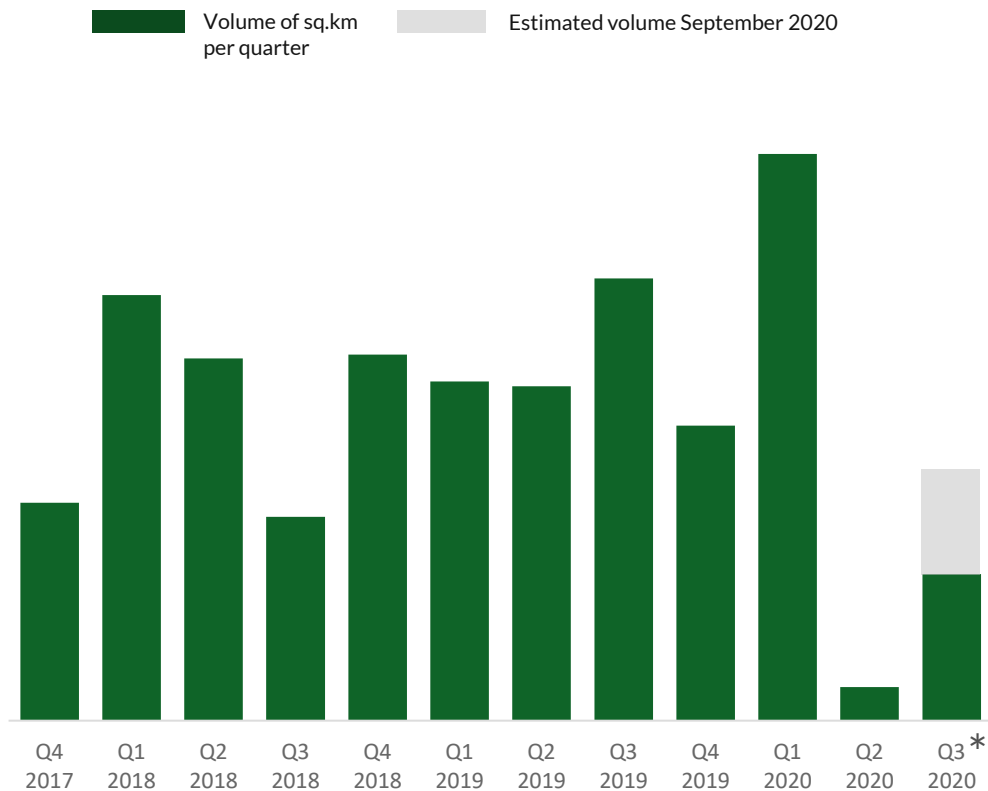
Average -25%

- Despite 2020 capex revisions, IOCs and NOCs providing baseline demand for seismic acquisition
- COVID-19 restrictions in some jurisdictions having more impact on activity than oil price
- Independents that responded aggressively to COVID-19 related oil-price drop are re-activating exploration plans

Marine acquisition demand slowly improving

Improving tender activity during Q3 2020 primarily for 2021 activity

Proprietary tenders only (Q4-17 to Q3-20e)



