Third Quarter Report 2013

Q3 2013

SeaBird Exploration

2013 Summary observations for the third quarter

- Revenues for the quarter were $51.9 million, an increase of 14% compared to the comparable period in 2012 and up 29% relative to Q2 2013.
- Contract revenues for the period were $50.1 million, up 30% from Q3 2012 and up 38% from Q2 2013.
- Multi-client revenues were $1.8 million, a decrease of 75% from $7.1 million reported in Q3 2012 and down 55% from $4.0 million reported in Q2 2013.
- Contract surveys during the third quarter represented 82% of vessel capacity compared to 57% during the second quarter; the increase is mainly due to a reduction in multi-client investment and vessel repositioning relative to the prior period.
- EBITDA was $13.2 million compared to $11.7 million for Q3 2012 and $3.7 million for Q2 2013.
- EBIT for the quarter was $6.7 million compared to $4.2 million for Q3 2012 and negative $2.4 million for Q2 2013.
- Vessel utilization for the period was 86%.

$51.9
million revenues for the third quarter

$13.2
million EBITDA for quarter

Contents

$50.1
million contract revenues up 38% from previous quarter

Completion of Snøspurv Barents Sea survey; recent Wisting Central hydrocarbon discovery increasing interest

86%
vessel utilization

Zero
lost time injury frequency (LTIF) rate for the quarter

Highlights for the third quarter

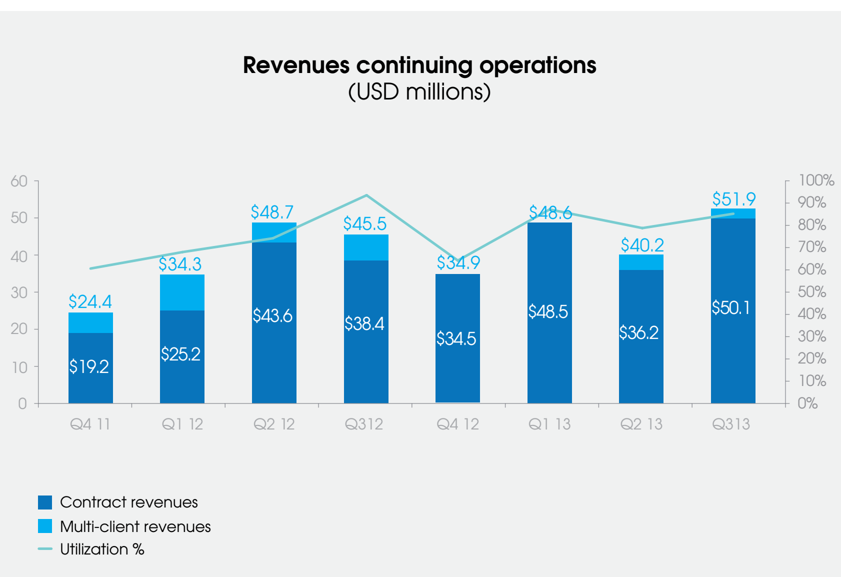
Operational review

Third quarter revenues and earnings were up from the previous quarter driven by improved utilization. Multi-client investment was reduced during the period and contract utilization increased. Fleet repositioning was moderate.

Multi-client sales and investment were down for the quarter. Multi-client utilization was 4% for the period compared to 22% in the second quarter.

The five thousand kilometer multi-client survey in Namibia and the six thousand kilometer survey in the Barents Sea that commenced in the second quarter were completed. In light of the recent Wisting Central hydrocarbon discovery we anticipate increased interest in the Barents Sea survey. Towards the end of the period, Harrier Explorer commenced a one thousand five hundred kilometer multi-client survey in the North Sea in partnership with GeoPartners Ltd.

Contract revenues for the third quarter were up compared to the prior period. Contract surveys during the third quarter represented 82% of vessel capacity compared to 57% for quarter two.



The Geo Pacific continued production throughout the third quarter. Significant improvement in maritime and source performance has been achieved. However, challenging operating conditions as well as technical difficulties related to its acquisition systems reduced the vessel's production results. The combined effect of these issues resulted in lower than anticipated earnings for the period.

During the third quarter, we completed a series of shorter-term contracts. Standby in between contracts created revenue gaps which negatively impacted earnings.

The Northern Explorer completed its scheduled maintenance docking in July. There were no other dockings during the quarter. Yard stays represented 1% of vessel capacity for the period.

Vessel utilization for the third quarter was 86%, up from 79% in the second quarter.

