

# SeaBird Exploration

First Quarter Presentation

6 May 2015

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CFO	Nils Haugestad



# Forward-looking statements

All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy and other plans and objectives for future results, constitute forward-looking statements and are prediction of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees and representatives assumes any obligation to update these statements. This presentation includes historical financial data. Your attention is directed to the notes to such data for a description of the accounting principles used to prepare historical data. This presentation must be viewed only in connection with the company's separately distributed Q1 2015 earnings release.

# Highlights

## Financial results

- Revenues of \$24.2 million (\$28.1 million Q4 2014)
- Adjusted EBITDA of \$3.5 million (negative \$7.7 million Q4 2014)
- Non-recurring restructuring gain net of advisory fees of \$66.0 million

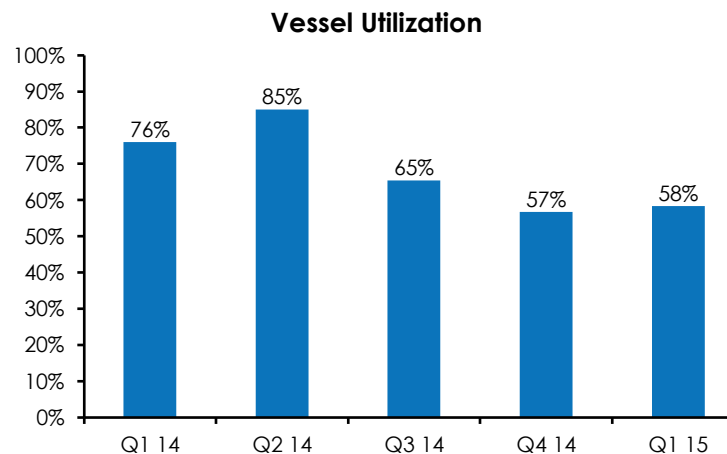
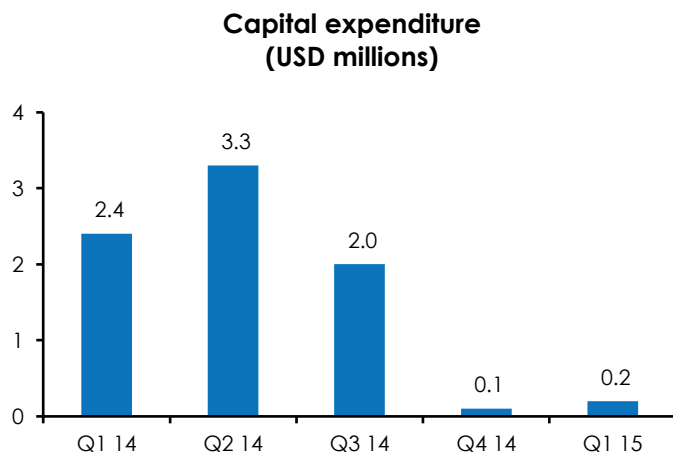
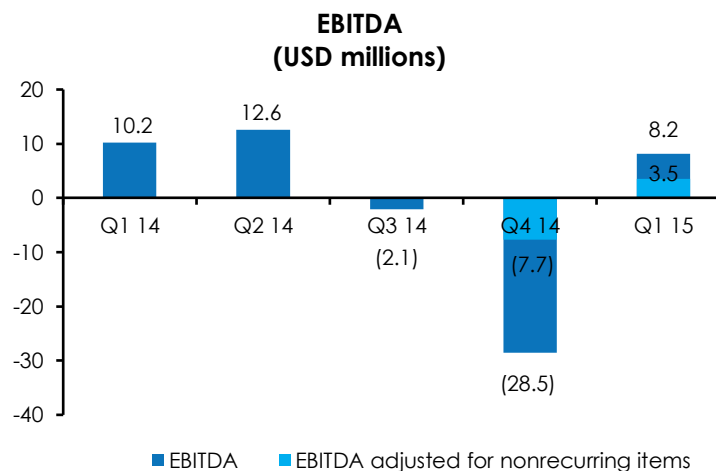
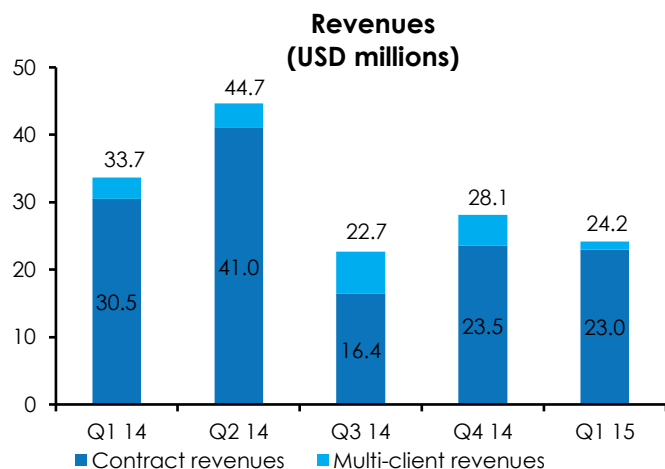
## Quarterly observations