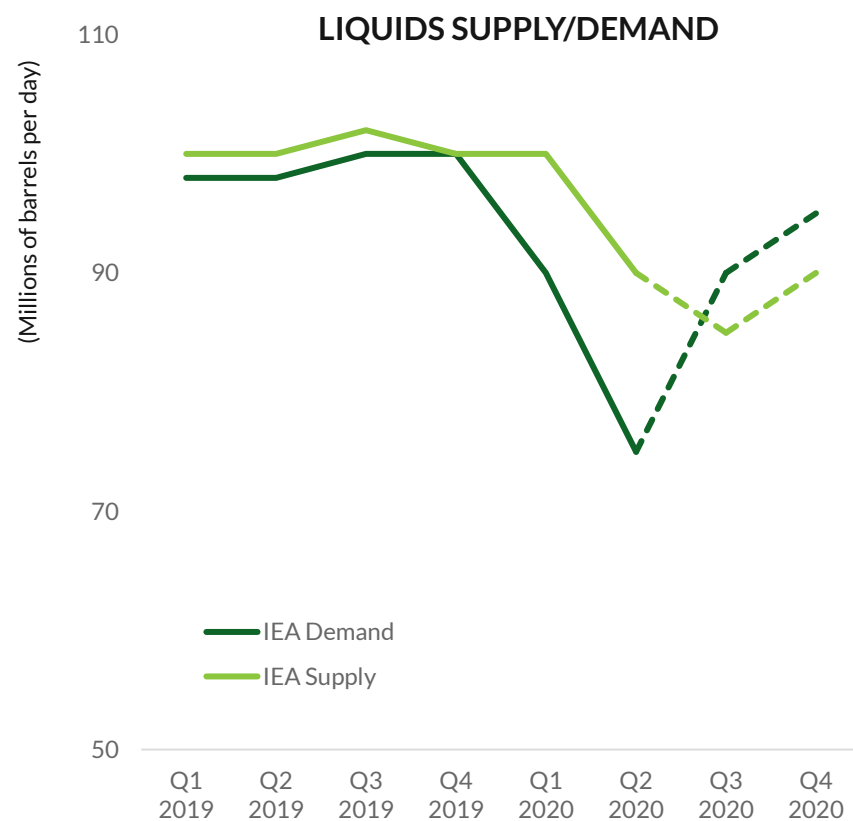
* Tenders received to 31st August 2020

- Significant decrease in global proprietary tender activity in Q2 2020
- Deferral of investment decisions while E&P companies reviewed portfolios over summer
- Tender activity increasing through Q3 2020 primarily for projects to be acquired in 2021
- Acquisition plans from multi-client companies also progressing, primarily for H1 2021 start

Support for increased E&P spending during 2021

Medium and longer-term oil supply gap will require both exploration and production optimization investments to increase

Demand estimated to outstrip oil supply during H2 2020



Source: ExxonMobil, IEA, Rystad

Dual approaches playing out in the E&P client base

- Exploration-centric strategies:
 - Some exploration investments delivering superior returns vs legacy assets needing development spend
 - Driving large scale exploration activity (Argentina, Mauritania, Egypt, Australia)
- Production optimization focus:
 - Incremental investments to existing fields and producing basins to maximize value
 - Combination of towed streamer 3D/4D and OBN
 - Active areas include North Sea, Gulf of Mexico, Middle East

Agenda

1 Seismic industry developments

2 Polarcus action plan

Polarcus action plan

Responding to near-term market challenges and preparing for the future

Mitigating the impact of COVID-19

Priority is the safety, health and wellbeing of all our people

Reinforcing cost control and capital discipline

Efficient organizational model with additional flexibility measures introduced

Rebuilding backlog responsibly

Flexible cost base enabling disciplined pricing

Uniform fleet delivering to high standards

Scalable operational platforms providing safe & highly efficient geophysical services

Innovation through collaboration

Leading the way in remote data transfer and hybrid acquisition (streamer and OBN)

VESSEL LOCATIONS AS OF SEPTEMBER 2020



Adapting to unprecedented market changes

Additional measures implemented to manage COVID-19 restrictions and near-term uncertainty

FOCUS ON HEALTH AND SAFETY

- Remote-working model effectively implemented for all onshore locations*
- Continued health screening & stringent travel protocols for offshore and onshore

ENSURING CONTINUITY OF OPERATIONAL EXCELLENCE

- Pandemic risk assessment and response plan developed for each project
- High technical uptime and safety performance maintained

DECISIVE IMPLEMENTATION OF FINANCIAL MITIGATIONS

- Secured increased flexibility on the WCF and covenant amendments through 2020
- Executed a cost reduction plan of USD 15 million in Q1 2020 in addition to initiatives for low-cost vessel standby
- Implemented a significant organizational reshape during Q2 2020 estimated to realize additional annualized cost savings of USD 7 million while embedding flexibility