Operational performance for the quarter was strong. However, our multi-streamer fleet had above-average technical down time. Technical downtime for the fleet was 5%. During the period, the Osprey Explorer was equipped with a new streamer which was installed as the vessel commenced its campaign in South America.

The company delivered another quarter of solid health, safety, security, environment and quality (HSSEQ) results. The lost time injury frequency (LTIF) rate for the period was zero. During the quarter, the company commenced the implementation of a new Institution of Occupational Safety and Health (IOSH) competency training program, targeting both offshore and onshore staff. The internationally recognized safety training qualification provides company staff with the tools to better understand and identify hazards and risks in the workplace. It also provides a framework to increase safety performance.

Regional overview

In the third quarter, geographic revenues strengthened in North and South America (NSA) where the company experienced a significant increase in activity. Revenues in Asia Pacific (APAC) and Europe, Africa and Middle East (EAME) were both up from the second quarter mainly due to reduced vessel repositioning and a decrease in multi-client activity during the period.

NSA sales of $23.7 million represented 46% of total revenues. The increase in NSA revenues was in large part a result of the completion Geo Pacific's first survey in the Caribbean and the immediate commencement of its second survey in the region. In addition, Hawk Explorer and Osprey Explorer were both active in the region throughout the quarter.

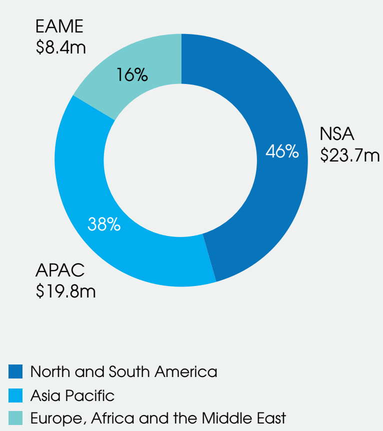
Sales in APAC of $19.8 million accounted for 38% of total revenues. APAC revenues were up compared to the second quarter as Voyager Explorer was fully utilized in the region completing both a 3D survey and two source contracts during the quarter. Aquila Explorer also completed a 2D survey for an oil company in the region

Highlights for the third quarter

and towards the end of the quarter commenced a source contract which will keep the vessel active into the fourth quarter.

Sales in EAME of $8.4 million accounted for 16% of total revenues. Revenues increased compared to the second quarter as Harrier Explorer and Northern Explorer both commenced contract work in this region.

Q3 Revenues by region
(USD millions)



Outlook

Global tender activity in the 2D and the niche 3D markets continued to be healthy during the third quarter. Pricing has remained firm in all regions and we would largely expect this trend to remain through the fourth quarter. We are continuing to see strong demand in our APAC region but demand in select parts of the NSA and EAME regions are showing typical signs of seasonal weakness.

Multi-client demand in the 2D sector is remaining robust. However, late sales are at times taking longer to conclude and prefunding is proving more challenging to secure. Multi-client activity remains a core part of our strategy and we will continue to make select investments in this segment. Higher proprietary contract volume from oil companies compensates for somewhat lower multi-client activity.

Financial review

Key financial figures

KEY FIGURES – CONTINUING OPERATIONS					
	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
All figures in USD 000's (except for EPS)	2013	2012	2013	2012	2012
Revenues	51,869	45,468	140,627	128,430	163,331
EBITDA	13,220	11,726	28,019	31,781	38,559
EBIT	6,739	4,238	9,428	3,281	4,151
Profit/(loss)	3,981	(576)	1,981	(12,790)	(18,183)
Earnings per share (diluted)	0.09	(0.02)	0.04	(0.44)	(0.56)
Cash flow operating activities	7,434	11,011	26,136	21,530	19,905
Capital expenditures	(5,019)	(2,544)	(15,542)	(10,829)	(15,008)
Total assets	210,910	198,766	210,910	198,766	197,371
Net interest bearing debt	86,984	92,000	86,984	92,000	87,406
Equity ratio	26.4%	22.4%	26.4%	22.4%	26.8%

Note: all figures are from continuing operations. See note 1 for discontinued operations.

Financial comparison

All figures below relate to continuing operations unless otherwise stated. For discontinued operations, see note 1.

The company reports a net profit of $4.0 million for Q3 2013 (net loss $0.6 million in the same period in 2012).

Revenues were $51.9 million in Q3 2013 ($45.5 million). The increased revenues are primarily due to fleet composition, offset by a reduction in multi-client late sales and a decrease in vessel repositioning during the quarter.

