Prospectus

SeaBird Exploration

Listing of 12,000,000 New Shares in SeaBird Exploration Plc issued in connection with a private placement completed on 19 December 2013 at a subscription price of NOK 3.00 per New Share.

This Prospectus does not constitute an offer to buy, subscribe or sell any securities described herein. The Prospectus serves as a listing prospectus only and no shares or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

Manager:

ABG SUNDAL COLLIER

3 February 2014

Important notice

Important prospectus information

Please refer to chapter 13 for definitions of terms used throughout this Prospectus, which also apply to the preceding pages.

This Prospectus (the "Prospectus") has been prepared by SeaBird Exploration Plc (the "Company", "Seabird" or the "Issuer", and together with its consolidated subsidiaries, the "Group") solely for use in connection with the listing on Oslo Børs of 12,000,000 new shares, each with a nominal value of USD 0.1 (the "New Shares") issued in connection with a private placement completed on 19 December 2013 (the "Private Placement") at a subscription price of NOK 3.00 per New Share (the "Subscription Price").

The Company has engaged ABG Sundal Collier Norge ASA as manager (the "Manager") for the Private Placement and the listing of the New Shares. Neither the Company nor the Manager has authorised any other person to provide investors with information related to the Private Placement or the listing of the New Shares and neither the Company nor the Manager will assume any responsibility for any information other persons may provide.

The Prospectus has been reviewed and approved by the Norwegian FSA in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined check list of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by this Prospectus.

In order to facilitate registration of the New Shares with the VPS, the New Shares are registered in the name of the VPS Registrar. The VPS Registrar has registered the interest in the New Shares in the VPS (in Norwegian: *"depotbevis"*). Therefore, it is not the New Shares, but the interests in those New Shares issued by the VPS Registrar that are registered in the VPS and are listed on Oslo Børs. The VPS Registrar is registered as the legal owner of the New Shares in the shareholders' register which the Company is required to maintain pursuant to the laws of the Republic of Cyprus. References in this Prospectus to Shares being listed or traded on Oslo Børs shall, where the context so requires or permits, mean the VPS registered interests in those Shares as further described under section 10.8 "VPS Registration of the Shares" of this Prospectus.

An investment in the Company's shares (the "Shares"), including the New Shares involves inherent risks. Potential investors should carefully consider the risk factors set out in Section 2 of this Prospectus, in addition to the other information contained herein, before making an investment decision. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

The delivery of this Prospectus shall under no circumstance create any implication that the information about the Group contained herein is correct as of any time subsequent to the date of this Prospectus.

Unless otherwise indicated, the source of information included in this Prospectus is the Company. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal adviser, business adviser or tax adviser as to legal, business and tax advice.

This Prospectus is subject to Norwegian law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

Table of contents

1 Executive summary

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introductions and warnings

A.1	Introduction and warning	This summary should be read as introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EU and the EEA, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2.	Use of the prospectus in resales by financial intermediaries	Not applicable. The Prospectus will not be used in subsequent resales by financial intermediaries.

Section B – Issuer

B.1	Legal and commercial name	SeaBird Exploration Plc
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a public company limited by shares, registered under the Companies Law, Cap. 113, of the statute Laws of the Republic of Cyprus (as amended) and with registration number 259593.
B.3	Nature of current operations and principal activities / products and markets	The Group is a global provider of marine acquisition for 2D/3D and 4D seismic data, and associated products and services to the oil and gas industry. SeaBird specializes in high quality operations within the high end of the source vessel and 2D market, as well as in the shallow/deep water 2D/3D and 4D market. Main focus for the company is proprietary seismic surveys (contract seismic).

B.4a	Recent trends	The Company has experienced a softening in industry demand during the second half of 2013 which has negatively impacted earnings in this period. With the exception of this, the Group has not experienced any substantial changes or trends outside the ordinary course of business that are significant to the Group. We are currently seeing a moderate improvement in global seismic market demand.
B.5	Group	SeaBird Exploration Plc is the holding company of the Group. The Group's operations are performed by the Company's different subsidiaries. Each of the Group's vessels is operated by separate single purpose companies.
B.6	Interests in the issuer's capital or voting rights	Shareholders owning more than 5% of the Shares in the Company have an interest in the Company's share capital which is notifiable pursuant to the relevant Cyprus securities legislation. The Company has, as far as the Company is aware, the following notifiable shareholders: Ordinat Shipping AS, Mons Holding AS and Perestroika AS.
B.7	Selected historical key financial information	

Annual consolidated income statement TUSD	2010 Audited	2011 Audited	2012 Audited
Revenues	93,643	81,722	163,331
Cost of sales	(71,402)	(67,649)	(103,711)
Cost of multi-client sales	–	–	(5,056)
Selling general and administrative expenses	(19,000)	(24,476)	(16,843)
Other income (expenses), net	1,260	1,021	838
Earnings before interest tax depreciation and amortization (EBITDA)	**4,501**	**(9,382)**	**38,559**
Depreciation and amortization	(36,298)	(28,513)	(34,408)
Impairment	(10,506)	(54,315)	–
Earnings before interest and taxes (EBIT)	**(42,303)**	**(92,210)**	**4,151**
Interest expense	(10,601)	(18,475)	(12,391)
Other financial items, net	(1,473)	274	(1,072)
Change in fair value of conversion rights	(2,716)	(3,014)	–
Profit/(loss) before income tax	**(57,093)**	**(113,425)**	**(9,312)**
Income tax	(4,659)	(2,600)	(8,871)
Profit/(loss) continuing operations	**(61,752)**	**(116,025)**	**(18,183)**
Net profit/(loss) discontinued operations	11,651	28,724	6,668
Profit/(loss) for the period	**(50,101)**	**(87,301)**	**(11,515)**
Profit/(loss) attributable to			
Shareholders of the parent	(50,101)	(87,301)	(11,515)
Earnings per share			
Basic	(3.17)	(4.68)	(0.36)
Diluted	(3.17)	(4.68)	(0.36)
Earnings per share from continued operations			
Basic	(3.90)	(6.22)	(0.56)
Diluted	(3.90)	(6.22)	(0.56)

B.7	Selected historical key financial information				
	Quarterly consolidated income statement	Quarter ended 30 Sep Unaudited		Nine months ended 30 Sep Unaudited	
	TUSD	2012	2013	2012	2013
	Revenues	45,468	51,869	128,430	140,627
	Cost of sales	(24,589)	(34,520)	(79,345)	(99,505)
	Cost of multi-client sales	(5,056)	–	(5,056)	–
	Selling, general and administrative expenses	(3,897)	(4,736)	(12,788)	(14,287)
	Other income (expenses), net	(200)	607	540	1,184
	Earnings before interest, tax, depreciation and amortization (EBITDA)	**11,726**	**13,220**	**31,781**	**28,019**
	Depreciation and amortization	(7,488)	(6,481)	(28,500)	(18,591)
	Impairment	–	–	–	–
	Earnings before interest and taxes (EBIT)	**4,238**	**6,739**	**3,281**	**9,428**
	Interest expense	(3,072)	(2,907)	(9,219)	(8,897)
	Other financial items, net	(362)	(469)	(634)	(88)
	Profit/(loss) before income tax	**804**	**3,363**	**(6,572)**	**443**
	Income tax	(1,380)	618	(6,218)	1,538
	Profit/(loss) continuing operations	**(576)**	**3,981**	**(12,790)**	**1,981**
	Net profit/(loss) discontinued operations	(214)	–	7,308	(820)
	Profit/(loss) for the period	**(790)**	**3,981**	**(5,482)**	**1,161**
	Profit/(loss) attributable to				
	Shareholders of the parent	**(790)**	**3,981**	**(5,482)**	**1,161**
	Earnings per share				
	Basic	(0.03)	0.10	(0.19)	0.03
	Diluted	(0.03)	0.09	(0.19)	0.03
	Earnings per share from continued operations				
	Basic	(0.02)	0.10	(0.44)	0.05
	Diluted	(0.02)	0.09	(0.44)	0.04

B.7	Selected historical key financial information	Consolidated balance sheet TUSD	2010 Audited	2011 Audited	2012 Audited
		Assets			
		Non-current assets			
		Property plant and equipment	258,633	137,008	130,774
		Multi-client library	5,998	16,602	3,384
		Goodwill	8,996	1,267	1,267
		Patent technology	3,816	–	–
		Deferred tax asset	13,756	–	–
		Capital work in progress	1,277	–	–
			292,476	154,877	135,425
		Current assets			
		Inventories	4,103	4,680	3,920
		Trade receivables	40,467	31,251	33,069
		Other current assets	2,655	14,750	10,213
		Due from related parties	427	427	–
		Cash and cash equivalents	1,135	13,300	14,744
			48,787	64,408	61,946
		Total assets	**341,263**	**219,285**	**197,371**
		Equity			
		Shareholders' equity			
		Paid in capital	161,113	166,720	180,761
		Equity component of convertible loan	–	6,296	6,296
		Revaluation reserve	–	–	–
		Currency translation reserve	380	(212)	(180)
		Share options granted	7,593	7,554	8,495
		Retained earnings	(53,863)	(131,056)	(142,571)
			115,223	49,302	52,801
		Liabilities			
		Non-current liabilities			
		Loans and borrowings	137,280	99,567	94,299
		Fair value of conversion rights	6,506	–	–
		Provision for end of service benefit	918	1,157	848
			144,704	100,724	95,147
		Current liabilities			
		Trade and other payables	45,414	38,374	27,325
		Loans and borrowings	35,922	21,465	7,851
		Tax liabilities	–	9,420	14,247
			81,336	69,259	49,423
		Total liabilities	**226,040**	**169,983**	**144,570**
		Total equity and liabilities	**341,263**	**219,285**	**197,371**

B.7	Selected historical key financial information	See balance sheet below

Consolidated balance sheet for the nine months ended 30 Sep TUSD	Unaudited 30 Sep 2012	Unaudited 30 Sep 2013
ASSETS		
Non-current assets		
Property, plant and equipment	131,415	129,399
Multi-client library	4,473	6,568
Goodwill	1,267	1,267
Long-term investment	–	83
	137,155	137,317
Current assets		
Inventories	4,100	4,863
Trade receivables	27,770	27,116
Other current assets	17,864	27,622
Cash and cash equivalents	11,877	13,992
	61,611	73,593
Total assets	**198,766**	**210,910**
EQUITY		
Shareholders' equity		
Paid in capital	166,720	182,645
Equity component of convertible loan	6,296	6,296
Currency translation reserve	(53)	(845)
Share options granted	8,083	8,909
Retained earnings	(136,538)	(141,410)
	44,508	55,595
LIABILITIES		
Non-current liabilities		
Loans and borrowings	96,129	73,060
Provision for end of service benefit	802	1,013
	96,931	74,073
Current liabilities		
Trade and other payables	36,029	41,603
Loans and borrowings	7,748	27,916
Tax liabilities	13,550	11,723
	57,327	81,242
Total liabilities	**154,258**	**155,315**
Total equity and liabilities	**198,766**	**210,910**

B.7	Selected historical key financial information			
		Consolidated statement of cash flows TUSD	2010 Audited	2011 Audited	2012 Audited

Consolidated statement of cash flows TUSD	2010 Audited	2011 Audited	2012 Audited
Cash flows from operating activities			
Profit/loss before income tax	(62,928)	(113,425)	(9,312)
Adjustments for			
Depreciation amortization and impairment	52,640	82,829	34,296
Unrealized exchange gain/loss	671	–	419
Change in fair value of conversion rights	2,716	3,014	–
Gain on extinguishment of Ddbt	–	(11,015)	–
Amortization of interest	446	4,968	10,053
Paid income tax	(2,452)	–	(1,067)
Provision for employees' end of service gratuities	324	–	–
Earned on employee stock option plan	435	(39)	941
Increase/decrease in inventories	129	(924)	(335)
Increase/decrease in trade and other receivables	(6,596)	(38,383)	(12,960)
Increase/decrease from divested companies	7,260	24,556	–
Increase/decrease in due from related parties	10	–	427
Increase/decrease in trade and other payables	6,200	(16,143)	(9,113)
Net cash from/(used in) operating activities	**(1,145)**	**(64,562)**	**13,349**
Cash flows from investing activities			
Capital expenditures	(5,593)	(12,024)	(15,008)
Net cash flow on disposal of subsidiaries	–	121,358	–
Net cash from/used in investing activities	**(5,593)**	**109,334**	**(15,008)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	–	5,607	14,041
Currency fluctuation in borrowings	(457)	722	–
Receipts from borrowings	19,676	150,433	–
Repayment of borrowings	(25,421)	(204,953)	(10,969)
Equity component of convertible bond loan	–	15,791	–
Net movement in currency fluctuations	(315)	(207)	31
Net cash from/used in financing activities	**(6,517)**	**(32,607)**	**3,103**
Net decrease/increase in cash and cash equivalents	**(13,255)**	**12,165**	**1,444**
Cash and cash equivalents at beginning of the period	**14,234**	**1,135**	**13,300**
Cash and cash equivalents discontinued operations	**156**	**–**	**–**
Cash and cash equivalents at end of the Period	**1,135**	**13,300**	**14,744**

B.7	Selected historical key financial information	<u>Quarterly consolidated statement of cash flows</u>	Quarter ended 30 Sep Unaudited		Nine months ended 30 Sep Unaudited	
		TUSD	2012	2013	2012	2013
		Cash flows from operating activities				
		Profit/loss before income tax	804	3,363	(6,572)	443
		Adjustments For				
		Depreciation amortization and impairment	7,487	6,481	28,499	18,591
		Unrealized exchange gain/loss	299	(249)	530	(716)
		Amortization of interest	1,209	2,589	6,097	7,703
		Paid income tax	(447)	(241)	(710)	(1,212)
		Earned on employee stock option plan	173	80	529	412
		Increase/decrease in inventories	429	953	(515)	(943)
		Increase/decrease in trade and other receivables	(1,076)	(12,321)	(9,090)	(9,943)
		Increase/decrease in due from related parties	–	–	427	–
		Increase/decrease in trade and other payables	2,133	6,779	2,335	11,801
		Net cash from operating activities	**11,011**	**7,434**	**21,530**	**26,136**
		Cash flows from investing activities				
		Capital expenditures	(2,544)	(5,019)	(10,829)	(15,542)
		Multi-client investment	(2,690)	(975)	(6,916)	(4,858)
		Long-term investment	–	(83)	–	(83)
		Net cash used in investing activities	**(5,234)**	**(6,077)**	**(17,745)**	**(20,483)**
		Cash flows from financing activities				
		Proceeds from issuance of ordinary shares	–	–	–	1,884
		Receipts from borrowings	–	–	–	–
		Repayment of borrowings	(882)	(983)	(2,557)	(4,841)
		Interest paid	(113)	(144)	(2,809)	(2,780)
		Net movement in currency fluctuations	415	9	158	(668)
		Net cash used in financing activities	**(580)**	**(1,118)**	**(5,208)**	**(6,405)**
		Net (decrease)/increase in cash and cash equivalents	**5,197**	**239**	**(1,423)**	**(752)**
		Cash and cash equivalents at Beginning of the period	6,680	13,753	13,300	14,744
		Cash and cash equivalents discontinued operations	**–**	**–**	**–**	**–**
		Cash and cash equivalents at end of the period	**11,877**	**13,992**	**11,877**	**13,992**

B.7	Selected historical key financial information	**The Financial Year 2010** ***Financial result and operations*** SeaBird reported consolidated revenues of USD 93.6 million for the year ended 31 December 2010, down from USD 111.9 million in 2009. For the 2D fleet the years 2009 and 2010 were quite similar, as the first half of the year was reasonably good, while several of the vessels were in lay-up or standby during the second half of the year. Charter hire and operating expenses decreased by 9% to USD 71.4 million in 2010. Selling, general and administrative expenses includes the write-off for bad debt of USD 2.0 million in 2010. Depreciation and amortisation increased by 25% to USD 36.3 million in 2010, mainly due to amortisation of the multi-client library. SeaBird impaired the vessels and seismic equipment amounting to USD 25.2 million. Part of the impairment, USD 14.7 million was recognised against the revaluation reserve (equity), and USD 10.5 million was recognised in the income statement. ***Balance sheet*** At 31 December 2010, cash and cash equivalents amounted to USD 1.1 million, compared to USD 14.5 million at the end of 2009. The change was mainly due to the capital expenditure and repayment of debt. Net interest-bearing debt at 31 December 2010 was USD 172.1 million, down from USD 168.2 million at 31 December 2009, mainly due to USD 25.4 million of bank and leasing debt paid during 2010, and a new convertible loan of NOK 120 million (USD 20.7 million) issued to Perestroika. ***Cash flow statement*** Net cash flow from operating activities for 2010 was USD (1.1) million, compared to USD (1.6) million in 2009. The year was impacted by a positive cash flow from the later divested OBN business, however offset by the change in working capital. Capital expenditures were USD 5.6 million in 2010 and relate to maintenance capital expenditure and dry-docking/classification of various vessels financed by the cash in the Company and the convertible loan from Perestroika. Net cash flow from financing was USD (6.6) million mainly due to the repayment of borrowings which were reduced by USD 5.7m and currency fluctuations which were reduced by USD 0.9 million.

B.7	Selected historical key financial information	**The Financial Year 2011** ***Financial result and operations*** The Ocean Bottom Node ("OBN") business was divested during Q4 2011 and represents the discontinued operations item in the 2011 income statement. SeaBird reported consolidated revenues of USD 81.7 million for the year ended 31 December 2011, down from USD 93.6 million in 2010. Charter hire and operating expenses decreased by 5% to USD 67.7 million in 2011 down from USD 71.4 million in 2010. The main reason for the decrease in revenues and operating expenses is the lower utilisation and an increase in capitalisation to the multi-client library. The decrease has been partly offset by GGS Atlantic and Voyager Explorer being added to the fleet. Impairment increased by USD 43.8 million in 2011, as a result of a periodic valuation carried out at the end of Q3 resulting in impairment of USD 62.6 million to the vessel fleet (owned) and related seismic equipment, of which USD 49.2 million was charged to the income statement and USD 13.4 million against revaluation reserve in equity. ***Balance sheet*** At 31 December 2011, cash and cash equivalents amounted to USD 13.3 million, compared to USD 1.1 million at the end of 2010. Net interest-bearing debt at 31 December 2011 was USD 107.7 million, down from USD 172.1 million at 31 December 2010, mainly due to the debt restructuring that took place in 2011, whereby the proceeds from the sale of the OBN business were used to partly repay SBX01, bond SBX02, PGS convertible loan and Perestroika convertible loan. The remaining balances except the Perestroika convertible loan were merged into a new senior secured bond loan SBX03. Property, plant and equipment at 31 December 2011 was USD 137.0 million, down from USD 258.6 million at 31 December 2010, mainly due to the impairment of the vessel fleet and related seismic equipment (62.6 million) in third quarter 2011 and sale of the OBN business in fourth quarter 2011. ***Cash flow statement*** Net cash flow from operating activities was negative USD 64.6 million for 2011 compared to USD 1.1 million for 2010; mainly due to the increased net loss for the period. Net cash flow used in investing activities was USD 109.3 million for 2011 compared to negative USD 5.6 million for 2010; predominantly due to proceeds gained from the sale of the OBN business. Capital expenditure for 2011 amounted to USD 12.0 million and mainly refers to rigging of the Voyager Explorer. Net cash flow from financing activities was negative USD 32.6 million for the year compared with negative USD 6.5 million for 2010; mainly due to the debt restructuring in fourth quarter of 2011.

B.7	Selected historical key financial information	**The Financial Year 2012** ***Financial result and operations*** SeaBird reported consolidated revenues of USD 163.3 million for the year ended 31 December 2012, up from USD 81.7 million in 2011. Charter hire and operating expenses increased by 53% to USD 103.7 million in 2012 up from USD 67.6 million in 2011. The increase is mainly attributable to improved market conditions and utilisation of the 2D/3D fleet, full year effect of Voyager Explorer, and increased multi-client sales. Earnings before interest, taxes, depreciation and amortisation (EBITDA) were USD 38.6 million for the year 2012, up from negative USD 9.4 million in 2011. Depreciation and amortization increased by 21% to USD 34.4 million in 2012, mainly due to full year effect of Voyager. ***Balance sheet*** At 31 December 2012, cash and cash equivalents amounted to USD 14.7 million, compared to USD 13.3 million at the end of 2011. Net interest-bearing debt at 31 December 2012 was USD 87.4 million, down from USD 107.7 million at 31 December 2011, mainly due to cash from operations and the equity issue in Q4 2012. Property, plant and equipment at 31 December 2012 was USD 130.7 million, down from USD 137.0 million at 31 December 2011, mainly due to the depreciation of the vessel fleet and related seismic equipment. ***Cash flow statement*** Net cash flow from operating activities was USD 13.3 million for 2012 compared to negative USD 64.6 million for 2011. Net cash flow used in investing activities was negative USD 15.0 million for 2012 compared to positive USD 109.3 million for 2011. 2011 was influenced by the proceeds from the sale of the OBN business. Capital expenditure for 2012 amounted to USD 15.0 million and mainly relates to the purchase of seismic acquisition equipment and routine engine overhauls for various vessels. Net cash flow from financing activities was USD 3.1 million for the year compared with negative USD 32.6 million for 2011. The USD 3.1 million was the net result of proceeds from the equity issue of USD 14.0 million and repayment of debt of USD 11.0 million.

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<td>B.7</td>
<td>Selected historical key financial information</td>
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<h2>The nine months ended 30 September 2013</h2>
Financial result and operations
SeaBird reported consolidated revenues of USD 140.6 million for the nine months ended 30 September 2013, compared to USD 128.4 million in 2012. Charter hire and operating expenses amounted to USD 99.5 million for the nine months ended 30 September 2013, up from USD 79.3 million for the three first quarters of 2012. The main reason for the changes is related to the chartering of Geo Pacific in 2013.
Depreciation and amortization decreased by 34.8% to USD 18.6 million for the nine months ended 30 September 2013, mainly due to increased multi-client capitalization and lower multi-client sales amortization during the period.
Balance sheet
At 30 September 2013, cash and cash equivalents amounted to USD 14.0 million, compared to USD 11.9 million at 30 September 2012. Net interest-bearing debt at 30 September 2013 was USD 87.0 million, down from USD 92.0 million at 30 September 2012, mainly due to the cash from operations, the equity issue that took place in Q4 2012 and the semi-annual instalment on the bond loan.
Property, plant and equipment at 30 September 2013 was USD 129.4 million, down from USD 131.4 million at 30 September 2012, mainly due to normalized depreciation.
Cash flow statement
Net cash flow from operating activities was USD 26.1 million for the nine months ended 30 September 2013 compared to USD 21.5 million for the nine months ended 30 September 2012.
Capital expenditures for the nine months ended 30 September 2013 amounted to USD 15.5 million and mainly refer to the purchase of seismic acquisition equipment and rigging of Geo Pacific.
Net cash flow from financing activities was negative USD 6.4 million for the nine months ended 30 September 2013 compared to negative USD 5.2 million for the nine months ended 30 September 2012; predominantly due to the movement in borrowings.
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<tr><td>B.7</td><td>Selected historical key financial information</td><td>
Q3 2013
Financial result and operations
SeaBird reported consolidated revenues of USD 51.9 million for Q3 2013, an increase of USD 6.4 million primarily due to fleet composition, offset by a reduction in multi-client late sales and a decrease in vessel repositioning during the quarter.
Charter hire and operating expenses amounted to USD 34.5million for Q3 2013, up from USD 29.6million in Q3 2012. The increase is mainly due to the fleet composition and operating in higher cost geographical regions relative to the same period in 2012.
Depreciation and amortization decreased by 13.3% to USD 6.5 million for Q3 2013, mainly due to lower multi-client sales amortization for the period.
Balance sheet
At 30 September 2013, cash and cash equivalents were USD 14.0 million, of which USD 3.0 million was restricted in connection with bank guarantees, deposits and the bond service account.
Net interest-bearing debt at 30 September 2013 was USD 87.0 million, down from USD 92.0 million at 30 September 2012, mainly due to the cash from operations, and the equity issue that took place in Q4 2012 and the semi-annual instalment on the bond loan.
Property, plant and equipment at 30 September 2013 was USD 129.4 million, down from USD 131.4 million at 30 September 2012, mainly due to normalized depreciation.
Cash flow statement
Net cash flow from operating activities was USD 7.4 million for Q3 2013 compared to USD 11.0 million for the same period in 2012. The main reason for the change is the negative development in working capital.
Capital expenditures for Q3 2013 amounted to USD 5.0 million, mainly related to the Osprey Explorer being equipped with a new streamer.
Net cash flow from financing activities was negative USD 1.1 million for Q3 2013 compared with negative USD 0.6 million for Q3 2012; predominantly due to the movement in currency fluctuations.
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<tr><td>B.8</td><td>Selected key pro forma financial information</td><td>Not applicable</td></tr>
<tr><td>B.9</td><td>Profit forecast or estimate</td><td>Not applicable</td></tr>
</table>

B.10	Qualifications in audit report	BDO Ltd (Cyprus) audited the Company's consolidated annual reports and accounts for 2009, 2010, 2011 and 2012. The consolidated annual financial statements have been audited. The audit report for 2012 was issued without qualifications. The audit report for 2011 contained the following emphasis of matter: *Without qualifying our opinion, we draw attention to note 2.24 to the financial statements which indicates that as at 31 December 2011 the Group's current liabilities exceeded its current assets by USD 4.9m. The Group also incurred a loss of USD 120.4m on continuing operations for the year ended 31 December 2011. These conditions, along with other matters set forth in note 2.24 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.* The audit report for 2010 contained the following emphasis of matter: *Without qualifying our opinion, we draw attention to note 2.24 to the financial statements which indicates that as at 31 December 2010 the Group's current liabilities exceeded its current assets by USD 32.5m. The Group also incurred a loss of USD 55.5m for the year ended 31 December 2010. These conditions, along with other matters set forth in note 2.24 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.*
B.11	Working capital	As of the date of this Prospectus the Company does not have sufficient working capital to cover present requirements for a period of at least 12 months. In September 2014, the convertible loan from Perestroika with nominal value of USD 14.9 million matures. In addition, SeaBird will acquire Hawk Explorer for USD 6.5 million in August 2014 (the USD 6.5 million purchase price for Hawk Explorer is reported as debt on the balance sheet as of 30 September 2013). The Company estimates that the cash flow from operations will not be sufficient to cover these two items. The financing of these two elements must be from other sources, which needs to be concluded before the two maturity dates. The Company is pursuing several alternatives which it believes would bridge the short fall, hereunder refinancing/renegotiation of existing debt facilities, other sources of financing and/or an equity issue. If such initiatives are unsuccessful it will have a significant adverse effect on the Company which ultimately might lead to a default situation.