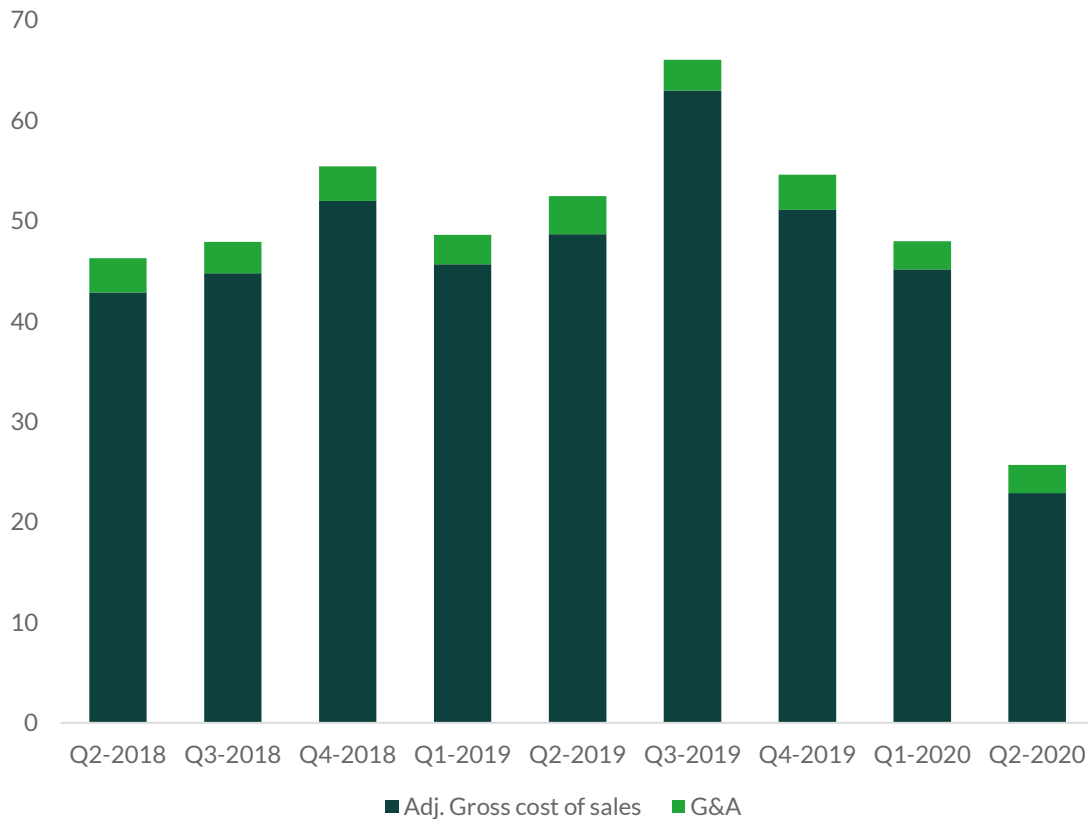
* Partial reactivation of Polarcus offices commencing during Q3 2020



Disciplined cost management delivering immediate impact

Cash operating cost*

(USD millions)

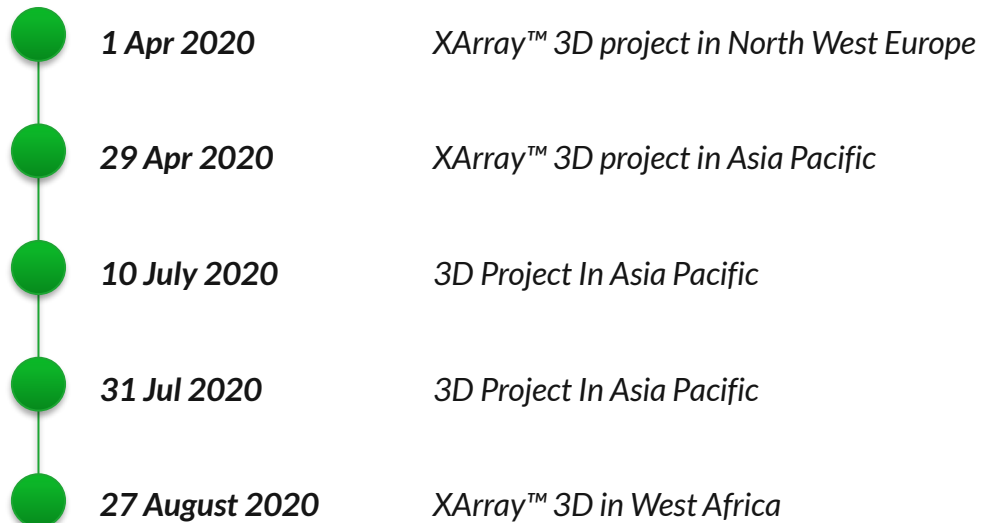


- Cost reduction initiatives have significantly lowered the cost base
- Q2 2020 cash operating cost demonstrates how efficiently cost has been managed
- Flexibility in the cost base has been embedded to manage fluctuating activity

Note: *Cash operating cost is the sum of reported Gross cost of sales adjusted for the elevated costs associated with the hybrid project (before accounting adjustments including costs capitalized to multi client projects and transit costs deferrals) and reported General and Administrative costs.