Cost of sales was $34.5 million in Q3 2013 ($29.6 million). 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.

SG&A was $4.7 million in Q3 2013, up from $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.

EBITDA was $13.2 million in Q3 2013 ($11.7 million).

Depreciation and amortization was $6.5 million in Q3 2013 ($7.5 million). The decrease is predominantly due to lower multi-client sales amortization for the period.

Interest expense was $2.9 million in Q3 2013 ($3.1 million).

Other financial items, net expense, of negative $0.5 million in Q3 2013 (negative $0.4 million). The change is mainly due to currency fluctuations.

Income tax benefit was $0.6 million in Q3 2013 (expense of $1.4 million). The decrease in tax cost is primarily due to the reassessment of selected historical tax provisions, along with a reduction in corporate and withholding taxes directly related to the tax jurisdiction the vessels operated within during Q3 2013.

Capital expenditures were $5.0 million in Q3 2013 ($2.5 million). The majority of the capital cost incurred during the quarter related to the Osprey Explorer being equipped with a new streamer. The remaining portion related to the purchase of routine seismic and other equipment across the fleet.

Multi-client investment was $1.3 million in Q3 2013 ($2.8 million), which related to a new survey that commenced in the North Sea along with the finalization of the Barents Sea and Namibia multi-client surveys which begun during the second quarter.

Net loss from discontinued operations was nil for Q3 2013 (loss of $0.2 million). Discontinued operations represent the remaining contractual obligations of the ocean bottom node (OBN) business which was divested in Q4 2011.

Financial review

Liquidity and financing

Cash and cash equivalents at the end of the period were $14.0 million ($11.9 million), of which $3.0 million was restricted in connection with bank guarantees, deposits and the bond service account. Net cash from operating activities was positive $7.4 million in Q3 2013 (positive $11.0 million).

The company has one bond loan, one convertible loan and the Hawk Explorer finance lease.

- The 6% secured bond loan has a face value of $85.9 million and is recognized in the books at amortized cost of $77.1 million per Q3 2013. The bond loan matures 19 December 2015 and has principal amortization due in semi-annual increments of $2.0 million that started 19 December 2012. No interest was paid during Q3 2013 in relation to the bond loan.

- The 1% unsecured convertible loan with Perestroika has a face value of $14.9 million and is recognized in the books at amortized cost of $13.6 million per Q3 2013. The convertible loan matures 30 September 2014 and has no principal amortization. Interest on the convertible loan is paid annually. Interest of $0.1 million was paid during Q3 2013 in relation to the convertible loan.

- The lease of Hawk Explorer is recognized in the books as a finance lease at $10.3 million per Q3 2013. Installments of $1.0 million against the Hawk lease principal and $0.3 million against the interest portion were paid during Q3 2013 ($0.9 million and $0.4 million in 2012, respectively). During the quarter the company announced it will exercise its option under the current charter agreement to purchase the vessel and related equipment for $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.

Net interest-bearing debt was $87.0 million at the end of Q3 2013 ($92.0 million).

Accrued interest for Q3 2013 was $1.2 million ($1.4 million).

The company was in compliance with all covenants as of 30 September 2013.

The Board of Directors and Chief Executive Officer
SeaBird Exploration Plc
30 October 2013

Henrik A Christensen
Chairman

Kitty Hall
Director

Kjell H Mathiassen
Director

Melvin Teigen
Director

John Olav Økland
Director

Dag Reynolds
Chief Executive Officer

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION			
	As of 30 September		As of 31 December
All figures in USD 000's	2013	2012	2012
	(Unaudited)	(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	129,399	131,415	130,774
Multi-client library	6,568	4,473	3,384
Goodwill	1,267	1,267	1,267
Long-term investment	83	–	–
	137,317	**137,155**	**135,425**
Current assets			
Inventories	4,863	4,100	3,920
Trade receivables	27,116	27,770	33,069
Other current assets	27,622	17,864	10,213
Cash and cash equivalents	13,992	11,877	14,744
	73,593	**61,611**	**61,946**
Total assets	**210,910**	**198,766**	**197,371**
EQUITY			
Shareholders' equity			
Paid in capital	182,645	166,720	180,761
Equity component of convertible loan	6,296	6,296	6,296
Currency translation reserve	(845)	(53)	(180)
Share options granted	8,909	8,083	8,495
Retained earnings	(141,410)	(136,538)	(142,571)
	55,595	**44,508**	**52,801**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	73,060	96,129	94,299
Provision for end of service benefit	1,013	802	848
	74,073	**96,931**	**95,147**
Current liabilities			
Trade and other payables	41,603	36,029	27,325
Loans and borrowings	27,916	7,748	7,851
Tax liabilities	11,723	13,550	14,247
	81,242	**57,327**	**49,423**
Total liabilities	**155,315**	**154,258**	**144,570**
Total equity and liabilities	**210,910**	**198,766**	**197,371**