Section C – Securities

C.1	Type and class of security	The Company completed a Private Placement of 12,000,000 ordinary shares of the Company directed towards Norwegian and international institutional investors after the close of the Oslo Stock Exchange on 19 December 2013. The Private Placement was made at a subscription price of NOK 3.00 per share.

C.2	Currency of the securities issue	NOK
C.3	Number of shares and par value	As of the date of this Prospectus, the Company is authorised to issue 61,800,000 Shares and there are 57,581,246 issued and outstanding shares of the Company, including the New Shares issued in connection with the Private Placement. In accordance with the Memorandum (as defined below) the Shares' nominal value is USD 0.10, and hence the Company's share capital is USD 5,758,124.6.
C.4	Rights attached to the securities	The Company has one class of shares, and all shares give equal rights in every respect. Each share is entitled to one vote at a general meeting of the shareholders of the Company, and no shareholders enjoy different voting rights. Subject to the provisions of Cyprus law and the Articles (see section 12.1), resolutions at a general meeting of the shareholders are passed by a simple majority of the votes present and cast.
C.5	Transferability	The Shares, including the beneficial interests in such Shares held by the VPS Registrar may be transferred freely.
C.6	Admission to trading	The Company's Shares are listed on Oslo Børs under the ticker-code "SBX". All of the 12,000,000 New Shares delivered in the Private Placement have been issued and registered on a ISIN (ISIN CY0104332115) pending approval of this Prospectus and will assume the Company's ordinary ISIN and be listed and tradable on Oslo Børs immediately thereafter.
C.7	Dividend policy	The Company will seek to treat all Shareholders equally in line with applicable regulations. The Company intends to manage the Group's assets and business in a manner which provide the highest possible return at an acceptable risk, measured in terms of total dividends and increases in share price, on the capital invested in the Company over time. This is intended to make SeaBird an attractive investment, and to provide the basis for the Company to raise additional equity when this should be desirable. The Company will strive to follow a dividend policy favourable to the Shareholders. The amount of any dividends to be distributed will be dependent on, *inter alia*, the Company's investment requirements and rate of growth. The current debt facilities prevent the Company to make any dividends, please see section 9.9 for further details. According to the Company's Articles of Association, dividends may only be authorised following a proposal by the Board of Directors by Resolution of Directors at a time and of an amount that they think fit only if the Board of Directors by Resolution of Directors are satisfied, on reasonable grounds that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Section D – Risks

D.1	Key risks specific to the issuer and its industry	The Issuer is exposed to economic cycles and changes in the general economic outlook could affect demand for its services. The Issuer’s operating results can vary from month to month. The Issuer’s operating income is difficult to be forecasted due to changes in oil companies' exploration and production budgets and expenditures, the competitive environment, efficiency in operations, adverse weather conditions and other general economic and market conditions. The market of the Issuer's services is competitive. The Issuer may face competition from certain companies within the seismic industry and new entrants, while these companies may have greater resources than the Issuer. The service life of a modern seismic vessel is generally considered to exceed thirty years, but may ultimately depend on its efficiency, vessel maintenance and demand for such equipment. The Issuer has a strategy of exposing the Group's vessels both towards the long-term market as well as the more volatile spot market. There can be no guarantee that the Issuer will be able to secure contracts at such rates and utilisation rates that are needed. Seismic operations are associated with considerable risks and responsibilities, including technical, operational, commercial and political risks. In addition, seismic operations may be affected by harsh weather and other conditions beyond the Issuer’s control. A very high new build activity or conversions of existing vessels to seismic vessels may in the future lead to stronger growth in supply of vessels than in the demand. The Group currently has 9 vessels, of which 8 vessels are in operation and 1 is currently laid up. If the Issuer fails to obtain short or long term contracts for one or more of the vessels, the Company may incur significant financial losses. The two prevailing business models in the seismic industry are the contract and multi-client models. The risk aspects of the two models differ as contracted work is commenced against pre-defined revenue while the income from multi-client projects is speculative and contingent on external factors such as the attractiveness to clients of the associated acreage being offered for lease. Operations in international markets are subject to inherent risks in international business activities, including, in particular, general economic conditions in each country, overlapping various tax structures, managing an organisation spread over various jurisdictions, unexpected changes in regulatory requirements and complying with a variety of foreign laws and regulations. Changes in the legislative and fiscal framework governing the activities of oil and gas business could have material impact on exploration and development activities, or affect the Issuer’s operations and financial results directly. War, military tension and terrorist attacks have, among other things, caused instability in the world’s financial and commercial markets.

D.1	Key risks specific to the issuer and its industry	Operations could be negatively impacted if the Issuer is unable to attract and retain qualified personnel. The Issuer's business depends on contracts with customers regarding collection and sale / licensing of geophysical data. Each contract normally involves a substantial value or consideration to the Issuer. There will always be operational risks involved in performing offshore seismic surveys. This includes, inter alia, unexpected failure or damage to vessels and technical equipment, work accidents or adverse weather conditions. Segments of the seismic and oil service industry are characterised by rapid changes in technology. If the number or quality of vessels available for surveys were to diminish below the Issuer's requirements, the Issuer's capacity to conduct surveys would be reduced. The Issuer's operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions. The Issuer has invested significant amounts in acquiring vessels and equipment. However, there can be no assurance that the Issuer is able to recover all costs and expenses associated with such investments. The Issuer is dependent upon timely payments of receivables from customers as well as having access to long term funding. The Issuer may from time to time have performance bonds issued by banks in connection with its projects. If completions of such projects are delayed beyond the relevant deadlines the Issuer might be liable to cover part or all of such performance bonds and could consequently suffer liquidated damages on its contracts. The Issuer's current and future debt arrangements may include covenants and undertakings of general, financial and technical nature and such debt arrangements may contain cross-default provisions. The Group has operations and performs businesses in a variety of currencies. However, the Group has no outstanding foreign exchange contracts and cash is mainly held in USD. The Issuer's interest rate risk is mainly linked to its long-term and short-term interest-bearing debt. The taxation rules to which the Issuer is subject are of a complicated nature, and differences in interpretation between the Issuer and the relevant tax authorities may lead to the Issuer being subject to unexpected claims for unpaid taxes or sanctions as a consequence of breach of applicable tax legislation. The Group has received a notice from the Internal Revenue Service in the USA with requests to file tax returns and consequently a demand for paying tax for certain companies for previous years. The potential tax liability is uncertain and could potentially result in extra tax cost. The Group will accrue for USD 1.2 million in Q4 2013 for this potential tax liability.

D.3	Key risks specific to the securities	The SeaBird share price could experience substantial fluctuations caused by a number of factors. Many of these will be outside the Company's control and may be independent of its operational and financial development. Any additional offering of Shares may be made at a significant discount to the prevailing market price and could have a material adverse effect on the market price of the outstanding Shares. Due to regulatory requirements under foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result. Beneficial owners of Shares that are registered in a nominee account (e.g., through brokers, dealers or third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company has not registered its Shares under the U.S. Securities Act or the securities laws of other jurisdictions other than Norway, and the Company does not expect do so in the future.

Section E – Offer

E.1	Proceeds and expenses	The total expenses of the Private Placement, including the preparation of this Prospectus, are estimated to amount to approximately NOK 2 million, and the net proceeds of the Private Placement are estimated to amount to approximately NOK 34 million.
E.2a	Reasons for the offer and use of proceeds	The proceeds from the Private Placement will be used to strengthen the Company's balance sheet and liquidity position.
E.3	Terms and conditions	The Company completed a Private Placement of 12,000,000 shares directed towards Norwegian and international institutional investors after the close of the Oslo Stock Exchange on 19 December 2013. The Private Placement was made at a subscription price of NOK 3.00 per share.
E.4	Interest material to the issue/offer	The Manager or its affiliates has provided from time to time, and may provide in the future, investment banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, its employees and any affiliate may currently own Shares in the Company. The Manager's remuneration for the Private Placement was a variable fee related to the size of the Private Placement and therefore dependent on successful completion of the Private Placement.
E.5	Selling shareholders and lock-up	Not applicable

E.6	Dilution	SeaBird had 45,581,246 Shares outstanding prior to the Private Placement. A total of 12,000,000 New Shares were issued in the Private Placement, resulting in an immediate dilution of approximately 20.8% for existing Shareholders who did not participate in the Private Placement.
E.7	Estimated expenses charged to the investor	Not applicable. Expenses are not charged to the investors.

2 Risk factors

When assessing the Issuer and its business, investors should carefully consider all the information contained in this Prospectus and in particular the following risk factors, which may affect some or all of the Issuer's activities and the industry in which the Issuer operates. An investment in the Issuer is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Before deciding whether or not to invest in the Issuer, an investor should consider carefully all of the information set forth in this Prospectus and otherwise available, and in particular, the specific risk factors set out below. If any of the following risks actually materialise, the Issuer's business, financial position and operating results could be materially and adversely affected. The order in which risk factors appear is not intended as an indication of the relative weight or importance thereof.

2.1 Risk factors relating to the Group and the industry in which it operates

Macroeconomic fluctuations and market risks

The Issuer is exposed to economic cycles and changes in the general economic outlook could affect demand for its services. Demand for offshore geophysical services depends on the level of capital spending by oil and gas companies, particularly exploration and development expenditures. Capital expenditures, and in particular exploration and development expenditures, by oil and gas companies can be negatively affected by a number of factors including, but not limited to, decreases in oil and gas prices, fluctuations in production levels and disappointing exploration results. Low oil prices typically lead to a reduction in capital expenditures as the oil and gas companies scale down their investment budgets. Sustained periods of substantially reduced capital expenditures by oil and gas companies may reduce the demand for the Issuer's services. Furthermore, recoveries in oil and gas prices do not immediately increase exploration, development and production spending, so improving demand for the Issuer's services will generally lag oil and gas price increases.

Variability of operating results

The Issuer's operating results can vary from month to month. The Issuer's operating income is difficult to be forecasted due to changes in oil companies' exploration and production budgets and expenditures, the competitive environment, efficiency in operations, adverse weather conditions and other general economic and market conditions. Changes in oil prices and exploration and production budgets could materially affect the business and operating results. Unanticipated difficulties in pursuing the Issuer's business strategy as described in this Prospectus could have a material adverse effect on the Issuer's business, operating results or financial condition.

Industry and competition related risks

The market of the Issuer's services is competitive. The Issuer may face competition from certain companies within the seismic industry and new entrants, while these companies may have greater resources than the Issuer. Furthermore, overcapacity in the seismic market would have a negative effect on the operating results of the Company. Failure of the Issuer to maintain competitive offering of equipment and services could have a material adverse effect on the Issuer's business, operating results or financial condition. Furthermore, overcapacity in the seismic market could have a negative effect on the prices for the Issuer's services.

Service life and technical risks

The service life of a modern seismic vessel is generally considered to exceed thirty years, but may ultimately depend on its efficiency, vessel maintenance and demand for such equipment. The Issuer applies a 10-15 year economic life as an accounting estimate for the majority of its vessels for depreciation. There can be no guarantee that the vessels owned or operated by the Group will have a long service life. The vessels may have particular unforeseen technical problems or deficiencies, new environmental requirements may be enforced, or new technical solutions or vessels may be introduced that are more attractive than the vessels owned by the

Group, causing less demand and use of these vessels. It is, however, possible to upgrade vessels and/or equipment to counteract some of these effects that may occur.

Charters

The Issuer has a strategy of exposing the Group's vessels both towards the long-term market as well as the more volatile spot market. There can be no guarantee that the Issuer will be able to secure contracts at such rates and utilisation rates that are needed. In addition, the Issuer may experience significant off-hires between charters. Furthermore, disputes under the charter parties may occur, which can result in liability and losses for the Issuer.

Possible liabilities

Seismic operations are associated with considerable risks and responsibilities, including technical, operational, commercial and political risks. In addition, seismic operations may be affected by harsh weather and other conditions beyond the Issuer's control. The Issuer has insurances in line with good industry practice. It is, however, possible that such insurances will not cover all possible damages, incidents, risks and liabilities.

New build programs and conversions

A very high new build activity or conversions of existing vessels to seismic vessels may in the future lead to stronger growth in supply of vessels than in the demand. This may negatively affect the results and asset values of the Issuer.

Dependence on few assets

The Group currently has 9 vessels, of which 8 vessels are in operation and 1 is currently laid up. If the Issuer fails to obtain short or long term contracts for one or more of the vessels, the Company may incur significant financial losses.

Risks related to business models

The two prevailing business models in the seismic industry are the contract and multi-client models. In the contract model, which is the Company's primary business area, the project is initiated by the client and the data is acquired exclusively under contract for that specific client, typically over acreage licensed to that client. In the multi-client model the seismic companies plan, acquire and process the data at their own risk, and then offer the processed data for license to clients on a non-exclusive basis. The risk aspects of the two models differ as contracted work is commenced against pre-defined revenue while the income from multi-client projects is speculative and contingent on external factors such as the attractiveness to clients of the associated acreage being offered for lease.

Risks related to international operations

Operations in international markets are subject to inherent risks in international business activities, including, in particular, general economic conditions in each country, overlapping various tax structures, managing an organisation spread over various jurisdictions, unexpected changes in regulatory requirements and complying with a variety of foreign laws and regulations.

Political risks

Changes in the legislative and fiscal framework governing the activities of oil and gas business could have material impact on exploration and development activities, or affect the Issuer's operations and financial results directly. Changes in political regimes or imposed sanctions may constitute a material risk factor for the Issuer's operations in foreign countries.

Risk of war, other armed conflicts and piracy

War, military tension and terrorist attacks have, among other things, caused instability in the world's financial and commercial markets. This has in turn significantly increased political and economic instability in some of the geographic areas in which the Issuer operates and has contributed to high levels of volatility in prices for, inter alia, oil and gas. Continuous instability may cause further disruption to financial and commercial markets and contribute to even higher levels of volatility in prices. In addition, acts of terrorism and threats of armed conflicts in or around various areas in which the Issuer operates could limit or disrupt the Issuer's markets and operations, including disruptions from evacuation of personnel, cancellation of contracts or the loss of personnel or assets. Armed conflicts, terrorism and their effects in the Issuer or its markets may significantly affect the Issuer's business and results of operations in the future. Piracy is a risk that the Issuer may incur in certain areas of transits and operations and this risk has increased in recent years. The Issuer conducts risk assessment policies as well as non-combative preventative measures and takes all reasonable mitigating actions to avoid any such risks to personnel and assets in terms of insurance and security, but any successful action by piracy may significantly affect the Issuer's business and results of operations in the future.

Loss of key employees
Operations could be negatively impacted if the Issuer is unable to attract and retain qualified personnel. The Issuer's future business prospects are to a large degree dependent on its ability to meet changing customer needs, to anticipate and respond to technological changes and to develop effective and competitive relationships with its customers and suppliers. The Issuer believes that its short-term and long-term success depends largely on the ability to attract and retain highly skilled personnel.

Contractual risks
The Issuer's business depends on contracts with customers regarding collection and sale / licensing of geophysical data. Each contract normally involves a substantial value or consideration to the Issuer. Furthermore, some of the contracts are governed by the law of the operations area, which may create both legal and practical difficulties in case of a dispute or conflict. The Issuer also operates in regions where the ability to protect contractual and other legal rights may be limited compared to regions with more well-established markets.

Operational risks
There will always be operational risks involved in performing offshore seismic surveys. This includes, inter alia, unexpected failure or damage to vessels and technical equipment, work accidents or adverse weather conditions. These risks can cause personal injury, prevent surveys to be performed as scheduled and other business interruptions, property and equipment damage, pollution and environmental damage. The Issuer may be subject to claims as a result of these hazards. The Issuer seeks to prevent loss or damages from such incidents by insurance, contractual regulations and emergency routines. However, there will always be some exposure to technical and operational risks, with unforeseen problems leading to unexpectedly high operating costs, substantial losses, additional investments, etc., which may have a material negative effect on the Issuer's operating results and financial position. If e.g. a vessel is rendered a total loss, the charter party will be void and the Issuer will under such circumstances lose income that would otherwise come from operating this vessel. Additionally, the occurrence of any of these risks could damage the Issuer's reputation.

Technological risks
Segments of the seismic and oil service industry are characterised by rapid changes in technology. There can be no assurance that the Company will have the necessary financial and human resources to respond to new technological changes and innovations and emerging competition.

Fleet risks
The Issuer charters some vessels for contractually agreed periods. However, the Issuer's need for vessels may vary from time to time, depending on the demand for the Issuer's services. If the number or quality of vessels available for surveys were to diminish below the Issuer's requirements, the Issuer's capacity to conduct surveys would be reduced. Moreover, a reduction in the number of vessels available to the Issuer could result from damage or destruction to them or other property loss, injury to personnel or because the Issuer cannot enter into or renew charters on economically reasonable terms or at all. Any reduction in the size or quality of the fleet may have a material adverse effect on the Issuer's operating revenues and business.

Environmental risk
The Issuer's operations are subject to numerous national and supra-national, environmental, health and safety laws, regulations, treaties and conventions (together, "Regulations"), including, inter alia, those controlling the discharge of materials into the environment, requiring removal and clean-up of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, operation of the

vessels or otherwise relating to the protection of human health and the environment. The amendment or modification of existing Regulations or the adoption of new Regulations curtailing or further regulating the Issuer's business could have a material adverse effect on the Issuer's operating results and financial condition. The Company cannot predict the extent to which future earnings or capital expenditures may be affected by compliance with such new Regulations. The amendment or modification of existing Regulations or the adoption of new Regulations could also limit the use of the Group's fixed assets, in particular its vessels. The Issuer cannot predict the extent to which the use of its fixed assets may be affected by compliance with such new Regulations.

2.2 Risk factors relating to the Group's financing

Financial risks

The Issuer has invested significant amounts in acquiring vessels and equipment. However, there can be no assurance that the Issuer is able to recover all costs and expenses associated with such investments. In general, the Issuer's future revenues are uncertain and depend on a variety of factors, many of which will be beyond the Issuer's control. The Issuer cannot guarantee that its investments will yield a satisfactory rate of return.

Liquidity risks

The Issuer is dependent upon timely payments of receivables from customers as well as having access to long term funding. Inability to collect receivables from major customers will have a severe negative impact on the Issuer's cash flow and liquidity. In order to successfully execute the Issuer's strategies, and to flexibly and effectively react to new opportunities and threats arising, SeaBird may seek to raise additional capital through equity issuance, debt financing, collaborative arrangements, strategic alliances or from other sources. If SeaBird is unable to generate adequate funds from operations or from additional sources, the business, results from operations and financial condition may be materially and adversely affected. Moreover, the Issuer's ability to obtain such additional capital may be significantly affected by the general economic conditions at that particular point in time. Failure to obtain such capital could have severe detrimental impact on the Issuer's operations and financial situation and could ultimately lead to bankruptcy.

Risks related to performance bonds and liquidated damages

The Issuer may from time to time have performance bonds issued by banks in connection with its projects. If completions of such projects are delayed beyond the relevant deadlines the Issuer might be liable to cover part or all of such performance bonds and could consequently suffer liquidated damages on its contracts.

Risks related to debt arrangements

The Issuer's current and future debt arrangements may include covenants and undertakings of general, financial and technical nature and such debt arrangements may contain cross-default provisions. Failure by the Issuer to meet any of the covenants or undertakings could result in all outstanding amounts under the different debt arrangements becoming immediately due for payment. In addition, security rights granted to the lenders could be enforced. If outstanding debts were declared due for immediate payment, there would be no assurances that the Issuer would be able to meet its obligations, and there are no assurances that the Issuer would be able to obtain alternative financing, either on a timely basis or at all. Any breach of existing covenants and undertakings with a subsequent claim for repayment of all debts outstanding would thus have a material adverse effect on the Issuer's financial position and is likely to have a material adverse effect on the value of the Shares and the Company's operations and results.

Risk associated with exchange rate fluctuations

The Group has operations and performs businesses in a variety of currencies. However, the Group has no outstanding foreign exchange contracts and cash is mainly held in USD. To manage the possibility of foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group may from time to time enter into various foreign exchange contracts. However, these activities provide only limited protection against potential currency-related losses.

Risk associated with interest rate

The Issuer's interest rate risk is mainly linked to its long-term and short-term interest-bearing debt. Interest-bearing debt issued at variable rates expose the Group to cash flow interest rate risk, while interest-bearing debt issued at fixed rates expose the Group to fair value interest rate risk. The Issuer aims to offset major effects linked to changes in the market rate, but an increase in interest rates can materially adversely affect the Group's cash flows and financial condition. Failure to comply with financial and other covenants may have a material adverse effect on the Issuer, including potential increased financial cost, requirement for additional security, new loan agreements on less favourable terms or cancellation of loans.

General tax risk

The Company is incorporated and has been tax resident in Cyprus and has a significant number of subsidiaries and branches in Cyprus and in other countries. The Company has recently been in dialogue with Norwegian tax authorities regarding its tax domicile and the Norwegian tax authorities has advised the Company that its tax domicile has changed from Cyprus to Norway. The overall tax liability will depend on where the source of revenues is and/or where profits are accumulated and subject to taxation, as the different jurisdictions have very differing tax regimes and taxation rates. The taxation rules to which the Issuer is subject are of a complicated nature, and differences in interpretation between the Issuer and the relevant tax authorities may lead to the Issuer being subject to unexpected claims for unpaid taxes or sanctions as a consequence of breach of applicable tax legislation. The tax liability may also depend on the tax residence of the shareholders (and in certain instances indirect shareholders) of the Company, which may vary from time to time as the Shares are subject to trading. The tax position of investors may vary with respect to each such individual investor, and investors should seek to obtain independent tax advice prior to purchasing or subscribing for shares in the Company.

Notice from Internal Revenue Service in the USA

The Group has received a notice from the Internal Revenue Service in the USA with requests to file tax returns and consequently a demand for paying tax for certain companies for previous years. The potential tax liability is uncertain and could potentially result in extra tax cost. The Group will accrue for USD 1.2 million in Q4 2013 for this potential tax liability.

2.3 Risk factors relating to the Shares

Share price volatility

The SeaBird share price could experience substantial fluctuations caused by a number of factors. Many of these will be outside the Company's control and may be independent of its operational and financial development. Factors which may affect the share price include, but is not limited to, the following:

- Reactions to quarterly and annual reports published by the Company
- Changes in analysts' estimates
- Changes in the seismic industry in general
- Changes in market and financial prospects
- Rumours and speculation in the market
- The general sentiment in the stock market

Risks related to issuance of Shares or other securities

The Company has no current plans for future offerings of shares. However, it is possible that the Company may decide to offer additional Shares in the future in order to strengthen its capital base or for other reasons. Any additional offering of Shares may be made at a significant discount to the prevailing market price and could have a material adverse effect on the market price of the outstanding Shares.

Risks associated with dilution

Due to regulatory requirements under foreign securities laws or other factors, foreign investors may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result. Any investor that is unable or unwilling to participate in the Company's future share issuances will have their percentage shareholding diluted. Further, if foreign holders of the Shares are not able to receive trade or exercise pre-emptive rights granted in respect of their Shares in any rights offering by the Company, then they may not receive the economic benefit of such rights. In addition, their proportional ownership interests in the Company will be diluted.

Additional risks for holders of Shares that are registered in a nominee account

Beneficial owners of Shares that are registered in a nominee account (e.g., through brokers, dealers or third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Shares will receive the notice for a general meeting in time to instruct their nominees to either affect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information, see section 10 "Shares and shareholder matters".

Transfer restrictions under the securities laws of United States and other jurisdictions

The Company has not registered its Shares under the U.S. Securities Act or the securities laws of other jurisdictions other than Norway, and the Company does not expect do so in the future. The Shares may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act), nor may they be offered or sold in any other jurisdiction in which the registration of the Shares is required but has not taken place, unless an exemption from the applicable registration requirement is available or the offer or sale of shares occurs in connection with a transaction that is not subject to these provisions. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases.

3 Statements

3.1 Responsibility for the Prospectus

We, the Board of Directors of SeaBird, hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

3 February 2014

Henrik A Christensen Chairman	Melvin Teigen Board member	Kjell Mathiassen Board member
Kitty Hall Board member	John Olav Økland Board member	

3.2 Information sourced from third parties

In certain sections of the Prospectus, information sourced from third parties has been reproduced. In such cases, the source of the information is always identified. Such third party information has been accurately reproduced. As far as the issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4 Cautionary note regarding forward-looking statements

Certain statements included in the Prospectus may constitute forward-looking statements that involve a number of risks and uncertainties. Such statements may include statements regarding the intent, opinion, belief or current expectations of the Company or its management with respect to, among other things, (i) goals and strategies, (ii) plans for new product development, (iii) marketing plans and the Group's target market, (iv) evaluation of the Group's markets, competition and competitive position, (v) trends which may be expressed or implied by financial or other information or statements contained herein and (vi) outcomes of disputes. Certain of such forward-looking statements can be identified by the use of forward-looking terminology such as ''believes'', ''expects'', ''may'', ''are expected to'', ''will'', ''will continue'', ''should'', ''would be'', ''seeks'' or ''anticipates'' or similar expressions or the negative thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise. The Company can give no assurance that such expectations will prove to be correct. Consequently, such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements, including, but not limited to, those discussed in chapter 2 "Risk factors".

5 The completed Private Placement

5.1 Overview of the Private Placement

The Company completed a Private Placement of 12,000,000 shares directed towards Norwegian and international institutional investors after the close of the Oslo Stock Exchange on 19 December 2013. The Private Placement was made at a subscription price of NOK 3.00 per share. Total gross proceeds from the Private Placement were NOK 36.0 million.

The proceeds from the Private Placement will be used to strengthen the Company's balance sheet and liquidity position.

In connection with the Private Placement, the Manager entered into share lending agreements with two existing shareholders, and the Private Placement was partially settled with borrowed shares that were tradable immediately and partially settled with New Shares registered on a separate ISIN. The lenders of shares were delivered New Shares registered on a separate ISIN, which will be listed and tradable pending the approval of this Prospectus.

5.2 Resolution to issue the New Shares

The New Shares were approved for issue by unanimous decision by the Board of Directors at a meeting held on 19 December 2013 pursuant to an authorisation granted by the Company's annual general meeting on 22 May 2013 and were issued in the name of the VPS Registrar in the register of members of the Company on 23 December 2013.