Rebuilding backlog

Awards since Q1 2020



1 Apr 2020	XArray™ 3D project in North West Europe
29 Apr 2020	XArray™ 3D project in Asia Pacific
10 July 2020	3D Project In Asia Pacific
31 Jul 2020	3D Project In Asia Pacific
27 August 2020	XArray™ 3D in West Africa

VESSEL ACTIVITY AS OF 1 SEPTEMBER 2020

NAILA

Vessel in transit to Brazil for mid-September start of a 10-month 4D program

ASIMA

Preparing for Eastern Hemisphere undershoot with Alima

ALIMA

Mobilizing for Eastern Hemisphere project

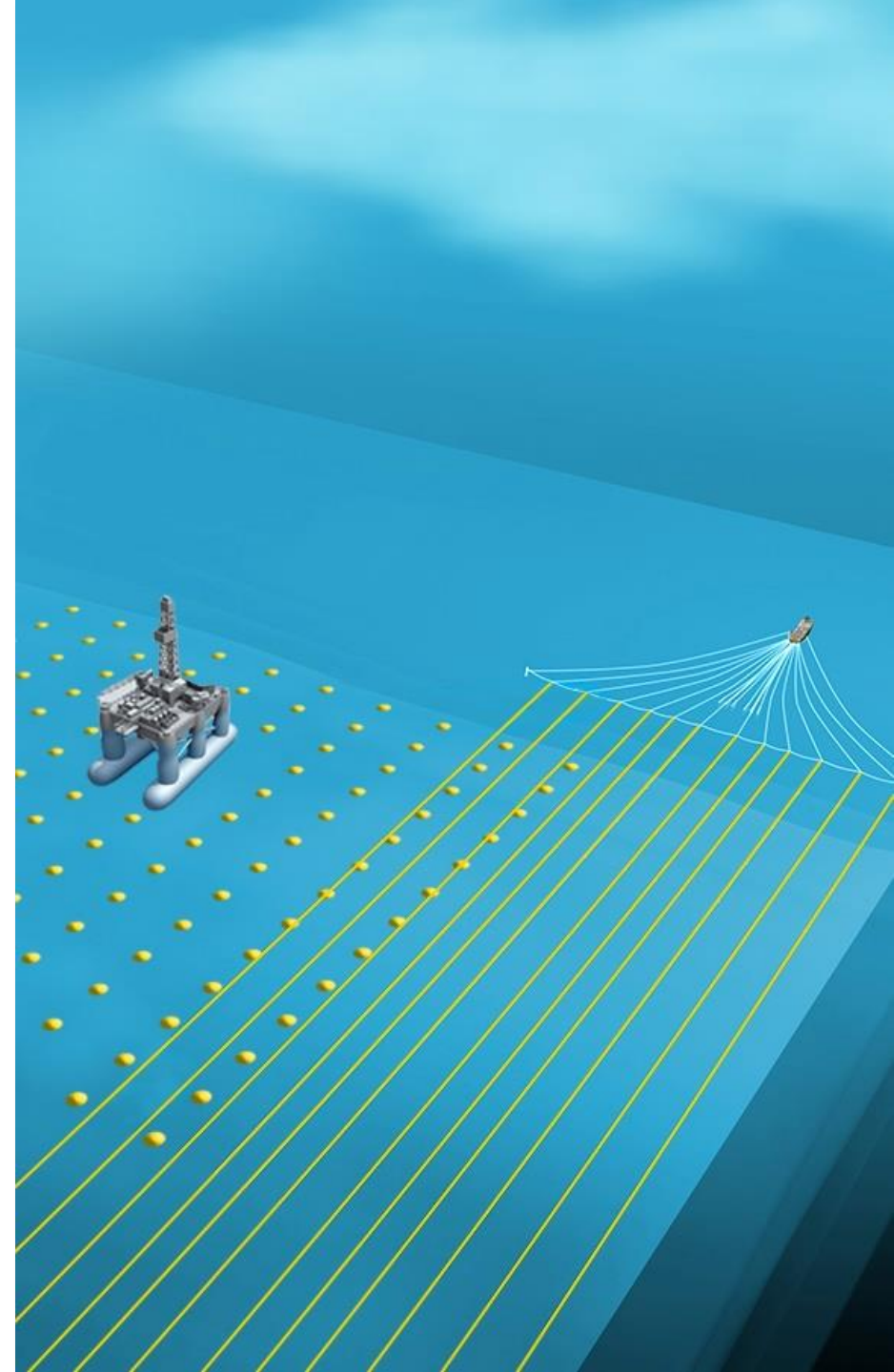
ADIRA

Demobilizing from Norway project. Next project in West Africa

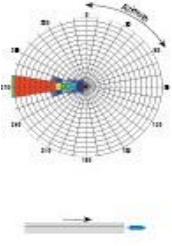
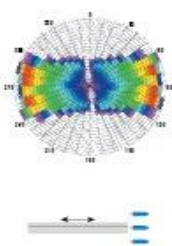
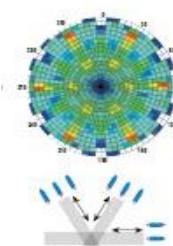
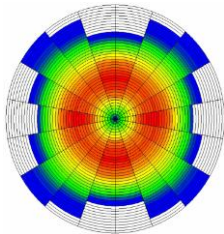
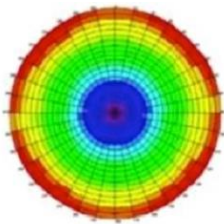
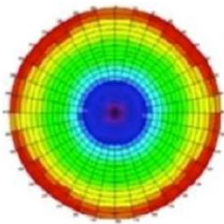
Leaders in imaging innovation

Hybrid projects optimizing producing fields

- Combined towed streamer and OBN datasets (hybrid) is a niche area of growth that Polarcus is targeting
- Polarcus continues to work closely with OBN operators and equipment suppliers