CONSOLIDATED INTERIM STATEMENT OF INCOME					
	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
All figures in USD 000's	2013	2012	2013	2012	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues	51,869	45,468	140,627	128,430	163,331
Cost of sales	(34,520)	(24,589)	(99,505)	(79,345)	(103,711)
Cost of multi-client sales	–	(5,056)	–	(5,056)	(5,056)
Selling, general and administrative expenses	(4,736)	(3,897)	(14,287)	(12,788)	(16,843)
Other income (expenses), net	607	(200)	1,184	540	838
Earnings before interest, tax, depreciation and amortization (EBITDA)	**13,220**	**11,726**	**28,019**	**31,781**	**38,559**
Depreciation and amortization	(6,481)	(7,488)	(18,591)	(28,500)	(34,408)
Impairment	–	–	–	–	–
Earnings before interest and taxes (EBIT)	**6,739**	**4,238**	**9,428**	**3,281**	**4,151**
Interest expense	(2,907)	(3,072)	(8,897)	(9,219)	(12,391)
Other financial items, net	(469)	(362)	(88)	(634)	(1,072)
Profit/(loss) before income tax	**3,363**	**804**	**443**	**(6,572)**	**(9,312)**
Income tax	618	(1,380)	1,538	(6,218)	(8,871)
Profit/(loss) continuing operations	**3,981**	**(576)**	**1,981**	**(12,790)**	**(18,183)**
Net profit/(loss) discontinued operations (note 1)	–	(214)	(820)	7,308	6,668
Profit/(loss) for the period	**3,981**	**(790)**	**1,161**	**(5,482)**	**(11,515)**
Profit/(loss) attributable to					
Shareholders of the parent	3,981	(790)	1,161	(5,482)	(11,515)
Earnings per share					
Basic	0.10	(0.03)	0.03	(0.19)	(0.36)
Diluted	0.09	(0.03)	0.03	(0.19)	(0.36)
Earnings per share from continued operations					
Basic	0.10	(0.02)	0.05	(0.44)	(0.56)
Diluted	0.09	(0.02)	0.04	(0.44)	(0.56)

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME					
	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
All figures in USD 000's	2013	2012	2013	2012	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit/(loss)	**3,981**	**(790)**	**1,161**	**(5,482)**	**(11,515)**
OTHER COMPREHENSIVE INCOME					
Net movement in currency translation reserve and other changes	89	415	(251)	158	32
Total other comprehensive income, net of tax	**89**	**415**	**(251)**	**158**	**32**
Total comprehensive income	**4,070**	**(375)**	**910**	**(5,324)**	**(11,483)**
Total comprehensive income attributable to					
Shareholders of the parent	4,070	(375)	910	(5,324)	(11,483)
Total	**4,070**	**(375)**	**910**	**(5,324)**	**(11,483)**

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY			
	Nine months ended 30 September		Year ended 31 December
All figures in USD 000's	2013	2012	2012
	(Unaudited)	(Unaudited)	(Audited)
Opening balance	**52,801**	**49,302**	**49,302**
Profit/(loss) for the period	1,161	(5,482)	(11,515)
Increase/(decrease) in share capital	1,884	–	14,041
Share options granted	414	530	941
Net movements in currency translation reserve and other changes	(665)	158	32
Ending balance	**55,595**	**44,508**	**52,801**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