5.3 Subscription price and proceeds

The subscription price per share in the Private Placement was NOK 3.00 per Share and was set by the Board of Directors, in consultation with the Managers. Total gross offering proceeds amounted to NOK 36.0 million. The minimum subscription amount was NOK 1,000,000.

The subscription price was set without discount to the closing price on Oslo Børs on 19 December 2013.

5.4 Order period and order process

The Private Placement was announced through a stock exchange announcement at 16:30 (CET) on 19 December 2013. The Private Placement was directed towards Norwegian and international professional investors. Announcement of completion of the Private Placement was published on 20 December 2013 at 08:09 (CET). The Private Placement consisted of one tranche.

5.5 Share allocation

Allocation was made by the Company's Board, pursuant to advice from the Managers.

Notifications of allocation of the New Shares subscribed for in the Private Placement were issued by the Managers by phone on 20 December 2013.

The following investors were allocated more than 5% of the Private Placement:

Investors allocated more than 5% of the Private Placement

Investor	Allocated number of New Shares
Ordinat Shipping AS	4,540,003
Awilco Invest AS	2,050,000
Barokk Invest AS	600,000

Kjell Hjalmar Mathiassen, a Board Member of SeaBird, was allocated 333,333 shares in the Private Placement and together with closely related parties, holds 1,818,833 shares in SeaBird corresponding to 3.2% of the issued share capital in SeaBird after the Private Placement.

Henrik A. Christensen, the Chairman of the Board was, through his wholly owned company, August AS, allocated 333,333 shares in the Private Placement and now holds 533,333 shares in SeaBird corresponding to 0.9% of the issued share capital in SeaBird after the Private Placement.

Other than Ordinat Shipping AS which held 6,945,120 shares before the Private Placement (see allocation above), no other shareholder holding more than 5% before the Private Placement or any other members of the Company's management, supervisory or administrative bodies, were allocated shares in the Private Placement.

5.6 Settlement

Settlement was completed on 30 December 2013.

5.7 Publication of information in respect of the Private Placement

The Company published all technical information in respect of the Private Placement through Oslo Børs' electronic information system in announcements on 19 December 2013 and on 20 December 2013, cf. also section 5.4 above.

5.8 Conditions

The Private Placement was conditional upon valid resolution by the Company's Board of Directors to issue the New Shares allocated in the Private Placement.

5.9 Completion and delivery

The Private Placement has been completed and may no longer be revoked, suspended, reduced or withdrawn. All the New Shares have been fully subscribed, issued and paid for. The existing shareholders were not given preferential rights to subscribe for shares in the Company in order to be able to complete the Private Placement at the necessary time.

The New Shares issued in connection with the Private Placement were issued in accordance with the Board authorisation passed at the Board meeting held on 19 December 2013. The New Shares have been issued and registered on a separate ISIN (ISIN CY0104332115) pending approval of this Prospectus and will assume the Company's ordinary ISIN and be listed and tradable on Oslo Børs immediately thereafter.

Following the completion of the Private Placement, the total number of issued Shares in the Company were 57,581,246.

5.10 Manager and advisors

The Manager for the Private Placement was ABG Sundal Collier Norge ASA, Munkedamsveien 45E, N-0201, Oslo, Norway.

Advokatfirmaet Schjødt AS acted as Norwegian legal advisor to the Company in connection with the Private Placement.

5.11 Expenses

The total expenses of the Private Placement, including the preparation of this Prospectus, are estimated to amount to approximately NOK 2 million, and the net proceeds of the Private Placement are estimated to amount to approximately NOK 34 million.

5.12 Dilution

SeaBird had 45,581,246 Shares outstanding prior to the Private Placement. A total of 12,000,000 New Shares were issued in the Private Placement, resulting in an immediate dilution of approximately 20.8% for existing Shareholders who did not participate in the Private Placement.

Given the closing price of NOK 3.0 per share on 19 December 2013 and the subscription price of NOK 3.00 per New Share, the implied value dilution was NOK 0 per Share issued prior to the Private Placement.

The calculation is based on the assumption that the Shares issued prior to the Private Placement is valued with the closing price of NOK 3.00 per share on 19 December 2013 and the New Shares are valued with subscription price of NOK 3.00 per share, resulting in an average value per share of NOK 3.00, representing no theoretical value dilution.

5.13 Admission to trading and dealing arrangements

The Company's Shares are listed on Oslo Børs under the ticker-code "SBX". All of the 12,000,000 New Shares delivered in the Private Placement have been issued and registered on a ISIN (ISIN CY0104332115) pending approval of this Prospectus and will assume the Company's ordinary ISIN and be listed and tradable on Oslo Børs immediately thereafter.

The Company has not entered into any stabilisation agreements, market making agreements or similar agreements for trading of its shares on Oslo Børs. The Shares are not listed or traded on any other regulated market or stock exchange than Oslo Børs.

5.14 The rights of the New Shares

The New Shares issued in connection with the Private Placement rank pari passu with the Company's existing Shares, and have the same rights as the existing Shares as approved by the Company's general meeting after the issue of the Shares.

The New Shares were registered in the name of the VPS Registrar in the register of members of the Company on 23 December 2013, and will give rise to the right to any dividend declared and paid by the Company from said date.

5.15 Jurisdiction

The New Shares were issued pursuant to the Companies Law. The Registrar Agreement, which regulates the beneficial interest in the Shares and the registration of these in the VPS, is governed by Norwegian law.

This Prospectus is subject to Norwegian law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

5.16 Interests of natural and legal persons involved in the Private Placement

The Manager or its affiliates has provided from time to time, and may provide in the future, investment banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, its employees and any affiliate may currently own Shares in the Company.

The Manager's remuneration for the Private Placement was a variable fee related to the size of the Private Placement and therefore dependent on successful completion of the Private Placement.

6 Description of SeaBird

6.1 Group and industry overview

The Group

The Group is a global provider of marine acquisition for 2D/3D and 4D seismic data, and associated products and services to the oil and gas industry. SeaBird specializes in high quality operations within the high end of the source vessel and 2D market, as well as in the shallow/deep water 2D/3D and 4D market. Main focus for the company is proprietary seismic surveys (contract seismic). Main success criteria for the company are an unrelenting focus on Health, Safety, Security, Environment and Quality (HSSEQ), combined with efficient collection of high quality seismic data.

The Group owns four vessels (Harrier Explorer, Aquila Explorer, Osprey Explorer and Northern Explorer) and charters five vessels (Geo Pacific, Hawk Explorer, Kondor Explorer, Voyager Explorer and Munin Explorer) through bareboat agreements. The Kondor Explorer was derigged in 2011.

On 31 August 2013 the Group notified the owner of Hawk Explorer that it will exercise its option under the current charter agreement to purchase the vessel and related equipment for USD 6.5 million. The vessel and equipment will be delivered at the end of the lease term 31 August 2014 against settlement of the purchase price.

The ultimate parent company of the Group, SeaBird Exploration Plc, is a public limited liability company incorporated in the Republic of Cyprus. The address of its head office is 333, 28th October Street, Ariadne House, Limassol, Cyprus. The Group also has offices in Dubai, UAE, Oslo, Norway, Houston, USA, Singapore and St. Petersburg, Russia. SeaBird has been listed on the Oslo Stock Exchange since April 2006 under the ticker-code “SBX”. As of 30 September 2013, the Group totals 589 employees.

Industry

To be able to view oil and gas reservoirs that are buried under thousands of meters of sea or rock, seismic surveys are carried out. Seismic services can be carried out on land or at sea but the ideas are the same: sound waves are sent down into the earth. When the sound waves meet a change in rock type, the waves are reflected. On the surface, special equipment – geophones on land or hydrophones in marine – picks up the reflected sounds. The sound carries information about the structure of the subsurface. Cables from the hydrophones then transmit the information to recording devices, after which the information is analysed by computers in special laboratories. 2D or 3D images can be created from the information. Experts then interpret the images and they can say whether there is a possible hydrocarbon trap or not. If 3D surveys are repeated over the same geographical area, for instance for reservoir monitoring in producing fields, the time dimension is added and therefore such data sets are often referred to as 4D data.

The different vessel types commonly used in seismic data collection are:

- Conventional 2D vessels towing one streamer and an array of air-guns;
- Conventional 3D vessels towing from two to twenty streamers and an array of air-guns;
- Ocean bottom survey vessels operating air guns and deploying recording devices on the seabed; and;
- Source vessels only operating air guns. These are used if there is a need to increase the distance between the recordings (2D or 3D vessel) or if there is a need for several sources (gun arrays) in different locations.

The seismic market is divided in two; “High End” suppliers - usually identified as the companies with HSSEQ systems approved by the major oil companies, and “Low End” suppliers – the companies that can only work for multi-client companies and other clients with less stringent demands to HSSEQ systems.

The Group operates 2D, 3D and source vessels as a "High End" supplier, and competes in this market with companies like PGS, CGG Veritas, WesternGeco (Schlumberger), Polarcus and Dolphin Geophysical. Relative to its competitors, the Group focuses more on 2D vessels and source vessels where the Group has one of the largest fleets in the industry.

However, The Group does also compete with "low end" companies from time to time, particularly at times with less favourable market conditions.

6.2 History

The Group's business was founded in 1996. In 1997 the first contracts awarded were the conversion of two Anchor Handling Tug Supply (AHTS) vessels into Seismic Source vessels against a five year contract with Petroleum Geo-Services ASA.

The Group has carefully built up a team of industry professionals who are experts in high quality operations of seismic vessels.

The Group carried out third party conversions of seismic vessels as part of the business model up to year 2000. It was then decided to change business focus to become a market player by introducing the Group's vessel capacity directly to the end customers and leveraging the extensive internal project management and vessel conversions competence.

In April 2006, when SeaBird completed its successful IPO, the Group's offshore seismic products were based exclusively on towed streamer technology. The IPO, together with a subsequent private placement, provided the funding to acquire a company with ocean bottom node technology. The ocean bottom node business was divested in December 2011.

The Group believes that it is one of the world's largest independent suppliers of 2D and source vessels.

Certain of the main events in the Group's history can be summarised as follows:

Year	Event
1996	Establishment of SeaBird Holding Services, Operator of Seismic Vessels, and SeaBird Management, Manager of seismic vessels.
2000	Establishment of Geosea Holdings Limited, Group holding company
2005	Restructure and rename group to "SeaBird Exploration Limited"
2006	Hawk Explorer and Osprey Explorer converted and commenced operations
2006	Listing on Oslo Børs
2006	Acquisition of SeaBird Technologies AS (formerly SeaBed Geophysical AS)
2006	Private placement of MNOK 102
2006	Bond issue of MNOK 200
2006	Private placement of MNOK 200
2007	Bond issue of MNOK 400
2007	Aquila Explorer, Munin Explorer and Harrier Explorer converted and commenced operations
2008	Awarded and completed the first deep water node survey for Total Angola after the conversion of Hugin Explorer
2009	Private placement of MNOK 61.8 and subsequent offering of MNOK 1.2

2009	Restructuring of MNOK 200 bond loan
2009	The Company redomiciled from BVI to Cyprus. Private Placement of MNOK 189
2010	Convertible bond issue of MNOK 120 in favour of Perestroika AS as lender
2010	Restructuring of MUSD 46.9 bank debt
2011	Convertible bond issue of MNOK 240 in favour of Petroleum Geo-Services ASA
2011	Restructuring of MNOK 400 Bond loan
2011	Divestment of the OBN business to Fugro Norway AS
2012	Private Placement of MNOK 83
2013	The 3D vessel Geo Pacific joins the fleet

6.3 Legal structure

The Company, SeaBird Exploration Plc, is a public company limited by shares, registered under the Companies Law, Cap. 113, of the statute Laws of the Republic of Cyprus (as amended) and with registration number 259593.

The Company was incorporated on 28 August 2000 under the International Business Companies Act of 1984 chapter 291 of the laws of the British Virgin Islands. Its name was changed from “GeoSea Holdings Limited” on 4 May 2005 and from “SeaBird Overseas Limited” on 3 November 2005. The Company was re-registered under the BVI Business Companies Act, 2004 (as amended) on 23 March 2006.

During 2008, the Company moved to Cyprus, and the Company re-domiciled from BVI to Cyprus on 18 December 2009 changing its name to SeaBird Exploration Plc. The Group’s business (as described below) has, however, been substantially the same since 1996 and has generically been grown into what it is today by the founders and their associates.

The Company has its registered office at World Trade Center, Ariadne House, 333, 28th October Street, 3106 Limassol, Cyprus. The Group’s web site can be found at: www.sbexp.com.

Other offices of the Group include:

Cyprus Office – Head Office
SeaBird Exploration Plc
World Trade Center
Ariadne House
333, 28th October Street
3106 Limassol
Cyprus

Tel: +357 2581 4416
Fax: +357 2581 4420
E-mail:
corporatecyprus@sbexp.com

Dubai Office
SeaBird Exploration FZ-LLC
Al Shatha Tower
35/F, Dubai Media City
PO Box 500549/500347
Dubai, UAE

Tel: +971 4 427 1700
Fax: +971 4 429 0644
E-mail:
corporatedubai@sbexp.com

Houston Office
SeaBird Exploration Americas Inc.
820 Gessner, Suite 1275
Houston, TX 77024
USA

Tel.: + 1 281 5561 666
Fax: +1 281 5565 315
Email:
corporatehouston@sbexp.com

Oslo Office
SeaBird Exploration Norway AS
Cort Adelers gate 16
P.O. Box 1302 Vika
0112 Oslo
Norway
Enterprise no: 977 236 371

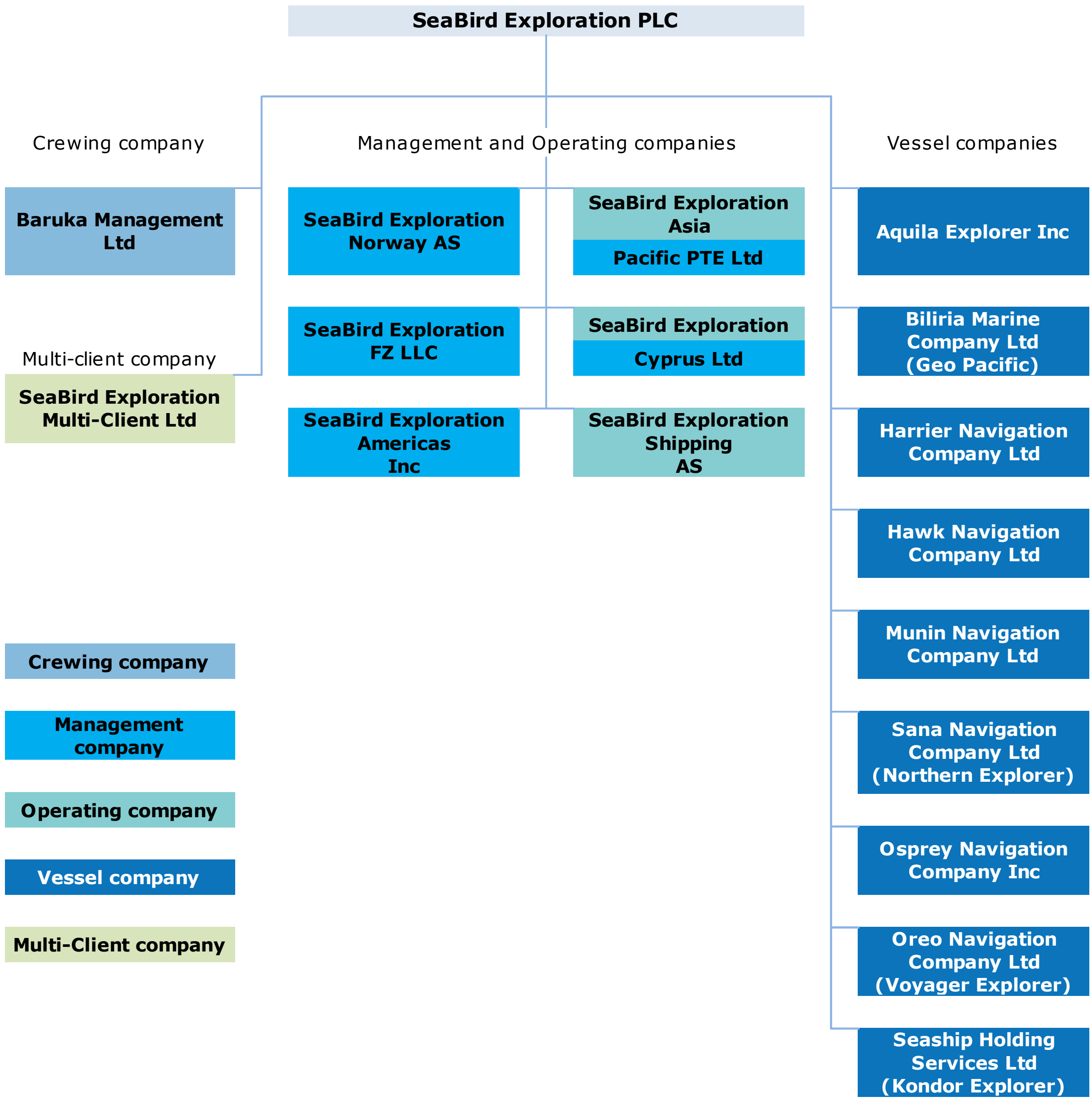
Tel: +47 2240 2700
Fax: +47 2240 2701
E-mail:
corporateoslo@sbexp.com

Singapore Office
SeaBird Exploration Asia Pacific Pte. Ltd.
1 Fullerton Road
#02-01 One Fullerton
Singapore 049213

Tel: +65 6832 5593
Fax: +65 6725 0949
Email:
corporatesing@sbexp.com

6.4 Group structure

SeaBird Exploration Plc is the holding company of the Group. The Group’s operations are performed by the Company's different subsidiaries. Each of the Group’s vessels is operated by separate single purpose companies. The legal chart below shows active subsidiaries of SeaBird.



The address and country of residence of the legal entities, including dormant companies, in the Group is set out in the table below:

Company	Address	Country Residence	Percentage held
Active companies			
SeaBird Exploration Plc	*World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol*	*Cyprus*	*Parent*
Aquila Explorer Inc.	ADR Building, 13th Floor, Samuel Lewis Avenue, Panama 5	Cyprus	100%
Baruka Management Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Biliria Marine Company Ltd	World Trade Center, Ariadne House	Cyprus	100%

	333, 28th October Street, 3106 Limassol		
Harrier Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Hawk Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Munin Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Oreo Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Osprey Navigation Company Inc.	ADR Building, 13th Floor, Samuel Lewis Avenue, Panama 5	Cyprus	100%
Sana Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Sea Ship Holding Services Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
SeaBird Exploration Americas Inc.	1155 N. Dairy Ashford, Suite 206 Houston, TX 77079	U.S.	100%
SeaBird Exploration FZ-LLC	Al Shatha Tower, 35/F, Dubai Media City, P.O. Box 500549/500347, Dubai	UAE	100%
SeaBird Exploration Norway AS	Cort Adelers gate 16, 0254 Oslo	Norway	100%
SeaBird Exploration Multi-Client Ltd	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
SeaBird Exploration Cyprus Ltd	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
SeaBird Exploration Asia Pacific PTE Ltd	1 Fullerton Road, #02-01 One Fullerton, Singapore 049213	Singapore	100%
SeaBird Exploration Shipping AS	Cort Adelers gate 16, 0254 Oslo	Norway	100%
Dormant companies			
Arna Shipping Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Byrd Investments Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Dimas Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
GeoBird Management AS	Cort Adelers gate 16, 0254 Oslo	Norway	100%
GeoBird Management M.E. FZ-LLC	Al Shatha Tower, 35/F, Dubai Media City, P.O. Box 500549/500347, Dubai	UAE	100%
Raven Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
SeaBed Navigation Company Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%
Silver Queen Maritime Limited	198 Old Bakery Street, Valletta VLT 09	Malta	100%
Velodyne Shipping Limited	World Trade Center, Ariadne House 333, 28th October Street, 3106 Limassol	Cyprus	100%

Sana Navigation Company Ltd, Harrier Navigation Company Ltd, Osprey Navigation Company Inc, Hawk Navigation Company Ltd, Aquila Explorer Inc, Oreo Navigation Company Ltd, Sea Ship Holding Services Ltd, Munin Navigation Company Ltd and Biliria Marine Company Ltd are vessel holding companies.

Byrd Investments Ltd, Dimas Navigation Company Ltd, Velodyne Shipping Ltd, GeoBird Management M.E. FZ-LLC, Arna Shipping Ltd, Raven Navigation Company Ltd, SeaBed Navigation Company Ltd, Silver Queen Maritime Ltd and GeoBird Management are dormant companies.

SeaBird Exploration Cyprus Ltd and SeaBird Exploration FZ-LLC provide maritime and seismic management, and Baruka Management Ltd provides crewing to other companies of the Group for the vessels and to some extent also to external clients on their vessels. From time to time, SeaBird Exploration Cyprus Ltd and SeaBird Exploration FZ-LLC also provide direct seismic acquisition service to oil and gas exploring companies (3rd parties), by supplying from other companies of the Group allowing a complete operating seismic unit, when qualification rules and local regulation require such.

6.5 Vision, goals/objectives and strategy

The Group's vision is to be a low-cost, high quality provider in the high end of the 2D, niche 3D and source marine seismic markets and to be a complete seismic services provider, covering the full range of its client needs. The goal is to be a market leader in the high end of the seismic market within its niches, by building on its strengths, retaining focus on cost without compromising on Health, Safety, Security, Environment and Quality (HSSEQ), and through building long term relationships with key clients and remaining conservative with regards to acquiring debt. The seismic market is divided in two; “High End” suppliers - usually identified as the companies with HSSEQ systems approved by the major oil companies, and “Low End” suppliers – the companies that can only work for multi-client companies and other clients with less stringent demands to HSSEQ systems.

6.6 The fleet and main assets

The Group's fleet consists of two types of vessels;

- 2D/3D seismic vessels: Vessels that are towing streamer(s) and an array of air-guns; and
- Source vessels: Vessels that are only operating air guns.

6.6.1 Seismic vessels

The SeaBird fleet consists of the following vessels:

M/v Geo Pacific

Name:	M/v Geo Pacific
Building year:	1987 (rebuilt in 1998)
Seismic:	3D
Ownership:	Bareboat charter until 31 December 2015 with four one-year options to extend the contract. SeaBird has purchase options on the vessel in 2016 and, to the extent the lease is extended, year 2017.

M/v Voyager Explorer

Name:	M/v Voyager Explorer
Building year:	2005
Seismic:	2D/3D Shallow Water
Ownership:	Bareboat charter until August 2014 plus 3 one year extensions options.

M/v Northern Explorer

Name:	M/v Northern Explorer
Building year:	1987
Converted for seismic operation in:	1998
Upgraded:	2005
Seismic:	2D
Ownership:	Owned by the Group

M/v Hawk Explorer

Name:	M/v Hawk Explorer
Building year:	1984
Converted for seismic operation in:	2006
Seismic:	2D
Ownership:	Bareboat until 31 August 2014 where the exercise of purchase option is notified and will be exercised 31 August 2014.

M/v Aquila Explorer

Name:	M/v Aquila Explorer
Building year:	1982
Converted for seismic operation in:	2007
Ownership:	Owned by the Group
Seismic:	2D

M/v Harrier Explorer

Name:	M/v Harrier Explorer
Building year:	1979
Converted for seismic operation in:	2007
Ownership:	Owned by the Group
Seismic:	2D

M/v Kondor Explorer

Name:	M/v Kondor Explorer
Building year:	1984
Converted for seismic operation in:	1997
Ownership:	Bareboat charter until end of February 2014
Seismic:	Source

M/v Osprey Explorer

Name:	M/v Osprey Explorer
Building year:	1985
Converted for seismic operation in:	2006
Ownership:	Owned by the Group
Seismic:	2D

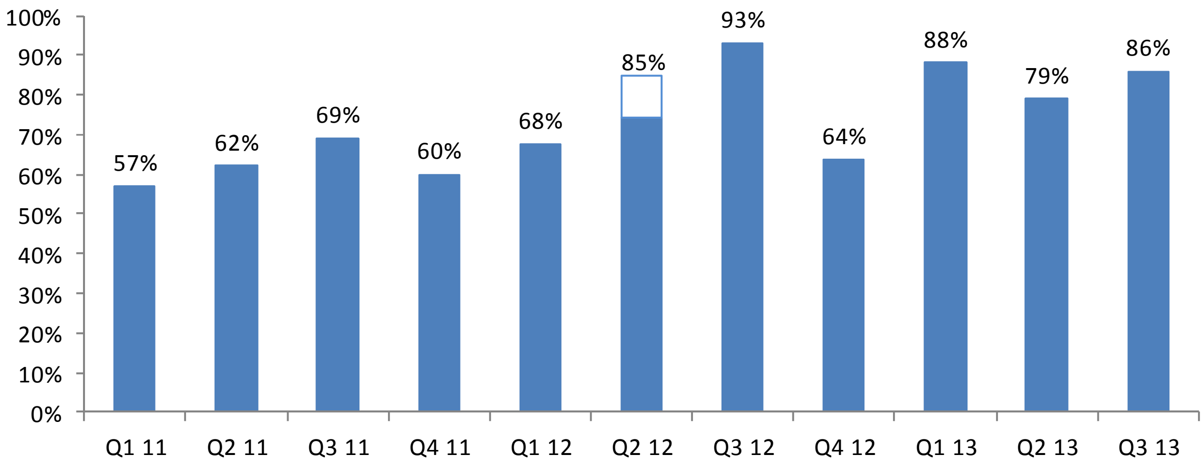
M/v Munin Explorer

Name:	M/v Munin Explorer
Building year:	1989
Converted for seismic operation in:	2007
Ownership:	Bareboat charter until 31 October 2019
Seismic:	2D

6.7 Utilisation

The graph below depicts the vessel utilisation from Q1 2011 until Q3 2013.

Vessel utilisation



Note: Utilisation for Q2 2012 of 85% is adjusted to exclude GGS Atlantic, Geo Pacific is included from Q2 2013

Harrier Explorer commenced on a source contract in North West Europe at the end of December 2013 with an expected duration of 110 days and an estimated value of approximately USD 8 million.

Aquila Explorer has been awarded a 2D contract in the Far East region with an estimated duration of about 60 days and an estimated value of approximately USD 8 million commenced in January 2014.

In January 2014, Geo Pacific commenced on a 1,500 square kilometer 3D project in the Gulf of Guinea with an expected duration of 45 days. The project is in partnership with Acorn Geophysical and is prefunded with approximately USD 4.8 million.

Munin has continued under the time charter agreement with Seabed Geosolutions which expires in February 2015.