- Recently completed a field test of a self-recovering node technology on a towed streamer project



Hybrid opportunity (combined towed streamer and OBN)

TOWED STREAMER			HYBRID (STREAMER+OBN)	OCEAN BOTTOM NODES (OBN)	
<ul style="list-style-type: none"> Highly efficient acquisition Adaptable to imaging objectives Multiple azimuths and sources (XArray™) provide very high trace density and spatial sampling 			<p>Combining acquisition techniques provides a seamless transition of subsurface imaging objectives</p>	<ul style="list-style-type: none"> Adaptive to more challenging imaging objectives Full azimuth distribution Utilizing node on a rope (NOAR) and ROV deployment methods 	
AZIMUTH GEOMETRY				OFFSET vs. AZIMUTH	FULL AZIMUTH
NARROW	WIDE	RICH	HYBRID	SPARSE	DENSE
					
~75% Greenfield		~25% Brownfield		~10% Greenfield	~90% Brownfield

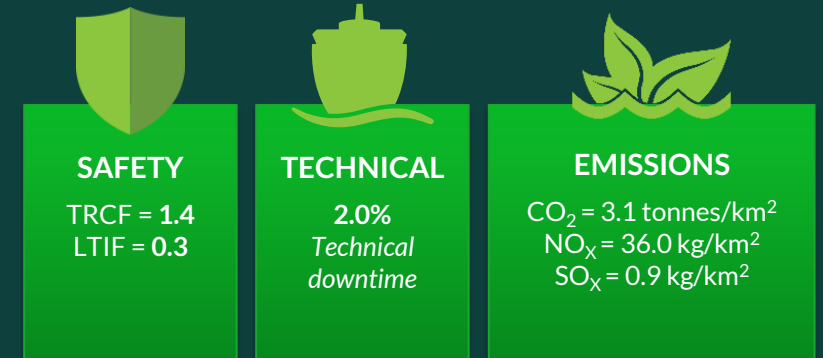
Strong operational delivery

- Excellent operational performance metrics being maintained
- Industry-leading environmental and safety performance remain key differentiators
- Highly efficient fleet that has been compliant with IMO 2020 regulations since 2009