All figures in USD 000's	Quarter ended 30 September 2013 (Unaudited)	Quarter ended 30 September 2012 (Unaudited)	Nine months ended 30 September 2013 (Unaudited)	Nine months ended 30 September 2012 (Unaudited)	Year ended 31 December 2012 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before income tax	3,363	804	443	(6,572)	(9,312)
Adjustments for					
Depreciation, amortization and impairment	6,481	7,487	18,591	28,499	34,296
Unrealized exchange (gain)/loss	(249)	299	(716)	530	419
Amortization of interest	2,589	1,209	7,703	6,097	10,053
Paid income tax	(241)	(447)	(1,212)	(710)	(1,067)
Earned on employee stock option plan	80	173	412	529	941
(Increase)/decrease in inventories	953	429	(943)	(515)	(335)
(Increase)/decrease in trade and other receivables	(12,321)	(1,076)	(9,943)	(9,090)	(6,404)
(Increase)/ decrease in due from related parties	–	–	–	427	427
Increase/(decrease) in trade and other payables	6,779	2,133	11,801	2,335	(9,113)
Net cash from operating activities	**7,434**	**11,011**	**26,136**	**21,530**	**19,905**
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(5,019)	(2,544)	(15,542)	(10,829)	(15,008)
Multi-client investment	(975)	(2,690)	(4,858)	(6,916)	(6,556)
Long-term investment	(83)	–	(83)	–	–
Net cash used in investing activities	**(6,077)**	**(5,234)**	**(20,483)**	**(17,745)**	**(21,564)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares	–	–	1,884	–	14,041
Receipts from borrowings	–	–	–	–	–
Repayment of borrowings	(983)	(882)	(4,841)	(2,557)	(5,464)
Interest paid	(144)	(113)	(2,780)	(2,809)	(5,505)
Net movement in currency fluctuations	9	415	(668)	158	31
Net cash from financing activities	**(1,118)**	**(580)**	**(6,405)**	**(5,208)**	**3,103**
Net (decrease)/increase in cash and cash equivalents	**239**	**5,197**	**(752)**	**(1,423)**	**1,444**
Cash and cash equivalents at beginning of the period	**13,753**	**6,680**	**14,744**	**13,300**	**13,300**
Cash and cash equivalents discontinued operations	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents at end of the period	**13,992**	**11,877**	**13,992**	**11,877**	**14,744**

NOTE 1: INTERIM STATEMENT OF INCOME FOR DISCONTINUED OPERATIONS	Quarter ended 30 September		Nine months ended 30 September		Year ended 31 December
All figures in USD 000's	2013	2012	2013	2012	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues	–	748	823	15,217	15,800
Cost of sales	–	(827)	(983)	(7,718)	(8,037)
Selling, general and administrative expenses	–	(90)	(76)	(1,505)	(1,556)
Other income (expenses), net	–	7	122	2,274	2,367
Earnings before interest, tax, depreciation and amortization (EBITDA)	**-**	**(162)**	**(114)**	**8,268**	**8,574**
Depreciation and amortization	–	–	–	–	–
Impairment	–	–	–	–	–
Earnings before interest and taxes (EBIT)	**-**	**(162)**	**(114)**	**8,268**	**8,574**
Interest expense	–	–	–	(191)	(191)
Other financial items, net	–	–	–	–	–
Profit/(loss) before income tax	**-**	**(162)**	**(114)**	**8,077**	**8,383**
Income tax	–	(52)	(706)	(769)	(765)
Profit/(loss) discontinuing operations	**-**	**(214)**	**(820)**	**7,308**	**7,618**
Gain/(loss) on sale of OBN business	–	–	–	–	(950)
Net profit/(loss) from discontinued operations	–	(214)	(820)	7,308	6,668
Profit/(loss) attributable to					
Shareholders of the parent	–	(214)	(820)	7,308	6,668

Selected notes and disclosures

SeaBird Exploration Plc is a limited liability company. The company's address is World Trade Centre, Ariadne House, 1st floor, 333, 28th October Street, 3106, Limassol, Cyprus. The company also has offices in Dubai (United Arab Emirates), Oslo (Norway), Houston (USA), Singapore and St Petersburg (Russia). The company is listed on the Oslo Stock Exchange under the ticker symbol "SBX".

Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) and the act and regulations for the Oslo Stock Exchange. The condensed interim consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012. The consolidated financial statements for the year ended 31 December 2012 and quarterly reports are available at www.sbexp.com. The financial statements as of Q3 2013, as approved by the board of directors 30 October 2013, are unaudited.

Significant accounting principles

The accounting policies used for preparation of the condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for 2012 unless otherwise stated.

Risk factors

The information in this report may constitute forward-looking statements. These statements are based on various assumptions made by the company, many of which are beyond its control and all of which are subject to risks and uncertainties. Risk factors include but are not limited to the demand for our seismic services, the high level of competition in the 2D/3D market, changes in governmental regulations, adverse weather conditions, and currency and commodity price fluctuations. For further description of relevant risk factors, we refer to the annual report 2012. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated in or implied by such forward-looking statements.