6.8 Research and development, intellectual property rights and patents

The seismic market is a mature industry with multiple subcontractors competing on developing and producing technology for the seismic companies. Marine seismic data acquisition has been carried out since the late 1930-ies and there are no substantial contracts, patents certificates, etc. that the Group depends upon.

6.9 Material contracts

The Group is not a party to any material contract other than contracts entered into in the ordinary course of business.

6.10 Changes in framework conditions

The Group is not aware of any adopted or proposed changes in legislation which could have a material impact on the Group's business.

7 Organisation, Board and Management

7.1 Board of Directors

Pursuant to the Articles, the Board of Directors of the Company (the "Board of Directors" or "Board") shall have between two and nine members.

As of the date of this Prospectus, the Board has the following members:

Henrik A Christensen (Chairman)
Kjell Mathiassen
Kitty Hall
Melvin Teigen
John Olav Økland

Board members Christensen, Mathiassen, Økland and Teigen were re-elected as directors at the AGM held on 15 May 2012 until the AGM which will take place in 2014. Board member Hall was elected as director at the 15 May 2012 AGM. All directors' terms thus expire on the AGM which will take place in 2014.

The address 333, 28th October Street, Ariadne House, Limassol, Cyprus, serves as c/o address for the members of the Board.

Henrik A Christensen – Chairman

Mr. Christensen was appointed as director and chairman of the Company in an EGM held on 9 December 2011. He holds a law degree from the University of Oslo in 1989. Mr Christensen currently holds the position as an attorney at law with Ro, Sommernes law firm, a position which he has held from 1989-1994 and 2004- (Partner from 1993). In 1994-2004 he was an attorney at law and partner with the law firm Wiersholm. Mr. Christensen is a Norwegian citizen, and resides in Oslo, Norway.

Mr. Christensen currently holds the following positions:

Storebrand Optimer ASA, Board Member
Home Properties AB, Board Member
Nordic Choice Hospitality Group AS, Board Member
Home Invest AS, Chairman of the Board
Vålerenga Fotball AS, Chairman of the Board
Stangeskovene AS, Board Member

Mr. Christensen has during the last five years held the following positions:

Ignis ASA, Chairman of the Board (-2011)
Rocksource ASA, Chairman of the Board (2012-2013)

Kjell H. Mathiassen

Mr. Mathiassen is one of the founders of SeaBird. He is educated as Maritime Chief Engineer Tromsø 1962-64, Norwegian Navy Engineer Horten 1965, Polymer Process Engineer Porsgrunn 1975-1977, Several Fire & Safety courses in Horten 1977. He has significant experience from the marine, offshore and seismic industry. His track record includes Cross Ship Repair (owner and director 1992-1996), SeaTankers/Fredriksen Group (Director Technical Services 1982-1992), Gotaas Larsen (Fleet Maritime Superintendent 1978-1982), as well as various onboard work as serving engineering officer. Mr. Mathiassen has experience as Technical Director from

international shipping industries and uses his experience to develop ships for conversion and is a technical advisor to the Marine Manager. Mr. Mathiassen is a Norwegian citizen, and resides in Norway.
Mr. Mathiassen currently holds the following positions:

SeaBird Exploration Plc, Board member (2006-)
SeaBird group subsidiaries, Board Member (1996-)

Mr. Mathiassen has not held any other positions during the last five years.

Kitty Hall[1]

Mrs Hall was appointed as a director of the Company in a general meeting held on 15 May 2012. She has a BSc in Geology from the University of Leeds and an MSc in Stratigraphy from Birkbeck College, University of London. She has more than thirty years experience from the upstream oil industry including twenty-five years as Chief Executive of specialist geophysical contractors ARKeX Ltd (2004 - 2010) and ARK Geophysics Ltd (1986 - 2004), together with experience as a board member for both public and private service companies. Mrs Hall is a British citizen and resides in UK. Mrs. Hall currently holds the following positions:

SeaBird Exploration Plc, Board member (2012 -)
Det Norske Oljeselskap, Board member (2013 -)
Milton Keynes Parks Trust, Trustee (2009 -)
Peak MK Ltd, Owner (2011 -)

Mrs. Hall has during the last five years held the following positions:

ARKeX Ltd, Board member (2004 - 2013)
Sevan Drilling AS, Board member (2011 -2013)
Petroleum Exploration Society of Great Britain (PESGB), Vice President (2011 -2013)
Polarcus Ltd, Board member (2008 – 2012)
International Association of Geophysical Contractors (IAGC), Board member (2010 – 2011)
Eastern Echo plc, Board member (2007)
ARKeX Ltd, President (2010 – 2011)
ARKeX Ltd, Chief Executive (2004 – 2010)

Melvin Teigen

Mr. Teigen was appointed as director of the Company in a general meeting held on 14 May 2009. He holds a bachelor degree from Agder Distriktshøyskole (1979-1982) and a Master in Business and Economics degree from the Norwegian School of Management (BI), Norway (1984-1986). Mr. Teigen currently holds the position of CEO of Corporate Solutions AS. He is a Norwegian citizen, and resides in Oslo, Norway.
Mr. Teigen currently holds the following positions:

SeaBird Exploration Plc, Board member (2009 -)
Sissener Sirius ASA, CEO (2009 -)
Corporate Solutions AS, CEO and Board member (2008 -)
PolyDisplay AS, Chairman (2012 -)
Kollektivtrafikkens Personellservice SA (2013 -)
Proinvestor AS, deputy member

Mr. Teigen has during the last five years held the following positions:

[1] Katherine (Kitty) J. Martin (née Hall)

Zpey AS, Board member and Chairman (2011-2012)
MMC Hotel Elverum AS, Board member (2011-2012).
Elverum Hotelldrift AS, Board member (2011-2013)
SkiPeg AS, Chairman (2012-2013)
Sissener Energy ASA, CEO (2010-2013)

John Olav Økland

Mr. Økland was appointed as director of the Company in an EGM held on 9 December 2011. Mr Økland is a Master Mariner educated at Bergen Maritime Høgskole (85/86). Mr. Økland has approximately 25 years of working experiences from the fishing/shipping industry in various roles. He is one of the founders and co-owner of Ordinat Holding AS, Ordinat Shipping AS, Geo Pacific AS, Økland Fiskebåtrederi AS and Havsula Invest AS. The companies hold fishing/shipping offshore vessels.

Mr. Økland is a Norwegian citizen, and resides in Gibraltar.

Mr. Økland currently holds the following positions:

SeaBird Exploration Plc, Board member (2011 -)
Økland Fiskebåtrederi AS, Chairman and CEO (1990 -)
Ordinat Holding AS, Chairman and CEO (2013 -)
Ordinat Shipping AS, Chairman and CEO (2007-)
Geo Pacific AS, Chairman and CEO (2010 -)
Havsula Invest AS, Chairman and CEO (2009 -)
John Olav Økland Invest AS, Chairman and CEO (2006 -)
Sunbay Management AS, Chairman (2008 -)
Mom Trading AS, Chairman (2012 -)
Mom Oil AS, Chairman (2012 -)
Mom Construction AS, Chairman (2012 -)
Ordinat Invest SL Chairman (Spain, 2010 -)

Furthermore, Mr. Økland has held the following positions during the last five years:

Økland Fiskebåtrederi Holding 1 AS, CEO
Jamcol Invest AS, CEO

7.2 Management

Management is defined as Dag Reynolds (CEO from April 2012), Nils C. Haugestad (CFO from April 2012), Alexander Holst (General Counsel from March 2006), Kjell Mangerøy (VP Business Development from February 2008), Babak Jabbari (VP Operations from February 2012) and Graham Stark (VP HSSEQ).

The address 333, 28th October Street, Ariadne House, Limassol, Cyprus, serves as c/o address for the members of the Company's management.

Dag Reynolds - Chief Executive Officer

Mr. Reynolds has more than 25 years of experience from the offshore industry. He spent 9 years with PGS before joining SeaBird Exploration in 2005 as CEO. He was instrumental in building up the Company and listing it on the Oslo Stock Exchange in 2006. Mr. Reynolds retired at the end of 2007 and co-founded Spring Energy AS, a small independent oil company. Mr. Reynolds held the position as Executive Vice President Sales with EMGS AS from January 2010 until joining SeaBird again in April 2012.

Excluding positions in the Company and its subsidiaries, Mr. Reynolds currently holds the following positions:

Board member in Pioner Kapital AS

Furthermore, Mr. Reynolds has held the following positions during the last five years:

Board member in Pioner Kapital AS
Chairman and later Board Member in Spring Energy Norway AS
Board member in Spring Energy Exploration AS
Several board positions with subsidiaries in EMGS ASA group companies.

Nils C. Haugestad – Chief Financial Officer

Mr. Haugestad has held the position as Chief Financial Officer of the Company since 1 April 2012. Mr. Haugestad has over 20 years' experience in investment banking, principal investments and corporate strategy. He came from the position as Chief Executive Officer and founding partner of Fokus Capital Ltd. Prior to this, Mr. Haugestad was Chief Operating Officer of Evolvence Capital Ltd. Mr. Haugestad has previously held a number of positions in New York with Citigroup, Citicorp Venture Capital, Credit Suisse, RBC Capital Markets and UBS. Mr. Haugestad holds a Bachelor of Science degree from the Wharton School, University of Pennsylvania and a Master of Business Administration degree from Harvard Business School.

Mr. Haugestad has currently no other positions, apart from his positions in the Company and its subsidiaries.

During the last five years, Mr. Haugestad has held the following other positions:

Fokus Capital (2009 – 2012), CEO

Evolvence (2008 – 2009), COO

Alexander Holst – General Counsel

Mr. Holst acts as General Counsel for the Company through SeaBird Exploration Norway AS, where he has been employed since March 2006. He holds a law degree from the University of Oslo, Norway. Prior to joining SeaBird, from 1995 to 2006 Mr. Holst served as Senior Legal Counsel with Petroleum Geo-Services ASA and its group of companies, and served a number of the PGS Group companies as Director. Mr. Holst served as legal counsel with Schlumberger seismic division Geco and Geco-Prakla from 1989 to 1994. He is a Norwegian citizen and resides in Oslo, Norway with business address Cort Adelersgt. 16,Oslo, Norway. He has more than 25 years experience from the seismic industry.

Mr. Holst currently holds the following positions:

SeaBird Exploration Norway AS, General Counsel (2006-)

Mr. Holst has not held any other positions during the last five years.

Kjell Mangerøy – VP Business Development

Mr. Mangerøy has held the position as VP Business Development in the Company since February 2008. Prior to the appointment of VP Business Development, he held the position as VP Operations since 2006. Before joining SeaBird he held the position of Business Development Manager (Africa) for PGS from 2001 to 2006 based in London and from 1995 to 2001 he held the position of Operations Manager in PGS based in Oslo. From 1985 to 1995 he worked for CGG on board vessels as Party Chief and later as Operations Manager based in London for 3 years before opening an office for CGG in Stavanger in 1992. From 1976 to 1985 he held various positions in several seismic and survey companies before joining CGG. Mr Mangerøy has extensive experience from 35 years in the seismic industry. Mr Mangerøy is a Norwegian citizen and resides in Dubai. Mr Mangerøy currently holds the following positions:

SeaBird Exploration FZ LLC, VP Business Development
SeaBird group subsidiaries, Board Member

Mr. Mangerøy has not held any other positions during the last five years.

Babak Jabbari – VP Operations

Mr. Jabbari has held the position as VP Operations in the Company since February 2012. Before this appointment he has held senior positions in SeaBird Exploration and GeoBird Management. Mr. Jabbari holds a bachelor of Science in Marine Engineering from Kalmar Maritime Academy in addition he has studied in energy engineering from Uppsala University. He has also been founder and director of trading companies in Sweden and UAE.

Mr. Jabbari currently holds the following positions:

SeaBird Exploration FZ-LLC, Vice president Operations
SeaBird Exploration FZ-LLC board member
Carpathia Trading AB, Director

Furthermore, Mr. Jabbari has held the following other positions during the last five years:

SeaBird Exploration FZ-LLC, Vice President Maritime Operations (2006-2011)
SeaBird Exploration FZ-LLC, Senior Vice President Projects & New buildings (2011 -2012)

Graham Stark – VP HSSEQ

Mr. Stark has held the position as VP HSSEQ since July 2011. He holds an MSc in occupational health and safety management (OH&S), and also holds internationally recognized certification in management system design, ISO / OHSAS and EN 9100 auditing and competency in behavioural science.

Mr. Stark's background is in mechanical engineering, with formal credentials gained at the Royal School of Military Engineering. Mr. Stark has worked in the oil and gas industry for 30+ years in all areas of up, mid and downstream operations, with the last 14 years being specifically in HSSEQ roles for leading E & P companies. Mr. Stark has been with SeaBird since 2007 and has been involved with SeaBird's design and implementation of the company's management system and accreditation. He also serves on the board of directors for the IAGC on behalf of SeaBird Exploration.

Mr. Stark currently holds the following position:

SeaBird Exploration FZ-LLC, Vice president HSSEQ (2011 –)

Mr. Stark has not held any other positions during the last five years.

7.3 Conflict of interests

None of the members of the Board of Directors or the mentioned members of the Company's management have been subject to any bankruptcy, receivership or liquidation proceedings, nor has any member of the Board of Directors or the mentioned members of the Company's management been convicted of any fraudulent offence or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) in acting as founder, director or senior manager of any company for the last five years, nor has any member of the Company's Board of Directors or any mentioned member of the Company's management been disqualified by a court from acting as a member of the management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years.

Mr. Mathiassen and Mr. Økland are major shareholders of the Company, directly or indirectly, and Board Members. There can be no guarantee that their personal interests in the capacity as shareholders may not in the future deviate from the interest of the Company and the remaining shareholders. Furthermore, Mr. Økland is a shareholder of Ordinat Shipping AS the owner of the vessels Geo Pacific and Munin Explorer which are leased by the Group. There can be no guarantee that his personal interests in the capacity as shareholder of Ordinat Shipping AS may not in the future deviate from the interest of the Company and the remaining shareholders. Please also see section 7.11 for a description of the related party transactions.

Save for the above mentioned, there are no potential conflicts of interest between any duties to the Company of the members of the Company's management or Board of Directors, and their private interests and or other duties. Some of the members of the Board of Directors are, as described above, directors of, or may have other interests in, companies and businesses that from time to time may have a conflicting interest with the Company. Any such conflicts will be dealt with in the manner prescribed by the Articles and Cyprus company legislation. For the sake of good order, it should be noted that board member Mr. Mathiassen's son, Mr. Stig Mathiassen, is employed by the Group.

7.4 Board members' and Managements' shareholdings and options

Please see the table below for an overview of shares and options held by the members of the Management and the Board as of the date of the Prospectus:

Name	Position in SeaBird	Shareholdings*)	Options
Board of Directors			
Henrik A. Christensen	Chairman	533,333	-
Kjell Mathiassen	Board member	1,818,833**)	-
Kitty Hall	Board member	59,025	-
Melvin Teigen	Board member	-	-
John Olav Økland	Board member	11,485,123***)	-
Management			
Dag Reynolds	CEO	100,000	2,000,000
Nils C. Haugestad	CFO	9,770	843,882
Alexander Holst	General Counsel	2,500	66,667
Kjell Mangerøy	VP Business Development	2,990	66,667
Babak Jabbari	VP Operations	-	66,667
Graham Stark	VP HSSEQ	-	33,334

**) Includes shares held by spouses, dependent children or companies in which the person has such influence as referred to in the Norwegian Public Limited Liability Companies Act § 1-3.*
***) including 43,000 shares held by Kjell Mathiassen's wife, Magdalene Mathiassen*
****) via Ordinat Shipping AS which he owns together with family members.*

All options must be exercised within 1 November 2015. For a further description of the options please see section 10.5.

Please see below for an overview of the volume weighted average price paid per share by members of the Company's Board or management during the last year:

Name	Position in SeaBird	Average price
Board of Directors		
Henrik A Christensen	Chairman	4.42
Kjell Mathiassen	Board member	3.00
Kitty Hall	Board member	7.50
Melvin Teigen	Board member	-
John Olav Økland	Board member	3.00
Management		
Dag Reynolds	CEO	2.5*
Nils C. Haugestad	CFO	3.95*
Alexander Holst	General Counsel	3.95*
Kjell Mangerøy	VP Business Development	3.95*
Babak Jabbari	VP Operations	3.95*
Graham Stark	VP HSSEQ	3.95*

**From exercising options.*

7.5 Compensation to Board members and Management

The total remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Company's Board of Directors in 2012 was USD 338,000 on an aggregate level. Mr Mathiassen, in addition to Board member remuneration receive salary and benefits as an employee of SeaBird Exploration Norway AS.

Beyond this, there are no other benefits payable by the Company to the Board members.

On a general basis, upon termination by the Company without legal cause or at change of control, the key management (see section 7.2) of the Company may receive up to one year benefit as contracted severance compensation. Mr Holst is entitled to 12 months' salary and benefits upon termination of employment at any cause.

Save for the above mentioned, none of the Board members' or Managements' service contracts with the issuer or any of its subsidiaries provides for benefits upon termination of employment.

Aggregate compensation to key management is summarised below which includes Dag Reynolds (CEO from April 2012), Tim Isden (CEO until February 2012), Alexander Holst (General Counsel) , Thor Higraff (COO until February 2012), Babak Jabbari (VP Operations from February 2012), Kjell Mangerøy (VP Business Development from February 2008), Graham Stark (VP HSSEQ) and Nils Haugestad (CFO from April 2012).

TUSD	2012
Salaries and other benefits	2,309
Bonus payments	-
Post-employment benefits *)	1,116
Total	**3,425**

**) Pension expenses related to payments to defined contribution plans.*

7.6 Corporate governance

The Company complies with the Norwegian corporate governance regime as detailed in the Norwegian Code of Practice for Corporate Governance published on 23 October 2012, by the Norwegian Corporate Governance Board. The Company's annual corporate governance report also fulfils the requirement in Directive DI90-2007-04 of the Cyprus SEC dated 23 November 2012.

7.7 Committees

7.7.1 Nomination committee

The Company has a nomination committee elected by the general meeting, consisting of Thomas Aanmoen (Chairman), Birger Nergaard and Kjell Mathiassen. The general meeting also elects the leader of the nomination committee and determines its compensation.

The Nomination Committee of SeaBird shall consider and report to the Board of Directors for resolutions on the following matters:

- Nominees for election as shareholder appointed members of the Board of Directors and the Chairperson of the Board of Directors.
- Nominees for election of the Committee.
- The proposed remuneration of the Board of Directors and the members of the Committee.

The report of the Board of Directors shall be enclosed to the notice for the annual general meeting. The Committee shall operate in accordance with generally accepted principles for good corporate governance.

Having a nomination committee is not required pursuant to the Company's Memorandum or Articles, as it is not recognised as a corporate body in home state legislation.

7.7.2 Sub-committees of the Board

The Board has appointed an audit committee.

The audit committee has the following members: Mr. Teigen and Mrs. Hall. The main purpose of the audit committee is:

- the integrity of the Company's financial statements and other financial information provided to stockholders and others
- the Group's system of internal controls
- the engagement and performance of the independent auditors

7.8 Employees

As of 30 September 2013, the Group has 589 employees. The table below illustrates the number of employees at year-end over the last three financial years.

Marine and seismic offshore staff accounts for approximately 512 employees, and is in general employed in the crewing subsidiary, Baruka Management Limited. The remainder are on-shore staff. The reduction of Group employees after 2011 is mainly due to the divestment of the OBN business and the increase in 2013 is mainly due to Geo Pacific joining the fleet.

The table below illustrates the number of employees at year-end over the last three financial years.

	2010	2011	2012
Number of employees (year-end)	538	580	462

7.9 Loan to employees

SeaBird has no loans outstanding to employees.

7.10 Employee option incentive scheme

The Company has established a stock option program for its employees, and has in this regard adopted a policy document which outlines the principles terms for such program to be included in the final stock option plan to be implemented. Summarised, the main terms of the principles are as follows:

- It is the Company's intention to offer employees in the Group options to subscribe for Shares in the Company. The number of options to be granted to each employee will depend upon the employee's position, nature of work and other criteria to be further defined in the final stock option plan.
- The subscription price for the Shares will be determined by the Board in connection with each option grant, and will be based on the market value of SeaBird at said time.
- The options will currently vest over a 2-5 year vesting period. The options may also be exercisable in the event of certain transactions relating to all or the majority of the Shares of the Company (sale, other transfers, mergers etc.)

For further details on outstanding number of options, please see section 10.5 below.

7.11 Transactions with related parties

On 20 December 2013 SeaBird announced the extension of the bareboat charter for the Munin Explorer from 1 November 2014 to 31 October 2019. In connection with the bareboat extension, the charter rate is being reduced from USD 20,271 per day currently to USD 12,000 per day, commencing 1 February 2014. The charter rate will escalate with 2% per year throughout the charter period, in accordance with the original agreement. Ordinat Shipping AS is the owner of Munin Explorer and indirect charter-owner of Geo-Pacific, the largest shareholder in SeaBird and represented on the Board of Directors by Mr. Økland.

For a description of other related party transactions within SeaBird, we refer to the Q3 2013 quarterly report and the 2010 – 2012 annual accounts and reports incorporated hereto by reference. Please see section 14.1 "*Documents incorporated by reference*" below for further information.

8 Market conditions

The demand for seismic surveys is correlated with the oil price. With higher oil prices, new exploration and production projects become increasingly profitable for the oil companies. Hence, demand for seismic services increases. In the period between 2004 and July 2008 the price of crude oil increased by from USD ~32 to USD ~145 per barrel. With the financial crisis unravelling in the latter part of 2008, the price of crude oil dropped back to levels last seen in 2003. Following the financial turmoil the oil price has increased from a level of USD 30-40 per barrel, observed at the end of 2008, to the current level of USD ~100 per barrel. The oil price has been volatile in the period from 2008 to 2014 as it has been influenced by macro-economic events and growth outlook, environmental incidences as the Macondo accident and the political unrests in certain parts of the world.

8.1 Marine geophysical services

Seismic data is conventionally collected by discharging a wave of acoustic energy just below the water's surface from energy sources towed behind a survey vessel. At rock layer boundaries, parts of the waves are reflected back to the streamers. Hydrophones detect and convert these reflections into digital data, which in turn are recorded onboard the survey vessel.

There are several seismic techniques that are being used to analyse potential sub-sea reservoirs. These can roughly be categorised as 2-, 3- and 4-dimentional analyses, as well as the developing electro-magnetic surveying. 2-dimentional seismic survey is the most cost efficient method, conducted by having a survey vessel towing a single streamer. The seismic survey will generate data which generally represents a vertical cross-section along the line tracked by the streamer, and is the preferred method for initial analysis of larger areas.

An alternative to this is simply to use more streamers to produce several parallel 2D cross-section data. This will later be processed to produce a 3D image of the subsurface, often used when initial 2D analyses indicate findings. Normally, one will use several streamers attached to one survey vessel, but where longer offset and wide azimuth analyses are required, several source vessels may be used. This process requires more sophisticated navigation equipment to ensure a precise determination of the positions of streamers and energy sources; hence it is a more costly approach.

A fourth dimension, evolvement over time, is used to efficiently determine the changes occurring in the reservoir as a result of hydrocarbon production or injection of water or gas into the reservoir by comparing the repeated datasets. Time-lapse or 4D seismic involves comparing the results of 3D seismic surveys repeated at considerable time intervals (e.g. before a field starts producing versus various post-production stages).

Separate to the aforementioned seismic techniques, there exist also two prevailing business models in the seismic industry: the contract and the multi-client models. In the contract model the project is initiated by the client and the data is acquired exclusively under contract for that specific client, typically over acreage licensed to that client. In the multi-client model the seismic companies plan, acquire and process the data at their own risk, and offer the processed data for license to clients on a non-exclusive basis. Under this model the clients benefit from access to high quality data at a fraction of the cost of acquiring the same data on a proprietary contract basis but forfeit any exclusivity to the data. Such data is typically acquired over open acreage in anticipation of licensing by the relevant authority and is used by clients for risk evaluation and prospect identification prior to them making a bid for acreage. For the seismic companies the benefit comes from the potential for multiple sales that in total can exceed the revenue that would have been otherwise derived from an exclusive (contract) survey. The risk aspects of the two models differ as contracted work is commenced against pre-defined revenue whilst the income from multi-client projects is speculative and contingent on external factors such as the attractiveness to clients of the associated acreage being offered for lease. However, it is common practice in the seismic industry that client pre-funding is sought by the seismic companies for their multi-client projects according to the companies risk appetite, in order to mitigate these risks, sometimes up to or exceeding the full pre-funding of the survey equivalent to that of the contract model.

8.2 Drivers of demand for marine geophysical services

In addition to the technological developments that affect the cost, quality and reliability of marine seismic data, demand for marine geophysical services is driven by the oil industry's incentives to invest in exploration, development and production. The willingness to invest is a consequence of current revenues, acreage available for exploration and production combined with the global oil and gas demand/supply balance. These factors are, in turn, affected by various political and economic factors, such as global production levels, prices of alternative energy sources, government policies, and the political stability in the oil producing countries. In general the demand for geophysical services is therefore driven by:

- Future demand/supply balance for oil and gas
- Oil and gas companies' exploration and production spending

From the end of the 1990's, global E&P spending saw a decade of growth. This growth was capped by the economic recession that started in 2008. The result was a decrease in year-on-year global exploration and production (E&P) spending in 2009. The recession had a significant short-term impact on the global energy demand, illustrated by the severe drop in oil prices. At USD 30.28 per barrel, the oil price trough was reached in December 2008. In 2009 oil prices recovered on OPEC's above-average compliance to agreed-upon production targets, and trended upwards throughout the year. The positive trend in oil prices continued in 2010, with contract prices reaching USD 89 per barrel in December. Along with higher oil prices, oil companies invested more heavily in developing new resources, illustrated by a year-on-year increase in E&P spending for 2010. From 2011 to 2012 the oil price volatility has been significant, illustrated by contract values ranging from USD 74 to USD 114 during the period.