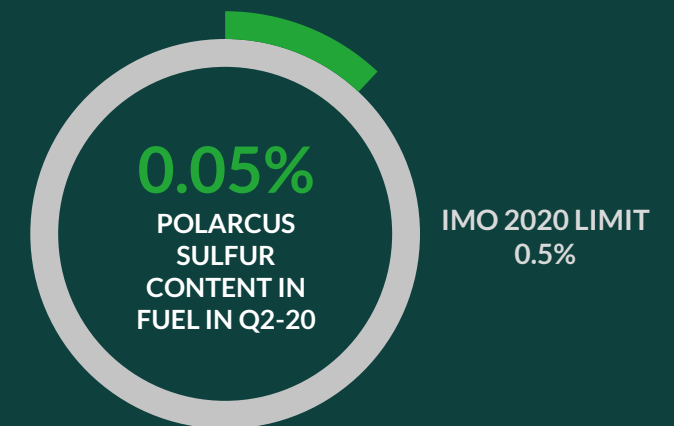


FLEET PERFORMANCE

Q2 2020



IMO 2020 SULFUR CONTENT COMPLIANT



Sustainability – the way Polarcus does business

Looking after the **ENVIRONMENT**

- Unique Explore Green™ environmental agenda
- IMO 2020 Sulfur compliant since inception in 2008
- Industry leading innovation for increased efficiency and data quality



Caring for people **SOCIAL**

- Integrated management system encompassing the entire organization
- Unique 'one-team' crew model offshore with intimate onshore interfaces
- Proactive health and safety culture underpinning operational performance