Segment information

All seismic vessels and operations are conducted and monitored within the company as one business segment.

Property, plant and equipment

As of 1 January 2012, the company changed its accounting policy on the measurement of property, plant and equipment from the revaluation model to the historical cost model. Under IAS 8, this change has been retrospectively applied to prior comparative accounting periods. Management believes that this method provides more reliable and relevant information that is more easily verified and free from management judgment and impacts due to the cyclical nature of the seismic industry.

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the item. Costs are included in the asset's carrying amount or recognized as a separate asset, if appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Costs of all repairs and maintenance are expensed as incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Seismic vessels	10 to 15 years
Seismic equipment	8 to 15 years
Office equipment	4 years

Depreciation for Q3 2013 was $5.8 million.

Multi-client library

Costs directly incurred in acquiring, processing and otherwise completing seismic surveys are capitalized to the multi-client library in the period when they occur.

The company introduced a new amortization category in Q2 2013 to conform to seismic industry accounting practices. "Category 1" libraries (the new category) are subject to minimum amortization of 20% in the first year, 20% in the second year, 20% in the third year, 20% in the fourth year and 20% in the fifth year.
Each project is placed into one of ten sales amortization categories with amortization rates of 90%, 85%, 80%, 75%, 70%, 65%, 60%, 55%, 50% or 45%. "Category 2" multi-client libraries are amortized over the shorter of 3 years or the life of the survey.

Q3 2013 figures	USD million
Beginning balance Q3 2013	6.0
Capitalized cost	1.0
Capitalized depreciation	0.3
Amortization	(0.7)
Book value	**6.6**

Multi-client sales in Q3 2013 were $1.8 million ($7.1 million).

During Q3 2012, the company sold its interest in one of its multi-client surveys. The charge was originally recognized against multi-client sales amortization, however as a result of a subsequent review during the 2012 annual closing this was reclassified to cost of multi-client sales. This reclassification resulted in an EBITDA reduction of $5.1 million for Q3 2012 and it had no impact on EBIT for Q3 2012.

Discontinued operations

On 8 December 2011, the company closed the share and purchase agreement with Fugro Norway AS related to Fugro's acquisition of

Selected notes and disclosures

SeaBird Technologies AS and Seabed Navigation Co Ltd, which collectively held all of the company's rights and assets related to the OBN business. As of Q4 2011, the OBN business is accounted for as discontinued operations. See note 1 to the consolidated income statement for the income statement for discontinued operations. Goodwill and patent technology related to the OBN business were realized as part of the transaction.

Share capital and share options

The total number of shares at 30 September 2013 is 43,925,972.

The 1% unsecured convertible loan with Perestroika (face value $14.9 million) is convertible into common shares at a conversion price of $5.99 per share.

As at 30 September 2013, there are a total of 5,015,822 share options granted to 13 employees.

The employee options may be exercised with 1/3 of the options from 13 August 2013, 1/3 from 13 August 2014 and 1/3 from 13 August 2015. All options must be exercised by 1 November 2015, or, if resolved by the board of directors, at the latest on the date of the first quarterly report of the company after such date.

Taxes

SeaBird Exploration Plc is subject to taxation in Norway and Cyprus, as are the majority of its subsidiaries. The company is also subject to taxation in various other jurisdictions because of its global operations. The company is continuing to evaluate its historical tax exposures which might change the reported tax expense.

Related party transactions

All related party transactions have been entered into on an arm's length basis.

The company is leasing the Munin Explorer from Ordinat Shipping AS which is indirectly owned by John Olav Økland (22.8%) and the rest by the Økland family. Ordinat Shipping AS is a major shareholder and Mr. Økland is a member of the board of directors of SeaBird Exploration Plc. Ordinat Shipping AS was not a shareholder and Mr. Økland was not a board member at the commencement of the charter agreement.

The company also charters the 3D vessel Geo Pacific from Fugro, through a subsidiary of Ordinat Shipping AS initially on a three-year bareboat charter with four one-year options to extend the contract between the company and the subsidiary of Ordinat Shipping AS. Furthermore, SeaBird has purchase options on the vessel in year three and, to the extent the lease is extended, year four.

The amount of charter hire recognized in cost of sales to related parties during Q3 2013 was $3.7 million ($1.8 million).

Going concern

The company's management is of the opinion that it has sufficient working capital for the coming twelve months. Further, the company's management considers that the company will be able to meet its financial obligations for the foreseeable future.

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