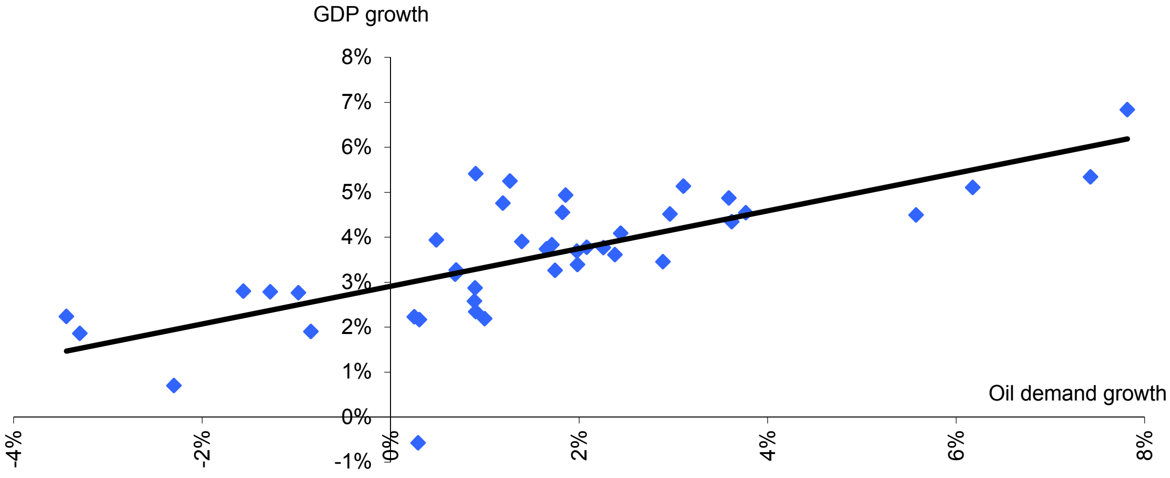
In 2013 the oil price has been slightly less volatile with values ranging between USD 90 to 110 per barrel. The graph below illustrates the development in the oil price, (West Texas Intermediate), from 1991 until January 2014.

Oil price

Sources: Factset, January 2014

As the graph below illustrates, global oil demand is directly linked to global GDP (gross domestic product) growth. As the world experienced a recession in 2008 global oil demand shrank by 1.6% according to the US Energy Information Administration. This was followed with an increase in consumption in 2010, 2011 and 2012 where demand increased by 3.1%, 1.4% and 0.7% respectively.

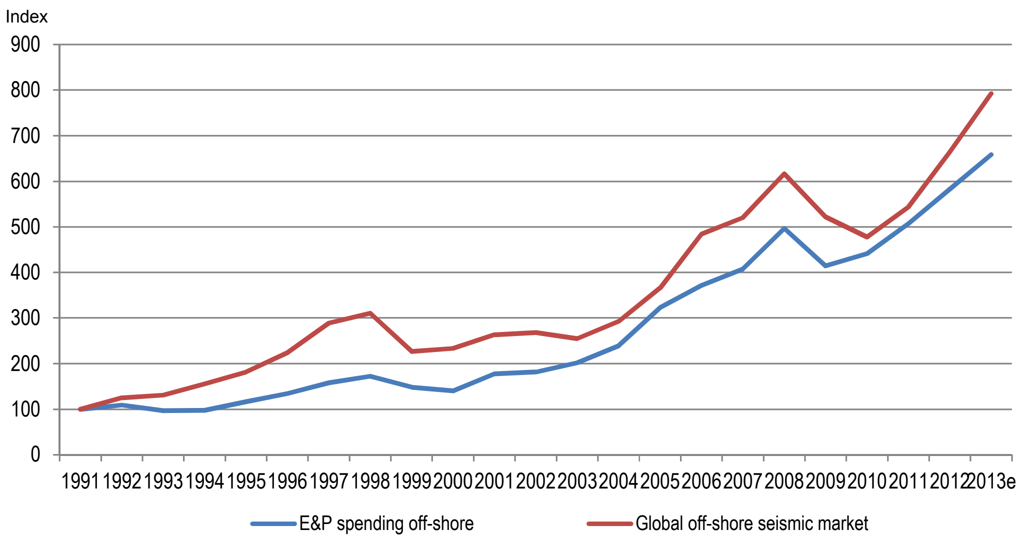
Oil demand vs GDP growth



Sources: World GDP growth from IMF, World Economic Outlook Database, October 2013, and Oil demand sourced from US Department of Energy, EIA (http://www.eia.gov)

The graph below illustrates both spending on E&P and seismic. To a certain degree this is linked to the oil price as oil companies intend to invest when the oil price is high which again is reflected in the amount they spend on seismic.

E&P and seismic spending

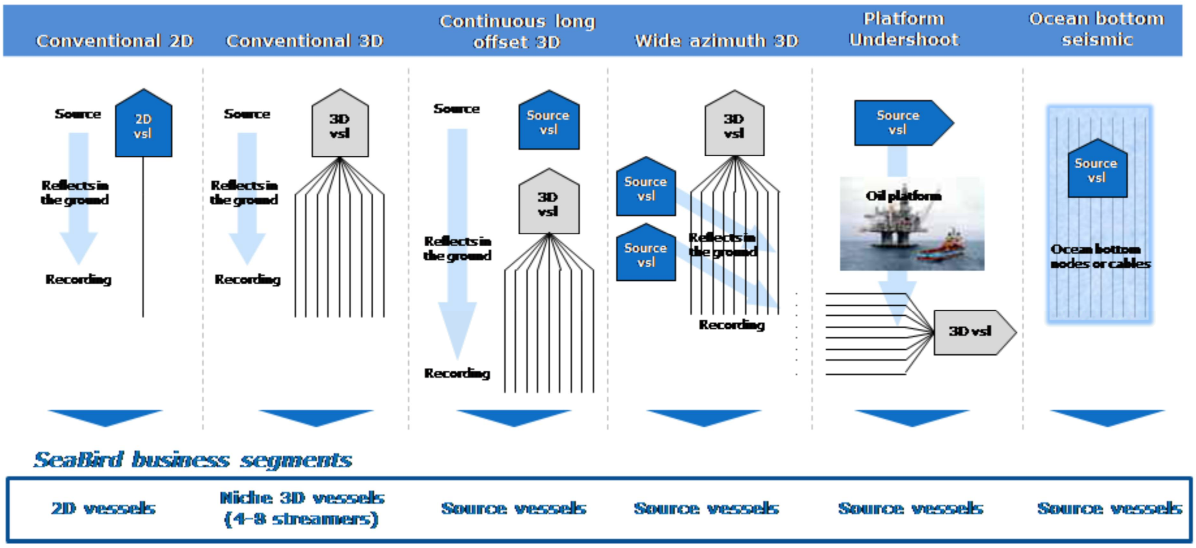


Sources: ABGSC Equity Research 15 December 2013

8.3 Demand for source vessels

SeaBird also operates in the source markets. Demand for such vessels improved continuously in the latter part of the last decade. As oil exploration and development are moving into more complex structures the quality of the data is increasingly important. The seismic industry has developed several of techniques to improve the data quality when shooting complex geological structures. Source vessels are usually required in these advanced 3D surveys. SeaBird fills this need on a contract basis with the 3D seismic provider in charge. The exhibit below illustrates different shooting technics and SeaBird's business segment.

Market trends



9 Financial information

The following consolidated financial figures have been derived from the Company's audited consolidated financial statements for 2010, 2011 and 2012 and the unaudited financial statements for Q3 2012 and 2013 and the nine months ended 30 September 2012 and 2013.

During Q4 2011 Seabird divested its OBN business which is classified as discontinued operations.

The consolidated financial statements for 2010, 2011 and 2012 and the unaudited financial statements for Q3 2012 and 2013 and the nine months ended 30 September 2012 and 2013 have been incorporated to this Prospectus by reference. References to said statements can be found in section 14.1 below.

The audited consolidated financial statements for 2010, 2011 and 2012 and the unaudited financial statements for Q3 2012 and 2013 and the nine months ended 30 September 2012 and 2013 have been prepared in full compliance with IFRS.

A summary of the key financial accounts can be found below.

TUSD	2010 Audited	2011 Audited	2012 Audited
Revenues	93,643	81,722	163,331
EBITDA	4,501	(9,382)	38,559
EBIT	(42,303)	(92,210)	4,151
Profit (loss) continuing operations	(61,752)	(116,025)	(18,183)
Net profit discontinued operations	11,651	28,724	6,668
Profit (loss)	(50,101)	(87,301)	(11,515)
Earnings per share (diluted)	(3.17)	(4.68)	(0.36)
Earnings per share from continued operations (diluted)	(3.90)	(6.22)	(0.56)
CAPEX	(5,593)	(12,024)	(15,008)
Total assets	341,263	219,285	197,371
Net interest bearing debt including financial leases	172,067	107,732	87,406
Equity ratio	33.8%	22.5%	26.7%

TUSD	Q3 2012 Unaudited	Q3 2013 Unaudited	9 months ended 30-Sep-12 Unaudited	9 months ended 30-Sep-13 Unaudited
Revenues	45,468	51,869	128,430	140,627
EBITDA	11,726	13,220	31,781	28,019
EBIT	4,238	6,739	3,281	9,428
Profit (loss) continuing operations	(576)	3,981	(12,790)	1,981
Net profit (loss) discontinued operations	(214)	-	7,308	(820)
Profit (loss)	(790)	3,981	(5,482)	1,161
Earnings per share (diluted)	(0.03)	0.09	(0.19)	0.03
Earnings per share from continued operations (diluted)	(0.02)	0.09	(0.44)	0.04
CAPEX	(2,544)	(5,019)	(10,829)	(15,542)
Total assets	198,766	210,910	198,766	210,910
Net interest bearing debt including financial leases	92,000	86,984	92,000	86,984
Equity ratio	22.4%	26.4%	22.4%	26.4%

9.1 Accounting principles

The principle accounting policies applied in the preparation of the consolidated financial statements can be found in note 2 in the Annual Report 2012, incorporated by reference to this Prospectus. Reference to said statement can be found in section 14.1 below. The accounting policies used for preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for 2011.

9.2 Consolidated income statement

Exhibit 1: Annual consolidated income statement	2010	2011	2012
TUSD	Audited	Audited	Audited
Revenues	93,643	81,722	163,331
Cost of sales	(71,402)	(67,649)	(103,711)
Cost of multi-client sales	–	–	(5,056)
Selling general and administrative expenses	(19,000)	(24,476)	(16,843)
Other income (expenses), net	1,260	1,021	838
Earnings before interest tax depreciation and amortization (EBITDA)	**4,501**	**(9,382)**	**38,559**
Depreciation and amortization	(36,298)	(28,513)	(34,408)
Impairment	(10,506)	(54,315)	–
Earnings before interest and taxes (EBIT)	**(42,303)**	**(92,210)**	**4,151**
Interest expense	(10,601)	(18,475)	(12,391)
Other financial items, net	(1,473)	274	(1,072)
Change in fair value of conversion rights	(2,716)	(3,014)	–
Profit/(loss) before income tax	(57,093)	(113,425)	(9,312)
Income tax	(4,659)	(2,600)	(8,871)
Profit/(loss) continuing operations	**(61,752)**	**(116,025)**	**(18,183)**
Net profit/(loss) discontinued operations	11,651	28,724	6,668
Profit/(loss) for the period	**(50,101)**	**(87,301)**	**(11,515)**
Profit/(loss) attributable to			
shareholders of the parent	(50,101)	(87,301)	(11,515)
Earnings per share			
Basic	(3.17)	(4.68)	(0.36)
Diluted	(3.17)	(4.68)	(0.36)
Earnings per share from continued operations			
Basic	(3.90)	(6.22)	(0.56)
Diluted	(3.90)	(6.22)	(0.56)

Exhibit 2: Consolidated statement of comprehensive income	2010	2011	2012
TUSD	Audited	Audited	Audited
Profit/Loss	**(50,101)**	**(87,301)**	**(11,515)**
Other comprehensive income			
Net movement in currency translation reserve and other changes	(427)	72	32
Total other comprehensive income net of tax	**(427)**	**72**	**32**
Total comprehensive income	**(50,528)**	**(87,229)**	**(11,483)**
Total comprehensive income attributable to			
shareholders of the parent	(50,528)	(87,229)	(11,483)
Total	**(50,528)**	**(87,229)**	**(11,483)**

Exhibit 3: Quarterly consolidated income statement	Quarter ended 30 Sep		Nine months ended 30 Sep	
	Unaudited	Unaudited	Unaudited	Unaudited
TUSD	2012	2013	2012	2013
Revenues	45,468	51,869	128,430	140,627
Cost of sales	(24,589)	(34,520)	(79,345)	(99,505)
Cost of multi-client sales	(5,056)	–	(5,056)	–
Selling, general and administrative expenses	(3,897)	(4,736)	(12,788)	(14,287)
Other income (expenses), net	(200)	607	540	1,184
Earnings before interest, tax, depreciation and amortization (EBITDA)	**11,726**	**13,220**	**31,781**	**28,019**
Depreciation and amortization	(7,488)	(6,481)	(28,500)	(18,591)
Impairment	–	–	–	–
Earnings before interest and taxes (EBIT)	**4,238**	**6,739**	**3,281**	**9,428**
Interest expense	(3,072)	(2,907)	(9,219)	(8,897)
Other financial items, net	(362)	(469)	(634)	(88)
Profit/(loss) before income tax	**804**	**3,363**	**(6,572)**	**443**
Income tax	(1,380)	618	(6,218)	1,538
Profit/(loss) continuing operations	**(576)**	**3,981**	**(12,790)**	**1,981**
Net profit/(loss) discontinued operations	(214)	–	7,308	(820)
Profit/(loss) for the period	**(790)**	**3,981**	**(5,482)**	**1,161**
Profit/(loss) attributable to				
Shareholders of the parent	**(790)**	**3,981**	**(5,482)**	**1,161**
Earnings per share				
Basic	(0.03)	0.10	(0.19)	0.03
Diluted	(0.03)	0.09	(0.19)	0.03
Earnings per share from continued operations				
Basic	(0.02)	0.10	(0.44)	0.05
Diluted	(0.02)	0.09	(0.44)	0.04

Dividends

No dividends were distributed for 2010, 2011 and 2012.

Primary reporting format – business segments

All SeaBird's seismic services and operations are conducted and monitored as one business segment.

Exhibit 4: Revenues by business segment

TUSD	Audited	Audited	Audited
Revenue	2010	2011	2012
Contract	85,929	71,901	141,618
Multi-client	7,714	9,821	21,713
Total	**93,643**	**81,722**	**163,331**

Secondary reporting format – geographical segments

Exhibit 5: Geographical segments

TUSD	Audited	Audited	Audited
Revenue	2010	2011	2012
Europe Africa & Middle East EAME	36,170	41,364	71,723
North & South America NSA	25,822	8,973	48,243
Asia Pacific APAC	31,651	31,385	43,365
Total	**93,643**	**81,722**	**163,331**
Segment Assets	2010	2011	2012
Europe Africa & Middle East EAME	358,977	219,285	197,371
North & South America NSA	–	–	–
Asia Pacific APAC	–	–	–
Total	**358,977**	**219,285**	**197,371**
Capital Expenditure	2010	2011	2012
Europe Africa & Middle East EAME	11,971	17,041	15,008
North & South America NSA	–	–	–
Asia Pacific APAC	–	–	–
Total	**11,971**	**17,041**	**15,008**

A substantial portion of the property and equipment is mobile due to SeaBird's world-wide operation. Asset locations at the end of a period are not necessarily indicative of the geographic distribution of the revenues generated by such assets during the period.

Geographic distribution of assets is based upon location of physical ownership. Goodwill is presented in the same geographic area as the underlying acquired assets. The geographic distribution of revenues is based upon location of performance.

Capital expenditures are based on the location of the company that is making the investment.

9.3 Consolidated balance sheet

Exhibit 6: Consolidated balance sheet TUSD	2010 Audited	2011 Audited	2012 Audited
Assets			
Non-current assets			
Property plant and equipment	258,633	137,008	130,774
Multi-client library	5,998	16,602	3,384
Goodwill	8,996	1,267	1,267
Patent technology	3,816	–	–
Deferred tax asset	13,756	–	–
Capital work in progress	1,277	–	–
	292,476	154,877	135,425
Current assets			
Inventories	4,103	4,680	3,920
Trade receivables	40,467	31,251	33,069
Other current assets	2,655	14,750	10,213
Due from related parties	427	427	–
Cash and cash equivalents	1,135	13,300	14,744
	48,787	64,408	61,946
Total assets	**341,263**	**219,285**	**197,371**
Equity			
Shareholders' equity			
Paid in capital	161,113	166,720	180,761
Equity component of convertible loan	–	6,296	6,296
Revaluation reserve	–	–	–
Currency translation reserve	380	(212)	(180)
Share options granted	7,593	7,554	8,495
Retained earnings	(53,863)	(131,056)	(142,571)
	115,223	49,302	52,801
Liabilities			
Non-current liabilities			
Loans and borrowings	137,280	99,567	94,299
Fair value of conversion rights	6,506	–	–
Provision for end of service benefit	918	1,157	848
	144,704	100,724	95,147
Current liabilities			
Trade and other payables	45,414	38,374	27,325
Loans and borrowings	35,922	21,465	7,851
Tax liabilities	–	9,420	14,247
	81,336	69,259	49,423
Total liabilities	**226,040**	**169,983**	**144,570**
Total equity and liabilities	**341,263**	**219,285**	**197,371**

Exhibit 7: Consolidated balance sheet for the nine months ended 30 Sep TUSD	Unaudited 30 Sep 2012	Unaudited 30 Sep 2013
Assets		
Non-current assets		
Property, plant and equipment	131,415	129,399
Multi-client library	4,473	6,568
Goodwill	1,267	1,267
Long-term investment	–	83
	137,155	137,317

Current assets		
Inventories	4,100	4,863
Trade receivables	27,770	27,116
Other current assets	17,864	27,622
Cash and cash equivalents	11,877	13,992
	61,611	73,593
Total assets	**198,766**	**210,910**
Equity		
Shareholders' equity		
Paid in capital	166,720	182,645
Equity component of convertible loan	6,296	6,296
Currency translation reserve	(53)	(845)
Share options granted	8,083	8,909
Retained earnings	(136,538)	(141,410)
	44,508	55,595
Liabilities		
Non-current liabilities		
Loans and borrowings	96,129	73,060
Provision for end of service benefit	802	1,013
	96,931	74,073
Current liabilities		
Trade and other payables	36,029	41,603
Loans and borrowings	7,748	27,916
Tax liabilities	13,550	11,723
	57,327	81,242
Total liabilities	**154,258**	**155,315**
Total equity and liabilities	**198,766**	**210,910**

9.4 Changes in equity

Exhibit 8: Changes in equity

TUSD	Paid in Capital	Equity component of convertible loan	Share options granted	Revaluation reserve	Retained earnings	Currency translation reserve	Total
Balance at January 2010	**161,113**	**-**	**7,158**	**38,050**	**(3,763)**	**807**	**203,365**
Revaluation surplus	-	-	-	(20,336)	5,836	-	(14,500)
Currency translation difference	-	-	-	-	-	(427)	(427)
Net income / (loss) recognised directly in equity	**-**	-	**-**	**(20,336)**	**5,836**	**(427)**	**(14,927)**
Net profit for the year	-	-	-	-	(55,936)	-	(55,936)
Total recognised income / (loss)	**-**	-	**-**	**(20,336)**	**(50,100)**	**(427)**	**(70,863)**
Adjustment to previous year share issues	-	-	-	-	-	-	-
Share options granted/ cancelled	-	-	435	-	-	-	435
Balance at 31 December 2010	**161,113**	-	**7,593**	**17,714**	**(53,863)**	**380**	**132,937**
Revaluation surplus	-	-	-	(17,714)	-	-	(17,714)
Balance At 1 January 2011	**161,113**	**–**	**7,593**		**(53,863)**	**380**	**115,223**
Comprehensive income for the year							
Profit	–	–	–	_	(87,301)	–	(87,301)
Currency translation reserve	–	–	–	_	664	(592)	72
Total comprehensive income for the year	**–**	**–**	**–**	_	**(86,637)**	**(592)**	**(87,229)**
Contributions by and distributions to owners							

Share issue	5,607	–	–	–	–	–	5,607
Equity component of convertible loan	–	6,296	–	–	9,444	–	15,740
Share option granted/cancelled	–	–	(39)	–	–	–	(39)
Total contributions by and distributions to owners	**5,607**	**6,296**	**(39)**	–	**9,444**	**–**	**21,308**
31 December 2011	**166,720**	**6,296**	**7,554**	–	**(131,056)**	**(212)**	**49,302**
Balance at 1 January 2012	**166,720**	**6,296**	**7,554**	–	**(131,056)**	**(212)**	**49,302**
Comprehensive income for the year							
Profit	–	–	–	–	(11,515)	–	(11,515)
Currency translation reserve	–	–	–	–	–	32	32
Total comprehensive income for the year	**–**	**–**	**–**	–	**(11,515)**	**32**	**(11,483)**
Contributions by and distributions to owners							
Share issue	14,041	–	–	–	–	–	14,041
Equity component of convertible loan	–	–	–	–	–	–	–
Share option granted/cancelled	–	–	941	–	–	–	941
Total contributions by and distributions to owners	**–**	–	**941**	–	**–**	–	**14,982**
31 December 2012	**180,761**	**6,296**	**8,495**	–	**(142,571)**	**(180)**	**52,801**

Exhibit 9: Changes in equity for the nine months ended 30 Sep.

	Nine months ended 30 Sep	
TUSD	Unaudited 2012	Unaudited 2013
Opening balance	**49,302**	**52,801**
Profit/(loss) for the year	(5,482)	1,161
Increase/(decrease) in share capital	-	1,884
Share options granted	530	414
Net movements in currency translation reserve and other changes	158	(665)
Ending balance	**44,508**	**55,595**

9.5 Consolidated statement of cash flows

Exhibit 10: Consolidated statement of cash flows TUSD	2010 Audited	2011 Audited	2012 Audited
Cash flows from operating activities			
Profit/loss before income tax	(62,928)	(113,425)	(9,312)
Adjustments for			
Depreciation amortization and impairment	52,640	82,829	34,296
Unrealized exchange gain/loss	671	–	419
Change in fair value of conversion rights	2,716	3,014	–
Gain on extinguishment of debt	–	(11,015)	–
Amortization of interest	446	4,968	10,053
Paid income tax	(2,452)	–	(1,067)
Provision for employees' end of service gratuities	324	–	–
Earned on employee stock option plan	435	(39)	941
Increase/decrease in inventories	129	(924)	(335)
Increase/decrease in trade and other receivables	(6,596)	(38,383)	(12,960)
Increase/decrease from divested companies	7,260	24,556	–
Increase/decrease in due from related parties	10	–	427
Increase/decrease in trade and other payables	6,200	(16,143)	(9,113)
Net cash from operating activities	**(1,145)**	**(64,562)**	**13,349**
Cash flows from investing activities			
Capital expenditures	(5,593)	(12,024)	(15,008)
Net cash flow on disposal of subsidiaries	–	121,358	–
Net cash used in investing activities	**(5,593)**	**109,334**	**(15,008)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	–	5,607	14,041
Currency fluctuation in borrowings	(457)	722	–
Receipts from borrowings	19,676	150,433	–
Repayment of borrowings	(25,421)	(204,953)	(10,969)
Equity component of convertible bond loan	–	15,791	–
Net movement in currency fluctuations	(315)	(207)	31
Net cash from financing activities	**(6,517)**	**(32,607)**	**3,103**
Net decrease/increase in cash and cash equivalents	**(13,255)**	**12,165**	**1,444**
Cash and cash equivalents at beginning of the period	**14,234**	**1,135**	**13,300**
Cash and cash equivalents discontinued operations	**156**	**–**	**–**
Cash and cash equivalents at end of the period	**1,135**	**13,300**	**14,744**

Exhibit 11: Quarterly consolidated statement of cash flows	Quarter ended 30 Sep		Nine months ended 30 Sep	
	Unaudited	Unaudited	Unaudited	Unaudited
TUSD	2012	2013	2012	2013
Cash flows from operating activities				
Profit/loss before income tax	804	3,363	(6,572)	443
Adjustments for				
Depreciation amortization and impairment	7,487	6,481	28,499	18,591
Unrealized exchange gain/loss	299	(249)	530	(716)
Amortization of interest	1,209	2,589	6,097	7,703
Paid income tax	(447)	(241)	(710)	(1,212)
Earned on employee stock option plan	173	80	529	412
Increase/decrease in inventories	429	953	(515)	(943)

Increase/decrease in trade and other receivables	(1,076)	(12,321)	(9,090)	(9,943)
Increase/decrease in due from related parties	–	–	427	–
Increase/decrease in trade and other payables	2,133	6,779	2,335	11,801
Net cash from operating activities	**11,011**	**7,434**	**21,530**	**26,136**
Cash flows from investing activities				
Capital expenditures	(2,544)	(5,019)	(10,829)	(15,542)
Multi-client investment	(2,690)	(975)	(6,916)	(4,858)
Long-term investment	–	(83)	–	(83)
Net cash used in investing activities	**(5,234)**	**(6,077)**	**(17,745)**	**(20,483)**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	–	–	–	1,884
Receipts from borrowings	–	–	–	–
Repayment of borrowings	(882)	(983)	(2,557)	(4,841)
Interest paid	(113)	(144)	(2,809)	(2,780)
Net movement in currency fluctuations	415	9	158	(668)
Net cash from financing activities	**(580)**	**(1,118)**	**(5,208)**	**(6,405)**
Net (decrease)/increase in cash and cash equivalents	**5,197**	**239**	**(1,423)**	**(752)**
Cash and cash equivalents at beginning of the period	6,680	13,753	13,300	14,744
Cash and cash equivalents discontinued operations	**–**	**–**	**–**	**–**
Cash and cash equivalents at end of the period	**11,877**	**13,992**	**11,877**	**13,992**

9.6 Management's discussion of financial condition and results of operations

9.6.1 The Financial Year 2010

Financial result and operations

SeaBird reported consolidated revenues of USD 93.6 million for the year ended 31 December 2010, down from USD 111.9 million in 2009.

For the 2D fleet the years 2009 and 2010 were quite similar, as the first half of the year was reasonably good, while several of the vessels were in lay-up or standby during the second half of the year. The Geo Mariner, the shallow water 3D vessel, had an acceptable utilisation throughout the year apart for some lay-up in Q1 2010.

Charter hire and operating expenses decreased by 9% to USD 71.4 million in 2010 down from USD 78.4 million in 2009.

Selling, general and administrative expenses at USD 19.0 million in 2010 were approximately on the same level as in 2009. This includes the write-off for bad debt of USD 2.0 million in 2010, which is at the same level as in 2009.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were USD 4.5 million for the year 2010, down from USD 14.6 million in 2009. Depreciation and amortisation increased by 25% to USD 36.3 million in 2010, mainly due to amortisation of the multi-client library.