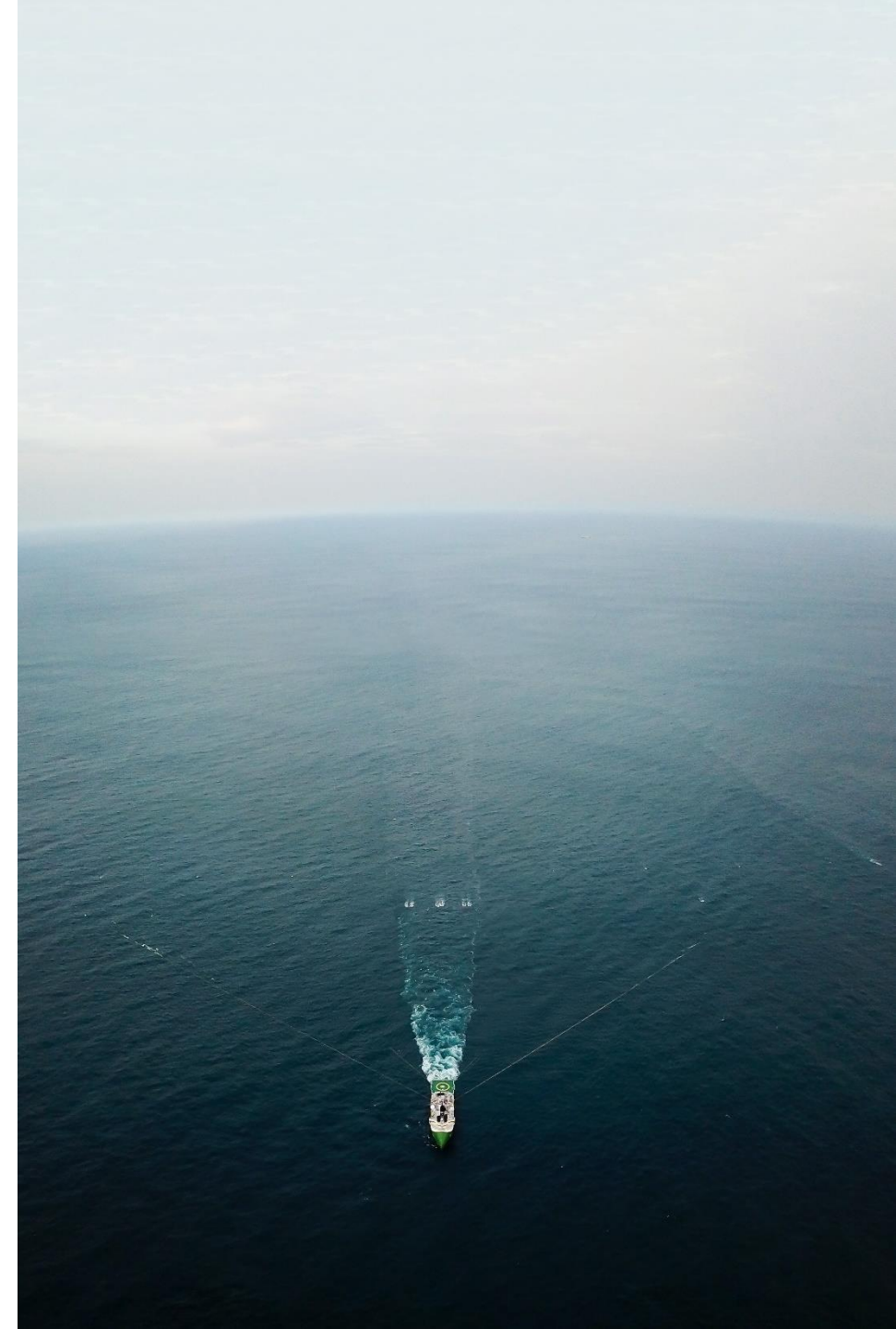
Best business practice **GOVERNANCE**

- Certified ISO 9001, ISO 14001, OHSAS 18001
- Governing member of IAGC that has growing E&P company involvement
- Supporting seven UN Sustainable Development Goals



Closing remarks

- 2020 earnings have been negatively impacted by the decline in oil price since March and uncertainty due to COVID-19 related restrictions
- Effective cost management has mitigated EBITDA impact
- Onshore and offshore organization reshape in Q2 2020 has generated significant cost savings and greater flexibility
- Operational excellence and low technical downtime maintained for ongoing projects, despite challenges related to COVID-19
- Activity is expected to increase in 2021 based on client discussions, with a number of tenders and projects rescheduled to next year
- Innovation continues to deliver value-creating solutions





Detailed debt overview

Debt	Outstanding 30 Jun 20	Total credit line	Maturity	Interest
USD Unsecured Bond – PLCS02	USD 14.1m		Jan-25	5% PIK
NOK Unsecured Bond – PLCS03	USD 5.4m		Jan-25	5% PIK
Convertible bond – Tranche A	USD 59.8m		Jul-22	5.60%
Convertible bond – Tranche B	USD 3.8m		Jan-25	5% PIK
Fleet Bank Facility	USD 234.0m		Aug-22 to Jun-24	
New Fleet Facility	USD 74.9m		Dec-24	
Swap Facility	USD 2.7m		Jun-21	LIBOR + 4%
Working Capital Facility	USD 25.0m	USD 40m	Jun-22	LIBOR + 4%
Gross debt	USD 419.9m			
<i>Own PLCS02 bonds held</i>	<i>USD 3.5m</i>			
Outstanding debt	USD 416.3m			

Experienced Management and Board of Directors

Executive management



Duncan Eley
CEO
20 years of experience in the seismic industry



Hans-Peter Burlid
CFO
15 years of experience in the seismic industry



Lars Oestergaard
COO
12 years of experience in the global oilfield services industry



Tamzin Steel
SVP People & Business Services
15 years' experience working in global multinational companies in the oil & gas industry



Caleb Raywood
General Counsel
20 years of commercial law experience

Board of Directors



Michael Mannering
Chairman
Extensive experience in the oil service industry from Schlumberger and Songa Offshore



Monish Sahni
Extensive experience in banking including the maritime and offshore sector



Peter Zickerman
Extensive experience in the maritime and seismic industries including operations and strategy



Karen El-Tawil
Extensive experience in the seismic industry from Geco-Prakla and TGS-NOPEC



Nina Udnes Tronstad
Extensive experience as senior executive in Kvarner, Aker Solutions and Equinor, board experience from GIEK, Prosafe and Norges Bank



Erik M Mathiesen
Extensive experience in Investment and asset management in the energy sector