As part of the year-end close, SeaBird performed impairment evaluations of all vessels and seismic equipment. The demand for our 2D vessels was heavily reduced during Q3 and Q4 2010. Although showing some signs of gradual improvement in 2011 with several of our 2D vessels being mobilised, the reduced utilisation combined with uncertainties as regards the timing of the recovery in revenue rates, the impairment evaluations resulted in impairment on three vessels and related seismic equipment, and some redundant equipment, amounting to USD 25.2 million. Part of the impairment, USD 14.7 million was recognised against the revaluation reserve (equity), and USD 10.5 million was recognised in the income statement.

Balance sheet

At 31 December 2010, cash and cash equivalents amounted to USD 1.1 million, compared to USD 14.5 million at the end of 2009. The change was mainly due to the capital expenditure and repayment of debt.

Property, plant and equipment amounted to USD 258.6 million at 31 December 2010, mainly impacted by ordinary depreciation and the impairment of USD 25.2 million.

Net interest-bearing debt at 31 December 2010 was USD 172.1 million, down from USD 168.2 million at 31 December 2009, mainly due to USD 25.4 million of bank and leasing debt paid during 2010, and a new convertible loan of NOK 120 million (USD 20.7 million) issued to Perestroika.

With regard to the financing of the Group, SeaBird initiated restructuring of the bank debt and received additional funding during 2010 as follows:

- A postponement of USD 6.3 million of bank instalments was agreed for the months of June – August 2010.
- A renegotiation of the bank debt to a consortium of banks, with BN Bank as agent, to restructure the bank debt of USD 46.9 million.
- SeaBird issued a NOK 120 million convertible, non-transferable loan in favour of Perestroika AS as lender, with three years maturity in September 2010.

Cash flow statement

Net cash flow from operating activities for 2010 was USD (1.1) million, compared to USD (1.6) million in 2009.

The year was impacted by a positive cash flow from the later divested OBN business, however offset by the change in working capital.

Capital expenditures were USD 5.6 million in 2010 compared to USD 25.6 million in 2009. All capital expenditures in 2010 refer to maintenance capital expenditure and dry-docking/classification of various vessels and were financed by the cash in the Company and the convertible loan from Perestroika.

Net cash flow from financing was USD (6.6) million mainly due to the repayment of borrowings which were reduced by USD 5.7m and currency fluctuations which were reduced by USD 0.9 million.

9.6.2 The Financial Year 2011

Financial result and operations

The Ocean Bottom Node (''OBN'') business was divested during Q4 2011 and represents the discontinued operations item in the 2011 income statement. As a result the following discussion below relates to continued operations unless otherwise stated.

SeaBird reported consolidated revenues of USD 81.7 million for the year ended 31 December 2011, down from USD 93.6 million in 2010. The reduction in revenues of USD 11.9 million, or 13%, relates mainly to lower utilisation of the 2D/3D fleet. This has been partly offset by an increase in multi-client sales in 2011.

Charter hire and operating expenses decreased by 5% to USD 67.7 million in 2011 down from USD 71.4 million in 2010. The main reason for the decrease is the lower utilisation and an increase in capitalisation to the multi-client library. The decrease has been partly offset by GGS Atlantic and Voyager being added to the fleet.

Selling, general and administrative expenses were USD 24.5 million in 2011 compared with USD 19.0m in 2010, mainly due to an increase of USD 2 million in bad debts written off.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were negative USD 9.4 million for the year 2011, down from USD 4.5 million in 2010. Depreciation decreased by 21% to USD 28.5 million in 2011, mainly due to impairment of vessels and equipment at the end of 2010 and again at Q3 2011 giving a lower base for depreciation in during 2011. Impairment increased by USD 43.8 million in 2011, as a result of a periodic valuation carried out at the end of Q3 resulting in impairment of USD 62.6 million to the vessel fleet (owned) and related seismic equipment, of which USD 49.2 million was charged to the income statement and USD 13.4 million against revaluation reserve in equity.

Balance sheet

At 31 December 2011, cash and cash equivalents amounted to USD 13.3 million, compared to USD 1.1 million at the end of 2010. Net interest-bearing debt at 31 December 2011 was USD 107.7 million, down from USD 172.1 million at 31 December 2010, mainly due to the debt restructuring that took place in 2011, whereby the proceeds from the sale of the OBN business were used to repay approximately 31.4% of each of the following facilities: bond SBX01, bond SBX02, PGS convertible loan and Perestroika convertible loan. The remaining balance of the bonds SBX01, SBX02 and PGS convertible loan were merged into a new senior secured bond loan (with inter alia 1st priority pledge in the vessels Northern Explorer, Osprey Explorer, Harrier Explorer and Aquila Explorer), SBX03, at an interest rate of 6% p.a., with instalments of USD 2 million being payable every six months starting from December 2012 until final maturity in December 2015. After the partial redemption, the Perestroika convertible loan continues under the same terms as before the debt restructuring.

Property, plant and equipment at 31 December 2011 was USD 137.0 million, down from USD 258.6 million at 31 December 2010, mainly due to the impairment of the vessel fleet and related seismic equipment (62.6 million) in third quarter 2011 and sale of the OBN business in fourth quarter 2011.

Cash flow statement

Net cash flow from operating activities was negative USD 64.6 million for 2011 compared to USD 1.1 million for 2010; mainly due to the increased net loss for the period.

Net cash flow used in investing activities was USD 109.3 million for 2011 compared to negative USD 5.6 million for 2010; predominantly due to proceeds gained from the sale of the OBN business. Capital expenditure for 2011 amounted to USD 12.0 million. Major capital cost items refer to rigging of the Voyager Explorer to a full four-streamer vessel, and classification costs for the Harrier Explorer.

Net cash flow from financing activities was negative USD 32.6 million for the year compared with negative USD 6.5 million for 2010; this is mainly due to the repayments of borrowings in connection with the debt restructuring that took place in fourth quarter of 2011 and this has been partly offset by the equity component recognised from the issuance of the convertible bond loan in first quarter 2011.

9.6.3 The Financial Year 2012

Financial result and operations

SeaBird reported consolidated revenues of USD 163.3 million for the year ended 31 December 2012, up from USD 81.7 million in 2011. The increase in revenues of USD 81.6 million, or 100%, is mainly attributable to improved market conditions and utilisation of the 2D/3D fleet, full year effect of Voyager Explorer, and increased multi-client sales. Since the start of 2013, the Company has experienced an increasing activity in the global seismic markets. In addition to solid demand in the 2D sector, the Company has also experienced strong demand for shallow-water as well as niche-market 3D surveys.

Charter hire and operating expenses increased by 53% to USD 103.7 million in 2012 up from USD 67.6 million in 2011. The main reason for the increase is the increased utilisation, full year effect of Voyager Explorer and a reduction in capitalisation to the multi-client library.

Selling, general and administrative expenses were USD 16.8 million in 2012 compared with USD 24.5 million in 2011, mainly due to an increase of USD 2 million in bad debts written off in 2011 and cost saving initiatives.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were USD 38.6 million for the year 2012, up from negative USD 9.4 million in 2011. Depreciation and amortization increased by 21% to USD 34.4 million in 2012, mainly due to full year effect of Voyager Explorer.

Balance sheet

At 31 December 2012, cash and cash equivalents amounted to USD 14.7 million, compared to USD 13.3 million at the end of 2011. Net interest-bearing debt at 31 December 2012 was USD 87.4 million, down from USD 107.7 million at 31 December 2011, mainly due to cash from operations and the equity issue in Q4 2012.

Property, plant and equipment at 31 December 2012 was USD 130.7 million, down from USD 137.1 million at 31 December 2011, mainly due to the depreciation of the vessel fleet and related seismic equipment.

Cash flow statement

Net cash flow from operating activities was USD 13.3 million for 2012 compared to negative USD 64.6 million for 2011.

Net cash flow used in investing activities was negative USD 15.0 million for 2012 compared to positive USD 109.3 million for 2011. 2011 was influenced by the proceeds from the sale of the OBN business. Capital expenditure for 2012 amounted to USD 15.0 million. Major capital cost items include the purchase of seismic acquisition equipment and routine engine overhaul for Harrier Explorer, Aquila Explorer which was re-equipped with a 10 km solid streamer and main class renewal and major engine overhaul of Munin Explorer and Aquila Explorer. Furthermore, the Harrier Explorer was equipped with a 12 km solid streamer.

Net cash flow from financing activities was USD 3.1 million for the year compared with negative USD 32.6 million for 2011. The USD 3.1 million was the net result of proceeds from the equity issue of USD 14.0 million and repayment of debt of USD 11.0 million.

9.6.4 The nine months ended 30 September 2013

Financial result and operations

SeaBird reported consolidated revenues of USD 140.6 million for the nine months ended 30 September 2013, compared to USD 128.4 million in 2012. The increase in revenues of USD 12.2 million, or 9.5%, relates mainly to the Geo Pacific joining the fleet in January 2013; offset by increased multi-client activities during the period.

Charter hire and operating expenses amounted to USD 99.5 million for the nine months ended 30 September 2013, up from USD 79.3 million for the three first quarters of 2012. The main reason for the increase is again related to the chartering of Geo Pacific in 2013.

Selling, general and administrative expenses were USD 14.3 million in the nine months ended 30 September 2013 compared with USD 12.8 million in the corresponding period in 2012. The increase is predominantly due to higher consultancy costs related to the ongoing tax review, costs associated with the bond refinancing review and an increase in employee numbers in line with an increased fleet size.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were USD 28.0 million for the nine months ended 30 September 2013, up from USD 31.8 million for the three first quarters of 2012. Depreciation and amortization decreased by 34.8% to USD 18.6 million for the nine months ended 30 September 2013, mainly due to increased multi-client capitalization and lower multi-client sales amortization during the period.

Balance sheet

At 30 September 2013, cash and cash equivalents amounted to USD 14.0 million, compared to USD 11.9 million at 30 September 2012. Net interest-bearing debt at 30 September 2013 was USD 87.0 million, down from USD 92.0 million at 30 September 2012, mainly due to the cash from operations, the equity issue that took place in Q4 2012 and the semi-annual instalment on the bond loan.

Property, plant and equipment at 30 September 2013 was USD 129.4 million, down from USD 131.4 million at 30 September 2012, mainly due to normalized depreciation.

Cash flow statement

Net cash flow from operating activities was USD 26.1 million for the nine months ended 30 September 2013 compared to USD 21.5 million for the nine months ended 30 September 2012.

Capital expenditures for the nine months ended 30 September 2013 amounted to USD 15.5 million, compared to USD 10.8 million for the three first quarters of 2012. Major capital cost items include the purchase of seismic acquisition equipment and rigging of Geo Pacific and the Osprey Explorer being equipped with a new streamer.

Net cash flow from financing activities was negative USD 6.4 million for the nine months ended 30 September 2013 compared with negative USD 5.2 million for the nine months ended 30 September 2012; predominantly due to the movement in borrowings.

9.6.5 Q3 2013

Financial result and operations

SeaBird reported consolidated revenues of USD 51.9 million for Q3 2013, compared to USD 45.5 million in Q3 2012. The increase in revenues of USD 6.4 million, or 14.1% is primarily due to fleet composition, offset by a reduction in multi-client late sales and a decrease in vessel repositioning during the quarter.

Charter hire and operating expenses amounted to USD 34.5 million for Q3 2013, up from USD 29.6million in Q3 2012. The increase is mainly due to the chartering of the Geo Pacific, fleet composition and operating in higher cost geographical regions relative to the same period in 2012. The cost increase was offset by a reduction in cost of multi-client sales recognized in Q3 2012 as part of the sale of one of our multi-client libraries.

Selling, general and administrative expenses were USD 4.7 million in Q3 2013, up from USD 3.9 million in Q3 2012. The increase is principally due to an increase in employee numbers in line with an increased fleet size and higher consultancy costs.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) were USD 13.2 million for Q3 2013, up from USD 11.7million for Q3 2012. Depreciation and amortization decreased by 13.3% to USD 6.5 million for Q3 2013, mainly due to lower multi-client sales amortization for the period.

Balance sheet

At 30 September 2013, cash and cash equivalents were USD 14.0 million, of which USD 3.0 million was restricted in connection with bank guarantees, deposits and the bond service account. At 30 September 2012, the same were USD 11.9 million and USD 3.5 million respectively.

Net interest-bearing debt at 30 September 2013 was USD 87.0 million, down from USD 92.0 million at 30 September 2012, mainly due to the cash from operations, and the equity issue that took place in Q4 2012 and the semi-annual instalment on the bond loan.

Property, plant and equipment at 30 September 2013 was USD 129.4 million, down from USD 131.4 million at 30 September 2012, mainly due to normalized depreciation.

Cash flow statement

Net cash flow from operating activities was USD 7.4 million for Q3 2013 compared to USD 11.0 million for the same period in 2012. The main reason for the change is the negative development in working capital.

Capital expenditures for Q3 2013 amounted to USD 5.0 million, compared to USD 2.5 million for Q3 2012. The majority of the capital cost incurred during the quarter related to the Osprey Explorer being equipped with a new streamer.

Net cash flow from financing activities was negative USD 1.1 million for Q3 2013 compared with negative USD 0.6 million for Q3 2012; predominantly due to the movement in currency fluctuations.

9.6.6 Events after 30 September 2013 and current trends

Events after 30 September 2013

On 20 December 2013 SeaBird extended the bareboat charter for the Munin Explorer from 1 November 2014 to 31 October 2019. In connection with the bareboat extension, the charter rate is reduced from USD 20,271 per day to USD 12,000 per day, commencing 1 February 2014. The charter rate will escalate with 2% per year throughout the charter period, in accordance with the original agreement. Ordinat Shipping AS is the owner of Munin Explorer, the largest shareholder in SeaBird and represented on the Board of Directors by Mr. Økland.

Other than as described above, and the Private Placement as described in section 5, there has been no significant change in the Group's financial or trading position since 30 September 2013.

Trend information

The Company has experienced a softening in industry demand during the second half of 2013 which has negatively impacted earnings in this period. With the exception of this, the Group has not experienced any substantial changes or trends outside the ordinary course of business that are significant to the Group. We are currently seeing a moderate improvement in global seismic market demand.

The Group has not experienced any other significant changes or trends outside the ordinary course of business that are significant to the Group after 30 September 2013 and up to the date of this Prospectus.

9.7 Investments

Principal investments from 2010 to the date of this Prospectus

The exhibit below illustrates SeaBird's principal investments from 2010 to 30 September 2013.

Exhibit 12: Investments

	Audited	Audited	Audited	Unaudited
TUSD	2010	2011	2012	Nine months ended 30 Sep 2013
Capital expenditures	(5,593)	(12,024)	(15,008)	(15,542)

2010

Capital expenditures were USD 5.6 million in 2010 compared to USD 25.6 million in 2009. All capital expenditures in 2010 refer to maintenance capital expenditure and dry-docking/classification of various vessels and were financed by the cash in the Company and the convertible loan from Perestroika.

2011

Capital expenditures for 2011 amounted to USD 12.0 million. Major capital cost items refer to rigging of the Voyager Explorer to a full four-streamer vessel, and classification costs for the Harrier Explorer. The Company completed several financing activities in 2011 including issuance of a convertible loan to PGS, a Private Placement, the Fugro Transaction and various other transactions. The capital expenditure was financed by the available cash in the Company.

2012

Capital expenditures for 2012 amounted to USD 15.0 million. Major capital cost items include the purchase of seismic acquisition equipment and routine engine overhaul for Harrier Explorer, Aquila Explorer being re-equipped with a 10 km solid streamer and main class renewal and major engine overhaul of Munin Explorer and Aquila Explorer. Furthermore, the Harrier Explorer was equipped with a 12 km solid streamer. The capital expenditure was financed by the available cash in the Company.

Nine months ended 30 September 2013

Capital expenditure for the nine months ended 30 September 2013 amounted to USD 15.5 million. Major capital cost items include the purchase of seismic acquisition equipment and rigging of Geo Pacific and new streamer for Osprey Explorer. The capital expenditure was financed by the available cash in the Company.

For the period following 30 September 2013

The Group has not made any significant principal investments in the period from 30 September 2013 until the date of this Prospectus.

9.8 Future investments and other commitments

Principal future investments and commitments

On 31 August 2013 the Group notified the owner of Hawk Explorer that it will exercise its option under the current charter agreement to purchase the vessel and related equipment for USD 6.5 million. The vessel and equipment will be delivered at the end of the lease term 31 August 2014 against settlement of the purchase price. The Company is pursuing different alternatives to finance the acquisition of Hawk Explorer.

At the date of this Prospectus, the Group has not made any other commitments to future principal investment in its ordinary course of business.

9.9 Debt structure

Introduction

As of 30 September 2013, the Company had cash and cash equivalents of USD 14.0 million. Interest bearing loans and borrowings amounted to USD 101 million. The table below gives an overview of SeaBird's interest bearing debt as per 30 September 2013:

Exhibit 13: Debt structure

Facility	Interest	Book value (USDm)	Nominal value (USDm)	Maturity	Security
Bond Loan SBX03 RET	6.00%	77.1	85.9	19 Dec 2015	1st pri: Osprey Explorer, Harrier Explorer, Northern Exporer, Aquila Explorer
Convertible loan – Perestroika	1.00% PIK	13.6	14.9	30 Sep 2014	Senior unsecured
Hawk Explorer lease	10.87%	10.3	10.3	31 Aug 2014	N/A – the vessel is leased
Sum		101.0	111.1		

The convertible loan from Perestroika matures on 30 September 2014 with one instalment of USD 14.9 million. The Hawk Explorer lease is repaid monthly by USD 0.3 million and with a balloon payment of USD 6.5 million 31 August 2014.

The Bond Loan SBX03 RET has the following maturity profile:

Exhibit 14: Bond Loan SBX03 RET

Bond loan maturity	Amount USDm
19-Dec-13	2.0
19-Jun-14	2.0
19-Dec-14	2.0
19-Jun-15	2.0
19-Dec-15	77.9

Bond Loan SBX03 RET

As part of the financial restructuring during Q4 2011, the Company issued the "6.00 per cent Seabird Exploration Plc Senior Secured Callable Bond Issue 2011/2015" bond loan on 19 December 2011 with ISIN NO 001 0633118. The loan is listed on Oslo Alternative Bond Market with ticker SBX03 RET. The bond loan carries a fixed coupon of 6% per annum and matures on 19 December 2015. Repayment of the bond loan will be through 6 equal instalments of USD 2.0 million during the term of loan and a balloon repayment at maturity of USD 77.9 million. The issue of this bond loan was part of the restructuring of the Company's two earlier issued bond loans, SBX01 and SBX02 and the bilateral convertible loan between the Company and PGS where these three facilities have been partly redeemed and all remaining portion converted into this bond issue. Following the restructuring the outstanding par value of the bond loan is USD 89.9 million. The bond loan has security interest over the Group's four fully owned seismic vessels and other related securities thereto.

The Company shall on the consolidated basis comply with the financial covenants under the loan agreement outlined below;

- book equity ratio of no less than 20% in the first year, 22.5% in the second year and 25% in the last two years.
- overdue accounts payable of no more than USD 7.5 million in the first year, USD 5.0 million in the second year and USD 2.5 million in the last two years
- average days outstanding on accounts payable of less than 120 days
- average days outstanding on Accounts Receivable of less than 90 days with some subjects

The Issuer may redeem the bond loan (in whole or in parts) as follows:

(i) anytime from 19 December 2011, but not including, the date falling 2 years after 19 December 2011 at a price equivalent to the sum of:

a. the present value on the relevant record date of 106% of the par value as if such payment originally should have taken place on the interest payment day 2 years after Settlement Date; and

b. the present value on the relevant record date of the remaining coupon payments (less any accrued but unpaid interest) through and including the interest payment day 2 years after 19 December 2011,

both calculated by using a discount rate of 50 basis points over the comparable U.S. Treasury Rate (i.e. comparable to the remaining duration of the Bonds until the mentioned interest payment day 2 years after Settlement Date) (plus accrued interest on redeemed amount) and where "relevant record date" shall mean a date agreed upon between the Trustee, the Paying Agent, VPS and the Issuer in connection with the such repayment;

(ii) anytime from and including the interest payment day 2 years after 19 December 2011 to, but not including, the interest payment day 3 years after 19 December 2011 at a price equal to 106.0% of par value (plus accrued interest on redeemed amount); and

(iii) anytime from and including the interest payment day 3 years after 19 December 2011 to, but not included, the final 19 December 2015 at a price equal to 104.0% of par value (plus accrued interest on redeemed amount).

Convertible loan - Perestroika

The bilateral convertible loan between the Company and Perestroika AS was entered into in August 2010 with initial outstanding amount of NOK 120 million with a balloon repayment on maturity in September 2013. The loan carries a fixed coupon of 1% per annum. The coupon payment has an optional payment in kind structure where, SeaBird may, subject to Perestroika's consent, add due interest payments to the principal amount. In March 2011 the convertible loan was renegotiated with change in currency from NOK to USD and change in maturity date to

30 September 2014. In the restructuring in Q4 2011 the convertible loan was partly redeemed and current principal outstanding is USD 14.9 million. The conversion price is USD 5.993 per share.

Hawk Explorer lease

SeaBird entered into a sale and leaseback agreement upon completion of the Hawk Explorer in 2008. Monthly commitment for this financial lease commitment (including interest) is USD 0.4 million. The contract has a purchase option after two years (first time in 2008) and after each following year. The bareboat charter is until 31 August 2014 where exercise of the purchase option is notified and will be exercised 31 August 2014.

Other interest-bearing debt

As of 30 September 2013 the Company has no other interest bearing debt than the above described loan facilities.

9.10 Capitalisation and indebtedness

The following tables set forth the Group's capitalisation and indebtedness as of 30 September 2013.

Exhibit 15: Consolidated statement of capitalisation and indebtedness

TUSD		**Unaudited**	
Capitalisation		**30.09.2013**	***Note***
Current interest-bearing liabilities			
- Guaranteed		-	
- Secured		14,315	*1*
- Unsecured		13,601	*2*
Total current debt	A	**27,916**	
Non-current interest-bearing liabilities			
- Guaranteed			
- Secured		73,060	*1*
- Unsecured		-	
Total non-current debt	B	**73,060**	
Shareholders' equity			
Paid in capital		182,645	
Equity component of convertible loan		6,296	
Revaluations reserve		-	
Currency translation reserve		(845)	
Share options granted		8,909	
Retained earnings		(141,410)	
Total shareholders' equity	C	**55,594**	
Total capitalisation (A+B+C)		**156,570**	

Net indebtedness		
		Unaudited
TUSD		**30.09.2013**
Cash	A	13,992
Cash equivalent	B	-
Trading securities	C	-
Total liquidity	D	**13,992**
Current financial receivable	E	
Current bank debt	F	-
Current portion of non-current bank debt	G	-
Current portion of Perestroika convertible loan	H	13,601
Current portion of capital lease obligations	H	10,315
Current portion of bonds issued	H	4,000
Total current financial debt (F+G+H)	I	**27,916**
Net current financial indebtedness (I-E-D)	J	**13,924**
Non-current bank loans	K	
Bonds issued (SBX03)	L	73,060
Other non-current financial debt	M	
Non-current financial indebtedness (K+L+M)	N	**73,060**
Net financial indebtedness (J+N)	O	**86,984**

Note:

Capital Lease commitments are regarded as secured. The above doesn't include inventories, trade receivables and payables (including tax payables), other liabilities (i.e. provision for end of service benefits) and operational leases (see 10.11 for a description of operational leases). The values disclosed in the above table for SBX03 and Perestroika bond loans are their book value, while their face values are:

1) SBX03 $85,851,041

2) Perestroika $14,917,000

For an overview of the debt structure and the security in assets, please refer to the debt structure table in 9.9. After 30 September 2013 the Company has made a down payment on the bond loan (SBX03) according to the payment schedule in 10.9 of USD 2 million. This reduced the cash by USD 2 million and the current portion of bonds issued by the same amount; hence it has a neutral effect on net financial indebtedness. Furthermore the proceeds from Private Placement have had a positive effect on the cash. Other than the above and what could be expected from ordinary course of business, there have been no significant changes to the capitalisation and Indebtedness.

9.11 Capital resources

As of 30 September 2013 the Group had USD 101 million in interest bearing debt (book value) including financial leases and USD 14.0 million in cash. The equity ratio was 26.4%. As of 30 September 2013 the Group had no undrawn credit facilities. For a description of the loan facilities and maturity profile see section 9.9. The Group is funded and capitalised by a mix of shareholders' equity, bond loans and financial leases. Long term assets consist of seismic vessels and equipment. Four vessels are chartered on operating lease contracts, but with substantial investments from the Group in seismic equipment. An overview of the operating lease commitments is given below.

Out of the USD 14.0 million cash held as of 30 September 2013, USD 3.0 million was restricted in connection with bank guarantees and the bond service account. As a result of the Private Placement completed in fourth quarter in 2013, the Company's cash position was strengthened by approximately USD 5.5 million. For further details regarding the Private Placement, see Section 5.

Funding and treasury policies

SeaBird's interest rate risk arises from long-term and short-term interest-bearing debt. Interest-bearing debt issued at variable rates expose the Group to cash flow interest rate risk. Interest-bearing debt issued at fixed rates expose the Group to fair value interest rate risk. As of 30 September 2013, the Bond Loan SBX03 RET constitutes 76% of total debt (book value) while the convertible loan issued to Perestroika and the Hawk lease constitutes 13% and 10%, respectively. All of the outstanding debts as of 30 September 2013 were issued at fixed interest rates.

SeaBird has no outstanding foreign exchange contracts. Cash is mainly held in USD. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group may from time to time enter into various foreign exchange contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Operating lease commitments

The Group leases various vessels, seismic equipment and office facilities under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The material lease agreements as of 30 September 2013 were for Munin Explorer, Kondor Explorer, Voyager Explorer and Geo Pacific. A summary of the operating lease commitments is given below.

Exhibit 16: Operating lease commitments

USDm	Unaudited, Q3 2013
No later than 1 year	19.1
Later than 1 yr and not later than 5 yrs	12.4
Later than 5 years	-
Total	**31.5**

Working capital statement

As of the date of this Prospectus the Company does not have sufficient working capital to cover present requirements for a period of at least 12 months. In September 2014, the convertible loan from Perestroika with nominal value of USD 14.9 million matures. In addition, SeaBird will acquire Hawk Explorer for USD 6.5 million in August 2014 (the USD 6.5 million purchase price for Hawk Explorer is reported as debt on the balance sheet as of 30 September 2013). The Company estimates that the cash flow from operations will not be sufficient to cover these two items. The financing of these two elements must be from other sources, which needs to be concluded before the two maturity dates.

The Company is pursuing several alternatives which it believes would bridge the shortfall, hereunder refinancing/renegotiation of existing debt facilities, other sources of financing and/or an equity issue. If such initiatives are unsuccessful it will have a significant adverse effect on the Company which ultimately might lead to a default situation.

9.12 Hedging policy and financial risk management

For a description of the Company's financial risk management please see note 3 of the 2012 Annual Report incorporated by reference to this Prospectus. References to 2012 Annual Report can be found in section 14.1 below.

9.13 Auditor

The Group's auditor since 2008, when the Company changed its principal place of business from BVI to Cyprus, is BDO Ltd. BDO Ltd are members of the Institute of Certified Public Accountants of Cyprus, and are registered as Certified Public Accountants and Registered Auditors (CY). BDO Ltd is independent of the Group in all respects.

The Company's consolidated annual reports and accounts of 2008 were signed by BDO Patel & Al Saleh and co-signed by BDO Ltd. as part of the above-mentioned transition and for statutory purposes in Cyprus.

BDO Ltd (Cyprus) audited the Company's consolidated annual reports and accounts for 2009, 2010, 2011 and 2012.

The consolidated annual financial statements have been audited. The audit report for 2012 was issued without qualifications.

The audit report for 2011 contained the following emphasis of matter:

> *Without qualifying our opinion, we draw attention to note 2.24 to the financial statements which indicates that as at 31 December 2011 the Group's current liabilities exceeded its current assets by USD 4.9m. The Group also incurred a loss of USD 120.4m on continuing operations for the year ended 31 December 2011. These conditions, along with other matters set forth in note 2.24 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.*

The audit report for 2010 contained the following emphasis of matter:

> *Without qualifying our opinion, we draw attention to note 2.24 to the financial statements which indicates that as at 31 December 2010 the Group's current liabilities exceeded its current assets by USD 32.5m. The Group also incurred a loss of USD 55.5m for the year ended 31 December 2010. These conditions, along with other matters set forth in note 2.24 indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.*

BDO Ltd has not audited, reviewed or produced any report on any other information provided in this Prospectus.

Auditor contact information:

Name:	BDO Ltd.
Address:	Antonis Zenios Tower 1 Erehthiou Street PO Box 25277, CY2413, Nicosia Cyprus
Telephone:	+357 22495707
Fax:	+357 22495717
Web:	www.bdo.com.cy

10 Shares and shareholder matters

10.1 Shares and share capital

As of the date of this Prospectus, the Company is authorised to issue 61,800,000 Shares and there are 57,581,246 issued and outstanding shares of the Company, including the New Shares issued in connection with the Private Placement. In accordance with the Memorandum (as defined below) the Shares' nominal value is USD 0.10, and hence the Company's share capital is USD 5,758,124.6.

The Shares have all been validly issued, registered and fully paid. The beneficial interests in the Shares are registered in VPS with ISIN CY0101162119, except (a) for six Shares held by nominees as mentioned in 10.7.1 below and (b) for the New Shares issued in the Private Placement which will be registered on the above ISIN in VPS (and thus tradable on Oslo Børs) following approval and publication of this Prospectus. The Company's VPS account operator is DnB Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, 0191 Oslo, Norway.

10.2 Share structure development

The table below shows the share structure development for the Company:

Date of resolution	Type of change in share capital	Change in number of shares	No. of shares after change	Par value	Share Capital	Subscription amount
28-Aug-00	Incorporation	50,000	50,000	USD 1	50,000	50,000
05-Nov-05	Share split 50,000 shares (1:1,000) *)	49,950,000	50,000,000	USD 1	USD 50,000,000.00	n/a
08-Nov-05	Capital increase	12,381,000	62,381,000	USD 1	USD 62,381,000.00	USD 12,381,000
04-Mar-06	No par value shares	0	62,381,000	n/a	n/a	n/a
06-Apr-06	Capital increase	10,000,000	72,381,000	n/a	n/a	NOK 200,000,000
05-May-06	Capital increase	3,200,000	75,581,000	n/a	n/a	NOK 102,400,000
14-Sep-06	Capital increase	5,714,000	81,295,000	n/a	n/a	NOK 200,000,000
05-Mar-08	Capital increase	8,100,000	89,395,000	n/a	n/a	NOK 121,500,000
17-Mar-09	Capital increase	30,900,000	120,295,000	n/a	n/a	NOK 61,800,000
29-Apr-09	Capital increase	600,831	120,895,831	n/a	n/a	NOK 1,201,662
10-Nov-09	Capital increase	54,000,000	174,895,831	n/a	n/a	NOK 189,000,000
09-Dec-11	Capital increase	139,363,892	314,259,723	USD 0.01	USD 3,142,597.23	NOK 34,840,973
15-May-12	Consolidation of shares (1:10) **)	-282,833,745	31,425,978***	USD 0.1	USD 3,142,597.20	n/a
03-Dec-12	Capital increase	11,000,000	42,425,978	USD 0.1	USD 4,242,597.80	NOK 82,500,000
13-Feb-13	Capital increase	1,500,000	43,925,978	USD 0.1	USD 4,392,597.80	NOK 11,250,000
04-Nov-13	Capital increase	1,655,268	45,581,246	USD 0.1	USD 4,558,124.60	NOK 5,088,309
19-Dec-13	Capital increase	12,000,000	57,581,246	USD 0.1	USD 5,758,124.60	NOK 36,000,000

) Not registered until 7 March 2006. **) The consolidation was effective from 5 June 2012. *) To make the total number of shares divisible by ten, the Company issued 57 new shares, each at par value*

There have not been any changes in the voting rights of the Shares since incorporation.

In accordance with applicable legislation of the British Virgin Islands, the Shares were without nominal value between March 2006 and December 2009. Upon the continuation of the Company from the British Virgin Islands to Cyprus in December 2009, all of the Shares were given a par value of USD 0.01. As of 5 June 2012 the Shares were given a par value of USD 0.1.

10.3 Shareholder structure

As of 27 January 2014, the Company had 1,570 shareholders registered in the VPS. The following table includes the 20 largest shareholders of the Company as of said date.

Shareholder	**Shares**	**%**
Ordinat Shipping AS	11,485,123	19.9%
Mons Holding AS	3,697,617	6.4%
Perestroika AS	3,673,298	6.4%
Barokk Invest AS	2,752,000	4.8%
Holta Invest AS	2,200,000	3.8%
Mp Pensjon Pk	2,163,156	3.8%
Awilco Invest AS	2,050,000	3.6%
Verdipapirfondet Dnb	2,015,000	3.5%
Kjell Hjalmar Mathiassen	1,775,833	3.1%
Regni AS	992,805	1.7%
Sandnes Investering	808,333	1.4%
Engelstad Simen Falc	678,034	1.2%
SEB Private Bank S.A	667,324	1.2%
Glaamene Industrier	572,915	1.0%
Tanja A/S	558,000	1.0%
The Northern Trust C	548,867	1.0%
August AS	533,333	0.9%
Lauvdalsbrea AS	516,000	0.9%
Lise AS	512,177	0.9%
Nordnet Pensjonsfors	429,287	0.7%
Top 20 shareholders	**38,629,102**	**67.1%**
Others	18,952,144	32.9%
Total number of shares	**57,581,246**	**100.0%**

The shareholder list is adjusted to include the shares issued in connection with the Private Placement that are on a separate ISIN pending the approval of this Prospectus.

Neither the Company nor any of its subsidiaries hold any shares (Treasury Shares) in the Company.

Shareholders owning more than 5% of the Shares in the Company have an interest in the Company's share capital which is notifiable pursuant to the relevant Cyprus securities legislation. The Company has, as far as the Company is aware, the following notifiable shareholders: Ordinat Shipping AS, Mons Holding AS and Perestroika AS.

10.4 Authorisations

Pursuant to the Memorandum of Association, the Company is authorised to issue a maximum of 61,800,000 Shares each with par value of USD 0.1. Pursuant to the Articles, subject to any resolution of shareholders, Shares and other securities may be authorised for issue by the directors or by ordinary resolution of the shareholders. Furthermore, subject to the provisions of Cyprus law and the Articles, the Board of Directors may be authorised to acquire treasury Shares.

On 22 May 2013, the shareholders approved the directors' ability to authorise the issue of Shares for general corporate purposes, capitalization of the Company, restructuring of debt and incentive stock option programmes. This means that the directors had authority to issue the New Shares for the purposes of the Private Placement.

10.5 Share options, warrants and other convertible instruments

SeaBird uses stock options as an incentive for key employees, and has as of the date one share option plan in force. This is administered by the Board of Directors under an employee stock option incentive plan.

On 20 February 2012 the Company issued options for 3,000,000 Shares to Mr. Dag Reynolds, when he joined the Company as CEO, with a strike price of NOK 2.50. On 13 August 2012 a total of 2,065,822 share options were granted to a total of 13 employees. The exercise price of the options was NOK 3.95. 1/3 of the options granted may be exercised one year after the grant date, 1/3 of the options granted are exercisable two years after the grant date and the remaining 1/3 of the granted options are exercisable three years after the grant. All options must be exercised within 1 November 2015.

As per date of this Prospectus, there are outstanding options for 3,343,888 Shares with a weighted average price of NOK 3.08 as exhibited in the table below:

Exhibit 17: Current outstanding options

	Number of options	Strike price
Options issued 20 February 2012	2,000,000	2.50
Options issued 13 August 2012	1,343,888	3.95
Total and average price	**3,343,888**	**3.08**

As described in section 9.9 the Company has issued a convertible loan to Perestroika with an outstanding amount of USD 14.9 million and an interest rate of 1%. The Company may pay the interest as PIK, subject to Perestroika's consent. The conversion price is USD 5.993 per share.

10.6 Shareholder agreements

The Company is not aware of any agreements between its shareholders relating to the holding of its shares.

10.7 Shareholder rights

10.7.1 Share classes and voting rights

The Company has one class of shares, and all shares give equal rights in every respect. Each share is entitled to one vote at a general meeting of the shareholders of the Company, and no shareholders enjoy different voting rights. Subject to the provisions of Cyprus law and the Articles (see section 12.1), resolutions at a general meeting of the shareholders are passed by a simple majority of the votes present and cast. Blank and invalid votes shall not be counted. In case of an equal vote, the proposal shall be deemed to have been rejected.

Six of the Company's issued Shares are not registered in VPS. This is due to Cyprus legislative provisions, relating to public companies. The six shares not registered in VPS are held by six individuals and are all registered in the register of members of the Company. As described below in section 10.8, the Shares are registered in the name of the VPS Registrar in the register of members of the Company in accordance with the laws of the Republic of Cyprus, and the beneficial shareholders will hold beneficial interests in those shares. The beneficial shareholders must look to the VPS Registrar to vote for their shares. Dividends in cash will be forwarded directly to the beneficial shareholders of the Company to the bank accounts registered on the VPS account of such shareholder.

The Shares do not give pre-emptive rights to subscribe for new shares pursuant to the Articles, however, such rights may exist under Cyprus law, as mentioned in section 12.1.11 hereof. Shares that the Company purchases or otherwise acquires may be cancelled or held as treasury shares.

10.7.2 Trading rights

The Company's Articles do not contain any limitations with regard to trading of the Shares. The New Shares will be registered in the VPS on the Company's ordinary ISIN and be tradable on Oslo Børs after publication of this Prospectus.

10.7.3 Limitations on the right to own shares

Neither the Memorandum, the Articles nor current company legislation impose limitations with regard to who has the right to own Shares in the Company.

10.7.4 Shareholder and dividend policy

The Company will seek to treat all Shareholders equally in line with applicable regulations.

The Company intends to manage the Group's assets and business in a manner which provide the highest possible return at an acceptable risk, measured in terms of total dividends and increases in share price, on the capital invested in the Company over time. This is intended to make SeaBird an attractive investment, and to provide the basis for the Company to raise additional equity when this should be desirable.

The Company will strive to follow a dividend policy favourable to the Shareholders. The amount of any dividends to be distributed will be dependent on, *inter alia*, the Company's investment requirements and rate of growth. The current debt facilities prevent the Company to make any dividend declarations, please see section 9.9 for further details.

According to the Company's Articles of Association, dividends may only be authorised following a proposal by the Board of Directors by Resolution of Directors at a time and of an amount that they think fit only if the Board of Directors by Resolution of Directors are satisfied, on reasonable grounds that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

10.7.5 Information policy and investor relations

The Company endeavours to provide all market participants with timely and equal information.

Such information will take the form of annual reports, quarterly reports, stock exchange bulletins, press releases and investor presentations when appropriate. In addition to current notifications to Oslo Børs, the Company arranges investor presentations in connection with quarterly and annual financial reporting and on other selected occasions.

The Company also pursues an open information policy towards the media and stakeholders of the Company.

All information will be published through the Oslo Børs information system on www.newsweb.no and on the Company's web page www.sbexp.com.

10.8 VPS registration of the Shares

10.8.1 Introduction

It is a legal requirement that shares that are to be admitted to listing on Oslo Børs are registered in a central securities depository licensed to operate in Norway or another share register approved by Oslo Børs, for practical purposes the VPS.

In order to facilitate registration with the VPS, all Shares of the Company are registered in the name of the VPS Registrar, in accordance with terms set out in the Registrar Agreement entered into between the Company and the VPS Registrar. The Company's VPS Registrar is DnB Bank ASA, Dronning Eufemias gate 30, 0191 Oslo, Norway.

The VPS Registrar shall register beneficial interest in the Shares in VPS (in Norwegian: "*depotbevis")*. Therefore, it is not the legal interest in the Shares, but the beneficial interests in the Shares issued by VPS Registrar that are registered in VPS and listed on Oslo Børs. The VPS Registrar is registered as the legal owner of the Shares (with the exception of the six shares mentioned in section 10.7.1 above) in the register of members that the Company is required to maintain pursuant to Cyprus law and the Articles. The VPS Registrar, or its designee, holds the Shares as nominee on behalf of each beneficial Shareholder. The VPS Registrar will provide for the registration of each Shareholder's beneficial ownership in the Shares in the VPS on each investor's individual VPS account.

The beneficial ownership of the Shareholders will be registered in the VPS under the category of a "share" and the beneficial ownership will be listed and traded on Oslo Børs. Investors who purchase the Shares (although recorded as owners of the shares in the VPS) will have no direct shareholder rights in the Company, and will not be treated as a legal shareholder of the Company for the purpose of Cyprus law or the Articles. Each Share registered with the VPS will represent evidence of beneficial ownership of one Share. The Shares registered with the VPS will be freely transferable, with delivery and settlement through the VPS system.

Investors who purchase Shares must look solely to the VPS Registrar for the payment of dividends, for the exercise of voting rights attached to the Shares and for all other rights arising in respect of the Shares. The Registrar has agreed to provide for voting arrangements for the beneficial shareholders on the terms set out in the Registrar Agreement.

10.8.2 Voting and dividends

The VPS Registrar or its designee shall vote for the Shares it holds, or issue a proxy to vote for such Shares, only in accordance with each investor's instructions.

Any dividends will be paid by the Company directly to the VPS Registrar, which has undertaken, in turn, to distribute the dividends to the investors in accordance with the Registrar Agreement.

Investors who have a Norwegian address and investors who have supplied the VPS with details of a Norwegian bank account will receive dividends in NOK. Investors who have a non-Norwegian or address who have not provided details of a Norwegian bank account will receive dividends converted into either their local currencies or, if the VPS Registrar so elects, in USD. Dividends in cash will be forwarded directly to the holders of deposit rights to shares in the Company to the bank accounts registered on the VPS account of the holder of deposit rights. The Articles stipulate that unclaimed dividends on shares may be forfeited for the benefit of the Company after a period of three years after having been declared. Due to the VPS system with registration of bank accounts, this provision is unlikely to have practical effect. Interest does not accrue on declared dividends. All shareholders of the Company will have equal rights to dividends, with the exception on any shares in the Company held by the Company itself.

10.8.3 Non-cash distributions

Whenever the Company intends to distribute assets other than cash, the VPS Registrar will be notified in advance, and the VPS Registrar will in its reasonable discretion determine whether the distribution to investors is lawful and reasonably practicable.

The VPS Registrar will make the distribution net of taxes and governmental charges payable by investors under the terms of the Registrar Agreement. In order to pay the taxes and governmental charges, the VPS Registrar may sell all or a portion of the assets received.

10.8.4 Limitations on liability

The Registrar Agreement limits the Company's and the VPS Registrar's obligations to investors with respect to the Shares. Investors who purchase Shares in the Company should note that the Company and the VPS Registrar disclaim any liability for any loss attributable to circumstances beyond the VPS Registrar's control.

The VPS Registrar further disclaims liability for any losses suffered as a result of the VPS' errors or negligence, save to the extent that the VPS Registrar may hold the VPS liable for such losses.

10.8.5 Amendment and termination

Each of the Company and the VPS Registrar may terminate the Registrar Agreement at any time with 3 months written notice or immediately upon written notice of any material breach by the other party of the Registrar Agreement. The VPS Registrar may terminate the Registrar Agreement if the Company fails to fulfil the payment obligations and if such failure is not remedied before the 10th business day after the VPS Registrar gives the Company written notice of such failure. In the event that the VPS Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for purposes of permitting the uninterrupted listing of the Shares on Oslo Børs. There can be no assurance, however, that it will enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the listing of the Shares on Oslo Børs. If the Registrar Agreement is terminated and not replaced, the VPS Registrar will use reasonable efforts to cooperate with investors in converting their Shares that are listed on the VPS into Shares registered in the name of the respective Shareholder.

10.8.6 Notices

The Registrar Agreement provides that whenever the VPS Registrar receives any notice, report, accounts, financial statements, circular or other similar document relating to the affairs of the Company, including notice of a general meeting, the VPS Registrar shall ensure that a copy of such document is promptly sent to the registered address of each Shareholder along with any proxy card form or other relevant materials.

10.8.7 Requests for Shares

Subject to the prior written consent from the Board, a Shareholder may at any time require the VPS Registrar to procure the registration of the Shares of which the beneficial interests are registered in the VPS in such Shareholder's name. The beneficial interests in the Shares will then first be transferred into the VPS Registrar's VPS account. Such Shares will no longer be admitted to trading on Oslo Børs.

11 Tax matters

The following summary of the consequences of Norwegian and Cyprus taxation is based on the rules and regulations applicable at the date of the Prospectus. The summary is only meant to provide general guidelines and does not deal with all aspects that could be important for potential investors. Potential investors are encouraged to consult their own tax advisors in order to assess specific taxation consequences associated with investment in the Company and how taxation issues might possibly apply locally and abroad, or what the implications involved are, *inter alia*, possible changes in applicable taxation.

The Company has recently been in dialogue with Norwegian tax authorities regarding its tax domicile and the Norwegian tax authorities has advised the Company that its tax domicile has changed from Cyprus to Norway. The summary below is based on the assumption that the Company is resident in Norway for tax purposes.

Any reference to a "Norwegian shareholder" or a "foreign shareholder" in the summary below refers to the tax residency and not the nationality of such shareholder.

11.1 Norwegian tax matters

11.1.1 Taxation of Norwegian shareholders

Taxation of dividends

Personal shareholders

Dividends distributed to personal shareholders who are individuals resident in Norway for tax purposes ("Norwegian Personal Shareholders"), are taxed as general income. Norwegian Personal Shareholders are liable for tax on their worldwide income. General income is taxed at a rate of 27%. However, Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance when calculating their taxable dividend income. The allowance is calculated as the acquisition cost, including brokerage commission, of the share multiplied by a determined interest rate (the average interest rate for 3 months government fund exchange). Unused allowance may be carried forward and set off against future dividends or gains upon realisation of the same share. The tax-free allowance will be calculated on each individual share, i.e. not on a portfolio basis. The calculated allowance is allocated Norwegian Personal Shareholders holding shares in the Company at the end of each calendar year.

Corporate shareholders

Dividends received by shareholders that are limited liability companies or similar entities tax-resident in Norway ("Norwegian Corporate Shareholders") from a limited liability company tax-resident in the EEA are comprised by the participation exemption method.

However, three per cent of the income from dividends comprised by the participation exemption method is to be entered as general income and taxed at the flat rate of 27%. Hence, dividends distributed from the Company to a Norwegian Corporate Shareholders are currently taxed at an effective rate of 0.81%.

Corporate shareholders will as a general rule not be entitled to a tax credit in the Norwegian tax for any withholding tax imposed on the dividend distributed in the jurisdiction where the foreign company is resident for tax purposes.

Taxation on capital gains on disposal of shares

Personal shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. Capital gains generated through a realisation of shares by a Norwegian Personal Shareholders are taxable in Norway as general income at a flat rate of currently 27%. Losses are tax deductible. Gains are taxable and losses are deductible in the year of disposal.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of. The taxable gain or deductible loss is calculated per share, as the difference between the sales price and the acquisition cost of the share (including transaction expenses). A taxable gain may be reduced by unused calculated unused allowance (see above regarding dividend) but may not lead to or increase a deductible loss. Furthermore, unused allowance may not be set off against gains from realisation of other shares unused allowance (see above regarding dividend). Furthermore, unused allowance may not be set off against gains from realisation of other shares.

If the Norwegian Personal Shareholder purchased the shares at different points in time, the shares that have been purchased firstly will be regarded as the first ones to be disposed of, on a first-in first-out basis upon calculating taxable gain or loss.

A personal shareholder, who moves abroad and ceases to be a tax resident in Norway, will be deemed taxable in Norway for potential gain of NOK 500,000 or more, related to all of the shares held at the time the tax residency ceased, as if the shares were realised at that time ("the exit tax rules"). Gains of NOK 500,000 or less are not taxable though. The payment may be postponed with adequate security. If the person moves to a jurisdiction within the EEA, the deferral of payment of taxes is granted without, provided that the EEA state in question and Norway have a mutual agreement of exchange of information and assistance with collection of taxes.

If the person moves to a jurisdiction within the EEA, potential losses of NOK 500,000 or more on all of the shares held at the time tax residency ceases will be tax deductible to the same extent as a gain would be taxable. Losses are determined in the year of emigration, but taxation (loss deduction) will occur at the time the shares are actually sold or otherwise disposed of.

If the shares are realised within five years after the tax residency ceased, the tax assessment might be changed if the actual gain is less than the calculated potential gain. Furthermore, the tax assessment might be changed if the gain is regarded taxable in another jurisdiction. However, the recalculation cannot create or increase a deductible loss.

If the shares are not realised within five years after the shareholder ceased to be resident in Norway for tax purposes, the tax liability calculated under these provisions will not apply.

Any tax treaty in force between Norway and the state to which the shareholder has moved may influence the application of these rules.

Corporate shareholders

For Norwegian Corporate Shareholders a capital gain on realisation of shares in a limited liability company tax resident in Norway and certain other companies in a similar position are comprised by the participation exemption method and is tax exempt. Losses are not tax deductible.

Net wealth tax

The value of shares is included in the basis for the computation of wealth tax imposed on Norwegian Personal Shareholders. Norwegian limited liability companies and certain other companies in a similar position are not subject to wealth tax.

The marginal wealth tax rate is 1% of the market value as of January 1 in the year of assessment.

11.1.2 Norwegian CFC-legislation

If a company resident in a low tax jurisdiction is subject to direct or indirect control by Norwegian resident shareholders, Norwegian CFC-legislation ("NOKUS") will be applicable. In this context, Norwegian control means that Norwegian resident shareholders have direct or indirect ownership of shares totalling 50% or more, or otherwise is in a position where they have effective control of a company's share capital. Under the NOKUS rules, Norwegian resident shareholders are subject to annual taxation in Norway for their proportionate part of the taxable net income of the foreign company (subject to Norwegian tax regime) and irrespective of distribution of dividends. The applicable rate is 27%.

11.1.3 Other Norwegian tax issues relevant for foreign companies

Companies registered and resident for tax purposes abroad will normally not be tax liable to Norway. Tax residency is decided on the basis of the place of effective management of the company. If the company is effectively managed from Norway, through board decisions etc, there is a risk that questions regarding tax residency will arise.

Companies conducting parts of their business in Norway may also be tax liable to Norway through a permanent establishment in Norway. International shipping companies may be partly exempted, but only as long as Norwegian shareholders own 34% or less of the shares of the company in question. Permanent establishment issues may arise if too much business activity relating to the company is administered or performed in Norway.

Tax liability to Norway according to the rules mentioned above is affected by the way the companies operate, and is therefore subject to the companies' own control.

11.1.4 Duties on transfer of shares

No stamp or similar duties are currently imposed in Norway on the transfer of shares, whether on acquisition or disposal.

11.2 Cyprus tax matters

As a company not resident in Cyprus, the Company will be subject to corporate tax at the rate of 12.5% only on income accrued or derived from a business activity which is carried out through a permanent establishment in Cyprus and on certain income arising from sources in Cyprus, such as income from property situated in Cyprus, including rents and royalties. All dividends and other amounts/payments paid by the Company to shareholders in respect of Shares that they hold will not be liable to income tax in Cyprus.

The Company may, in addition, be subject to Special Contribution for Defence tax in Cyprus at the rate of 20% on dividend income received from a company which is not resident in Cyprus, if the company paying the dividends derives more than 50% of its profits from investment activities which are taxed abroad at a substantially lower rate than the tax rate payable in Cyprus. There are no capital gains taxes, capital transfer taxes, estate duties or inheritance duties payable by the Company in Cyprus with respect to the Shares.

Dividend income is not subject to income tax in Cyprus. Furthermore, payments of dividends by Cyprus tax residents to non-residents are exempt from Cypriot withholding tax.

12 Other legal matters

12.1 Cyprus corporate law and regulations - Memorandum and Articles of Association

12.1.1 General introduction

The Company is incorporated in the Republic of Cyprus as a public company limited by shares.

The Company is primarily governed by the Companies Law, Cap 113 of the statute laws of the Republic of Cyprus (**the** "**Companies Law**") and the Company's Memorandum (the "Memorandum") and Articles of Association (the "Articles"). In addition, it is governed by the terms of the Listing Agreement with Oslo Børs. Further, Oslo Børs' continuing obligations for listed companies apply on certain matters.

12.1.2 Constitutional documents

The constitutional documents of the Company consist of the Memorandum and Articles of Association. The Memorandum deals with the objects and powers of the Company and the Articles deal primarily with the Company's administration, internal regulation and the distribution of rights and authorities between the Company's shareholders and the board of directors.

Under the Articles and the Companies Law the Memorandum and Articles may be amended by a Special Resolution of the Company's general meeting, whereby the majority requirement is not less than three fourths of such Members as being entitled so to do vote in person or by proxy at a duly constituted meeting of the Company. An amendment of the objects and powers contained in the Company's Memorandum would, in addition, require the sanction of the Court.

Objects and Purposes

The Company has full capacity rights, powers and privileges to undertake any of the matters mentioned in clause 3 in the Memorandum, which include, *inter alia*, any commercial activity relating to providing oil and gas exploration, production and participation, seismic data services onshore, transition zones and offshore, and general offshore energy related services and whatever else may be considered incidental or conductive thereto.

12.1.3 Shares and transfer of shares

The Shares, including the beneficial interests in such Shares held by the VPS Registrar may be transferred freely.

The transfer of a Share is effective when the name of the transferee is entered on the Register of Members. The transfer of the beneficial interests in such Shares held by the VPS Registrar is effective when the name of the transferee is entered on the VPS Register.

12.1.4 Purchase of own Shares

Subject to the Articles and the provisions of the Companies Law, the Company has the power to purchase any Shares in the manner set out in the Articles.

Under the Norwegian Public Companies Act, which does not apply to the Company, there are limited rights for a company to acquire its own shares. These limits are not reflected in identical terms in the Articles. However, there are fairly similar, albeit less stringent, limitations in said respect reflected in the Articles. These limitations include a shareholder approval requirement and a maximum 10% holding requirement.

12.1.5 Redemption provisions

A share in the Company may, according to the Company's Articles of Association, be issued with such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution (requiring a simple majority) determine. No such shares are however issued per date of this Prospectus.

Subject to section 57 of the Companies Law, it is possible for the Company to issue any class of its shares on terms that they shall be redeemed at the option of the Company. Section 57 (1) of the Companies Law provides inter alia, that:

(a) no shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) no shares shall be redeemed unless they are fully paid;

(c) the premium, if any, payable on redemption, must have been provided for out of the profits of the company or out of the company's share premium account before the shares are redeemed;

(d) where any shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve fund", a sum equal to the nominal amount of the shares redeemed, and the provisions of the Companies Law relating to the reduction of the share capital of a company shall, except as provided in section 57, apply as if the capital redemption reserve fund were paid-up share capital of the company.

In addition to the above and always subject to the provisions of the Companies Law, the Company may, pursuant to its Articles of Association, acquire its own shares if and in so far as the Company in General Meeting by a Special Resolution has authorised the Board to acquire such shares, provided in all cases, that the Company shall not purchase more than such number of such shares as shall result in the Company at any time holding more than 10 per cent of the Company's issued shares.

The authorisation may be given for no more than twelve months on each occasion, notwithstanding any other provisions.

The Law contains detailed provisions, relating to the conditions for the purchase by a Company of its own shares.

12.1.6 Rights to any surplus in the event of liquidation

According to the Company's Articles of Association, subject to any special rights conferred on the holders of any existing shares or class of shares, each share in the Company confers upon the Members the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

At present, there is only one class of shares in the Company, hence, all shareholders have equal rights.

12.1.7 Conversion provisions

No conversion provisions exist in relation to the Company's shares, save that the Company may, by Ordinary Resolution and subject to the provisions of the Companies Law,

(a) convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination,

(b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares, and

(c) subdivide its existing shares, or any of them, into shares of a smaller amount than is fixed by its Memorandum of Association.

If, at any time, the Company's shares are divided into different classes, the rights attached to any class may only be varied with the consent of or by a Resolution passed at a meeting of the holders of not less than 50% of the issued shares in that class.

12.1.8 General meetings

The Board decides the venue of the Company's general meeting, which can be anywhere, save that the Company's annual general meetings can be held anywhere other than Norway. This differs from Norwegian law, where, unless otherwise decided specifically in the articles of association, the venue of a general meeting is in the municipality where the Company has its registered office.

A general meeting must be held once every year and not less than 21 days' notice is required for the holding of an annual general meeting. Extraordinary general meetings shall be called by 14 days' notice at the least. A shorter notice may be given with the consent of (a) the holders of all Shares giving the right to attend and vote at the meeting, in the case of annual general meetings and (b) the holders of 95% in nominal value of the Shares giving the right to attend and vote at the meeting, in the case of any other general meetings, in accordance with the provisions of the Articles and the Companies Law. The notice of the meeting shall specify the time, place and agenda for the meeting. Notice of every meeting of shareholders shall be given to all shareholders entitled to receive such notice from the Company.

A general meeting may be called by the Board or at the requisition of the shareholders (members). A shareholders' requisition is a requisition of shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights of the Company. The direct shareholder rights in the Company are, as described in Section 10.8, held by the VPS Registrar, and the holders of the deposit rights must therefore look to the VPS Registrar to exercise the right to convene a general meeting. Pursuant to the Registrar Agreement, the VPS Registrar has undertaken to request that a general meeting is held when this has been requested by holders of more than 10% of the registered rights to shares in the Company.

Shareholders may be represented at the general meeting in person or by proxy or, in case of a body corporate, by its duly authorised representative.

The holders of deposit rights, in accordance with the provisions set forth in the Registrar Agreement, must look to the VPS Registrar to exercise the votes attaching to the underlying shares. Under the Registrar Agreement, the VPS Registrar has undertaken to, whenever it receives notice of a general meeting in the Company, to give such information to the holders of beneficial interests in the Shares. Such notice will include the time and place of the meeting, the agenda and other relevant information, including the time within which the deposit holder is to provide the VPS Registrar with its voting instructions. The holders of deposit rights will receive proxy forms, so that they may instruct the VPS Registrar or another person to attend and vote on their behalf, or they may elect to meet and vote their own deposit rights (in the latter case, technically by proxy from and given by the VPS Registrar for the number of shares corresponding to the number of deposit rights such shareholder have in the VPS).

For further information on the convening of general meetings, and attendance, proxy representation and voting therein, see section 10.8, where the VPS registration and each shareholder's rights towards the VPS Registrar are described.

A resolution of a general meeting is passed by simple majority unless the Companies Law or the Articles specify otherwise.

A special majority of not less than three fourths of such Members as, being entitled so to do, vote in person or by proxy, is required for the passing of, inter alia, the following resolutions:

(a) for the amendment of the objects clause contained in the Company's Memorandum

(b) for the amendment of the Company's Articles

(c) for the change of name of the Company

(d) for the acquisition of the Company's own shares

(e) for the reduction of the Company's share capital

(f) for the voluntary liquidation of the Company

(g) for the re-domiciliation of the Company to another jurisdiction.

12.1.9 The Board of Directors

Pursuant to the Articles, the Board shall consist of not less than two and not more than nine persons. The necessary quorum for the transaction of business of the directors is not less than one half of the total number of directors, unless there are only two directors, in which case the quorum is two directors.

At least 50% of the directors must be individuals who are neither executive officers of, nor employed by, nor employees or directors of business partners of the Company – which is in accordance with Oslo Børs' listing requirements and has been set out in the Articles in order to ensure that the shareholders elect a board which will on a continuous basis comply with the regulations of Oslo Børs.

Each director shall hold office until the expiration of his term and until his successor shall have been elected and qualified.

A board meeting may be held in any part of the world. A director is deemed to be present at a board meeting if he participates by telephone or other electronic means.

Subject to any resolution of the shareholders to the contrary, the board may appoint one director as the chairman of the board, and may at any time elect another person as chairman of the board.

The purpose of the Board is to manage and conduct the business of the Company, and its power and rights are limited by the Companies Law and the Articles.

The Board has full power to charge any of the Company's assets and to borrow money without sanction by the general meeting. The Articles stipulate that the Board is responsible for the Company's management and may appoint or remove officers of the Company (other than Board members).

The Board may by power of attorney appoint a person or company as the Company's attorney with such power, authority and discretion as the Board thinks fit (provided however that this does not exceed the powers vested in the Board by the Articles). The Board may also authorise the attorney to sub-delegate any or all powers, authorities and discretions vested in him by the Board. Furthermore, the Board may, subject to the Articles, delegate certain of its powers to committees consisting of such member or members of the Board as it thinks fit. Every committee so formed shall conform to any regulations that may from time to time be imposed upon it by the Board. Under Norwegian law, the board of a company can delegate authority and appoint attorneys, but the authority and power that may be delegated or vested in an attorney is somewhat more restricted.

A director may be engaged by the Company for the purpose of performing services which go beyond his ordinary duties as a director, but he may not be the company's auditor. The director performing such services for the Company is entitled to such special remuneration as the Board may determine.

A director or a company owned by him may also enter into commercial agreement with the Company provided that the relevant director declares his interest in such contract at the board meeting where the contract is first considered. He shall not be counted in quorum and cannot vote in any case where he has declared an interest.

The Company may by an ordinary resolution, but following proposal from the Board and after the Board has made a determination concerning the Company's solvency in accordance with the Articles, from time to time declare and pay dividends. Such dividends shall be paid pro rata on the Company's shares. These regulations are slightly different than what applies for dividends under Norwegian law.

12.1.10 Accounts

The Articles and the Companies Law contain regulations concerning accounting. According to the Articles the directors shall ensure that the accounts are kept. The Company shall also have internationally recognised independent auditors, who shall audit and prepare a report on the annual profit and loss account and balance sheet. The auditor shall receive notice of, and have the right to be present at, the Company's annual general meeting.

The audited accounts of the Company must be filed annually with the Cyprus Registrar of Companies, together with its annual return. The Shareholders will receive annually certain accounts and financial statements of the Company. Under Norwegian law, a company's accounts are made public and filed with the Norwegian Company Register.

12.1.11 Majority requirements

The applicable law of the Company contains rules requiring resolutions to be made by a qualified majority of the shareholders in certain cases, such as where the Memorandum or Articles are to be amended or where there is to be a reduction of the share capital. Such a concept has, however, also been implemented in the Articles, where it is specified the need for such to constitute valid shareholder resolutions in the above instances, as well as inter alia, where the Company purchases its own shares or in case of voluntary liquidation.

The issue of new shares, or any resolution of the shareholders passed to authorise the Board to issue new shares, are among the resolutions that will only require a simple majority vote (ordinary resolution) by the shareholders. The shares do not give pre-emptive rights to subscribe for new shares pursuant to the Articles, however, pursuant to the Companies Law, whenever the share capital of a public company is increased by consideration in cash, the new shares must be offered on a pre-emptive basis to existing shareholders in proportion to the capital represented by their shares. The right of pre-emption may be restricted or withdrawn only by a decision of the general meeting taken in accordance with the provisions of the Companies Law.

All shares in the Company provide equal rights pursuant to the Articles, and any amendments of shareholder rights will therefore require a qualified majority of votes at the general meeting of the Company, as it is the case for all amendments to the Memorandum or Articles not specifically regulated otherwise. A qualified majority or special resolution is defined as a resolution passed by a majority of not less than three fourths of such members as, being entitled so to do, vote in person or by proxy at a general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given.

12.1.12 Mandatory takeover rules

Statutory provisions

The Company is partly subject to the mandatory take-over provisions as set out in the Norwegian Securities Trading act chapter 6, and partly to the provisions set out in the Public Takeover Bids for the Acquisition of Securities of Companies and Related Matters Law (Law 41(I)/2007) as amended by law 47(I)/2009 of Cyprus.

The threshold at which the mandatory bid obligations are triggered, including possible exemptions from the obligation to present a bid (including possible exemptions for subsequent sale of shares), is subject to Cyprus law, pursuant to which a mandatory takeover bid is required where a person indirectly or directly acquires a percentage of thirty per cent (30%) or more of the existing voting rights in the Company.

Reaching this threshold, the shareholder shall make an unconditional general offer for the purchase of the remaining shares in the Company. The offer is subject to approval before submission to the shareholders. The obligation to make an unconditional offer also applies where a shareholder, directly or indirectly, holds more than 30%, but less than 50%, of the voting rights in the Company without having triggered the bidding obligation (i.e. that the shareholder held such amount of shares prior to listing or have inherited such shares) and such shareholder intents to increase the said percentage. If the shareholder holds more than 50% of the voting rights, the Cyprus authorities might, subject to application from the relevant shareholder, exempt such shareholder from the bidding obligation, if the proposed acquisition does not affect the rights of the minority shareholders of the Company. The takeover supervisory authority with respect to the threshold is the Cyprus Securities and Exchange Commission.

Questions concerning consolidation of shareholdings in relation to the threshold at which the mandatory bid obligation is triggered are subject to Cyprus law. The bidding process, including questions concerning the compensation offered in connection with the bid, in particular the bid price, the bid procedure, information on the bidder's decision to present a bid, the content of the offer document and the publication of the bid, is subject to Norwegian law, i.e. the Securities Trading Act. The takeover supervisory authority with respect to these issues is the Oslo Stock Exchange.

Where an agreement on acquisition of shares triggers the bid obligation, the shareholder shall without delay notify the takeover supervisory authority and the Company accordingly. The notification shall state whether a bid will be made to buy the remaining shares in the Company. The takeover supervisory authority shall make the notification available to the public.

The bid shall be made without undue delay and at the latest four weeks after the mandatory bid obligation was triggered, and shall encompass all the remaining Shares of the Company. The bid price must be at least as high as the highest price paid or agreed to be paid by the offeror in the six-month period prior to the date the above threshold was exceeded, but equal to the market price if the market price was clearly higher when the threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. The bid shall state a time limit for shareholders to accept the bid, not to be shorter than four weeks or longer than six weeks.

The offeror is required to make an offer document complying with Norwegian law, and such document require approval by the takeover supervisory authority (Oslo Børs) before the bid is made public.

In the mandatory bid, all Shares of the Company must be treated equally. The mandatory bid must be made in cash or contain a cash alternative at least equal in value to any non-cash offer. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply. Otherwise, the authorities may cause the shares exceeding the threshold to be sold. Until the mandatory bid is made the shareholder may not vote for shares exceeding the threshold, unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividends in the event of a share capital increase. The authorities may impose a daily fine upon a shareholder who fails to make the required offer.

Articles of Association

In addition to the above, under the Articles, any person, who as a result of such person's own acquisition, or the acquisition by persons acting in concert with such person, including, inter alia, entities controlled by or controlling such person, as defined in applicable law, holds or is directly or indirectly interested in, whether solely or together with persons acting in concert with such person, such issued Shares, or VPS Shares, of the Company, as shall provide the said person with 30 per cent or more of the voting rights in the Company, such person shall:

(i) promptly notify the Oslo Stock Exchange and the Company; and
(ii) make a mandatory unconditional offer for the purchase of the remaining issued Shares or beneficial interest in such shares in the Company.

It is further set out that mandatory provisions on bid obligations, and any exemptions thereto as set out in applicable law, shall supplement the above provision and shall prevail in case of any conflict.

12.1.13 Squeeze-out and sell-out

Statutory provisions

The squeeze-out rules are subject to Cyprus corporate legislation.

When a shareholder has made a public offer to all other shareholders in the Company and as a result of such public offer or after such a public offer has acquired (i) not less than ninety per cent (90%) of the capital carrying voting rights and (ii) not less than ninety per cent (90%) of the voting rights in the company, the shareholder has the right to claim that the remaining shareholders sell all their shares to such shareholder.

The squeeze-out right is exercisable within 3 months from the end of the public offer. The purchase price for the shares under the squeeze-out should be at least equal to the purchase price for the preceding public offer. In the event that the purchase price includes payment in kind, the selling shareholder has the right to demand cash payment.

When a shareholder has made a public offer to all the shareholders and as a result of such public offer or after such a public offer has acquired not less than ninety per cent (90%) of the capital carrying voting rights and not less than ninety per cent (90%) of the voting rights in the Company the remaining shareholders have a right to demand the purchase of their shares from the shareholder who has made the public offer.

The sell-out right is exercisable within 3 months from the end of the public offer and the purchase price should be at least equal to the purchase price applicable to the public offer. In the event that the purchase price involves payment other than cash the selling shareholder has a right to demand cash payment.

12.1.14 Notification obligations for acquisition of large shareholdings

General

The notification requirements for acquisition of large shareholdings are governed by Cyprus Law 190(I)/2007 as amended by Law 72(I)/2009.

Acquisition or disposal of shares

According to the provisions of the law a shareholder who acquires or disposes shares (with attached voting rights) in a company, has an obligation to notify the company and the Cyprus Securities and Exchange Commission (via email at info@cysec.gov.cy) of the percentage of voting rights held provided that, as a result of such acquisition or disposal, this percentage (i) in the case of an acquisition, reaches or exceeds, or (ii) in the case of a disposal, reaches or falls below, the thresholds of five percent (5%), or ten percent (10%), or fifteen percent (15%), or twenty percent (20%), or twenty five percent (25%), or thirty percent (30%), or fifty percent (50%) or seventy five percent (75%) of the total voting rights of the issuer.

The obligation to notify is not applicable in the following circumstances:

a) the shares are acquired for the sole purpose of clearing and settling of transactions at the latest of three working days following the transaction;

b) a custodian holding shares in its custodian capacity, provided that the custodian can only exercise the voting rights attached to such shares only under instructions given in writing or by electronic means by the beneficiary of the shares;

c) an acquisition or disposal of voting rights by a market maker, that reaches or exceeds the 5% threshold of the total voting rights of the issuer, provided that the market maker –

a. acts in its capacity as a market maker and in accordance with the provisions of the Investment Services and Activities and Regulated Markets Law, or where the Republic of Cyprus is not the home member state, in accordance with the law of that member state harmonising directive 2004/39/EC, and

b. neither intervenes in the management of the issuer concerned nor exerts any influence on the issuer to buy such shares or back the share price

d) shares of an issuer, which are held in the trading book of a credit institution or an investment firm, in accordance with

a. Chapter III, of Part B of the Directive of the Central Bank of Cyprus for the calculation of capital requirements and large financing exposures and the equivalent Directive of the Cyprus Securities and Exchange Commission, or

b. the law of another member state harmonising directive 2006/49/EC, provided that –

i. the voting rights attached to such shares do not exceed 5% of the total of voting rights of the issuer, and

ii. the credit institution or the investment firm ensures that the voting rights attached to such shares are not exercised nor otherwise used to intervene in the management of the issuer

e) shares provided to or by the members of the European System of Central Banks in carrying out their functions as monetary authorities, including shares provided to or by members of the European System of Central Banks under a pledge or repurchase or similar agreement for liquidity granted for monetary policy purposes or within a payment system, provided that the transactions last for a short period and that the voting rights attaching to such shares are not exercised.

There is no regulation of the notification obligations for large shareholdings in the Company's Articles.

Acquisition, disposal or right to exercise voting rights

In addition, a person who is entitled to acquire, to dispose of or to exercise voting rights of the Company, has an obligation to notify the Company and the Cyprus Securities and Exchange Commission of the percentage of voting rights held, provided that as a result of the acquisition or of the disposal or of the exercise or of the events changing the breakdown of voting rights of the Company, that percentage reaches, exceeds or falls below the thresholds mentioned above in any of the following cases or in a combination of them:

a) Voting rights held by a third party, with whom that person has concluded an agreement, which obliges the contractual parties to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company

b) voting rights held by a third party under an agreement concluded with that person providing for the temporary transfer for consideration of the exercise of voting rights in question·

c) voting rights attached to shares which are lodged as collateral with that person, provided that person controls the voting rights and declares its intention to exercise them·

d) voting rights attached to shares in which that person has the life interest ·

e) voting rights which are held, or may be exercised within the meaning of paragraphs (a), (b), (c) and (d), by an undertaking controlled by that person·

f) voting rights attached to shares deposited with that person which the person can exercise at its discretion in the absence of specific instructions from the shareholder

g) voting rights held by a third party in its own name on behalf of that person·

h) voting rights which that person may exercise at its discretion as a proxy of the shareholder in the absence of specific instructions given from the shareholder.

The notification shall be effected as soon as possible but not later than within the next working trading day.

12.2 Legal proceedings and other legal matters

The Group has received a notice from the Internal Revenue Service in the USA with requests to file tax returns and consequently a demand for paying tax for certain companies for previous years. The potential tax liability is uncertain and could potentially result in extra tax cost. The Group will accrue for USD 1.2 million in Q4 2013 for this potential tax liability.

The Group is not and has not been for the past 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened against the Group.

13 Definitions and glossary of terms

General definitions

ABG Sundal Collier	ABG Sundal Collier Norge ASA
AGM	Annual General Meeting
Articles	The Articles of Association of the Company in force as at the date of this Prospectus.
Board or Board of Directors	The Board of Directors of the Company.
BVI	British Virgin Islands
Companies Law	The Companies Law, CAP. 113 (as amended) of the statute laws of the Republic of Cyprus and other applicable company legislation in force in Cyprus.
Company, Issuer or SeaBird	SeaBird Exploration Plc, a limited liability company incorporated in the Republic of Cyprus under the Companies Law, CAP. 113 (as amended) of the statute laws of the Republic of Cyprus with its registered office at 333, 28th October Street, Ariadne House, Limassol, Cyprus
EGM	Extraordinary General Meeting
Group	The Company and its wholly owned subsidiaries.
IPO	Initial Public Offering.
Manager	ABG Sundal Collier
Memorandum	The memorandum of association of the Company in force as at the date of this Prospectus.
NOK	The currency of the Kingdom of Norway (Norwegian krone).
New Shares	The 12,000,000 Shares issued by the Company in connection with the Private Placement.
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw. Finanstilsynet)
Norwegian Securities Trading Act	The Norwegian Act no. 79 of 29 June 2007 on securities trading.
Oslo Børs	Oslo Børs ASA (Oslo Stock Exchange).
Private Placement	The issue of the New Shares on 19 December 2013 at a subscription price per share of NOK 3.00 per share.
PIK	Payment in kind, meaning that interest payments to the holder of a PIK security take the form of additional securities, rather than cash
Prospectus	This prospectus, which is prepared in connection with the listing of the New Shares on Oslo Børs.
Registrar Agreement	The agreement entered into by the Company and the VPS Registrar relating to the VPS registration of beneficial interests in the Shares.

Shareholders	Persons or legal entities registered in the VPS register as owner of an interest in a Share.
Shares	The shares of the Company or, where the context so requires or permits, beneficial interests in such Shares held by the VPS Registrar.
Stock Exchange Regulations	The Norwegian Stock Exchange Regulations of 29 June 2007 No. 876.
Treasury Shares	Shares of the Company, or beneficial interests in such Shares held by the VPS Registrar, owned by the Company itself.
MUSD	Million USD
TUSD	Thousand USD
UAE	United Arab Emirates
USD	United States Dollar, the lawful currency of the United States of America
VPS	VPS Holding ASA (The Norwegian Central Securities Depository)
VPS account	An account held with VPS to register ownership of securities.
VPS Registrar	DnB Bank ASA, Stranden 21, N-0250 Oslo, Norway

Terms and expressions

2D	Two dimensional
3D	Three dimensional
4C/4D	Four components/four dimensional
4D	Four dimensional
HSSEQ	Health, Safety, Security, Environment and Quality
OBN	Ocean Bottom Nodes
OPEC	Organization of the Petroleum Exporting Countries

14 Incorporation by reference and documents on display

14.1 Documents incorporated by reference

Reference	Section in Prospectus	Incorporated by reference	Website
SeaBird's unaudited interim report for Q3 2013 and the nine months ended 30 September 2013, with comparable figures for Q3 2012 and the nine months ended 30 September 2012.	9	The consolidated financial information in SeaBird's quarterly report for third quarter 2013, including profit and loss statement, balance sheet, changes in equity and cash flow statement.	http://hugin.info/136336/R/1739237/583661.pdf
SeaBird's audited annual report for 2012, including an overview of SeaBird's accounting policy, explanatory notes and auditor's statement.	9, 9.1,9.12	The consolidated financial information in SeaBird's annual report for 2012, including profit and loss statement, balance sheet, changes in equity, cash flow statement, an overview of accounting principles, explanatory notes and the auditor's report.	http://hugin.info/136336/R/1694844/557497.pdf
SeaBird's audited annual report for 2011, including an overview of SeaBird's accounting policy, explanatory notes and auditor's statement.	9	The consolidated financial information in SeaBird's annual report for 2011, including profit and loss statement, balance sheet, changes in equity, cash flow statement, an overview of accounting principles, explanatory notes and the auditor's report	http://hugin.info/136336/R/1604600/507791.pdf
SeaBird's audited annual report for 2010, including an overview of SeaBird's accounting policy, explanatory notes and auditor's statement.	9	The consolidated financial information in SeaBird's annual report for 2010, including profit and loss statement, balance sheet, changes in equity, cash flow statement, an overview of accounting principles, explanatory notes and the auditor's report	http://hugin.info/136336/R/1508011/444376.pdf
Memorandum and Articles of Association	7.1, 10.1, 10.2, 10.4, 10.7, 10.8,	The Memorandum and Articles of Association.	http://www.sbexp.com/media/pdf/mem-of-art-of-association-2.pdf
Related party transactions	7.11	Note 29 in the consolidated financial information in the annual report for 2010, 2011 and 2012.	http://hugin.info/136336/R/1694844/557497.pdf http://hugin.info/136336/R/1604600/5

	07791.pdf http://hugin.info/136336/R/1508011/444376.pdf

The above documents are also available at the addresses stated under section 14.2 below.

14.2 Documents on display

For the life of this Prospectus:

(i) the Memorandum and Articles of Association,
(ii) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any experts at the issuer's request any part of which is included or referred to in the registration document,
(iii) the 2010, 2011 and 2012 annual financial statements and the Q3 interim financial statements for 2013; and
(iv) the 2010, 2011 and 2012 annual financial statements prepared by the Company's subsidiaries

will be available for inspection on the Company's web site www.sbexp.com or at the following addresses:

SeaBird:

SeaBird Exploration Plc	SeaBird Exploration FZ-LLC	SeaBird Exploration Norway AS
World Trade Center Ariadne House 333, 28th October Street 3106 Limassol Cyprus	Al Shatha Tower 35/F Dubai Media City P.O. Box 500549/500347 Dubai, UAE	Cort Adelers gate 16 P.O. Box 1302 Vika N-0112 Oslo Norway

14.3 Confirmation regarding sources

This Prospectus contains information sourced from third parties as well. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware of and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified wherever used. This Prospectus contains market data, industry forecasts and other information published by third parties, including information related to the sizes of markets in which the Group operates. The information has been extracted from a number of sources. The Company has estimated certain market share statistics using both its internal data and industry data from other sources. Although the Company regards these sources as reliable, the information contained in them has not been independently verified. Therefore, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from the sources in the public domain. This Prospectus also contains assessments of market data and information derived therefrom that could not be obtained from any independent sources. Such information is based on the Company's own internal assessments and may therefore deviate from the assessments of competitors of the Company or future statistics by independent sources.

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