- Financial restructuring completed during the quarter
- Ongoing softness in the market continued to affect utilization
  - 58% fleet utilization in the first quarter, all related to contract work
  - Geo Pacific cold stacked in March, Voyager Explorer cold stacked since November
- Reduction in cost of sales and SG&A
  - Reduced onshore headcount and closing of the Dubai office
  - Fewer vessels in operation, reduced charter hire, lower bunker fuel prices
  - Cost of sales improvements continue to be a focus

# Financial summary

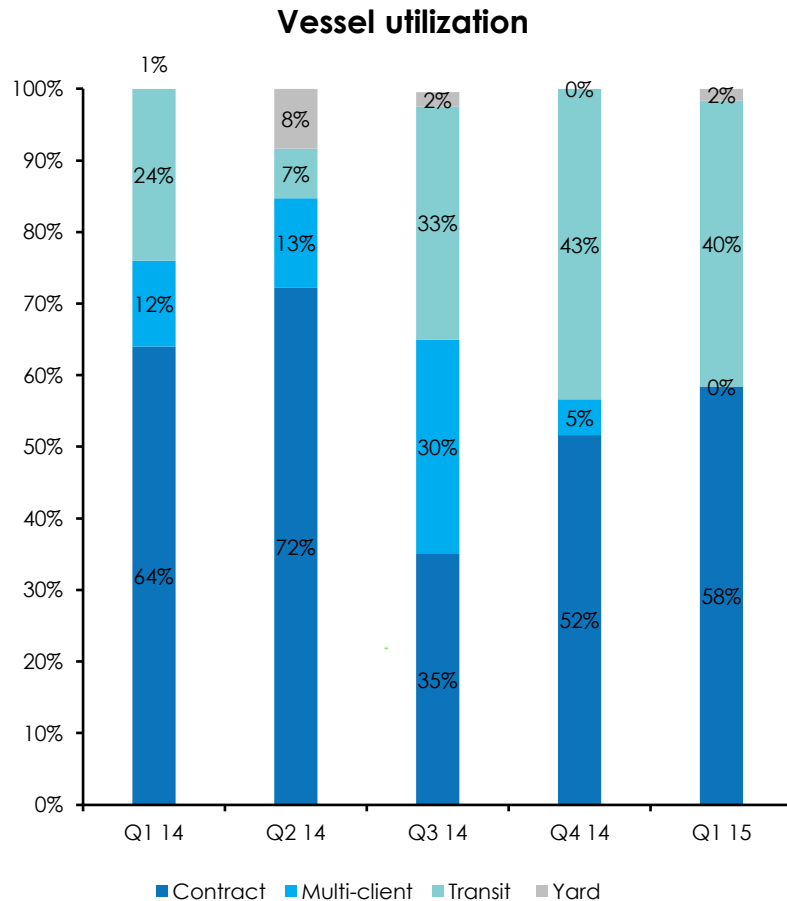


# Historical operating comparison



Note: Laid up vessels are not included in the utilization calculation:  
 Voyager - from 1 January 2015  
 Geo Pacific - from 1 March 2015

# Vessel utilization



- Q1 contract utilization of 58%, up from 52% in Q4 2014
- No multi-client projects during the quarter
- Transit time 40% of fleet capacity
- Yard stays account for 2% of during the quarter
  - Harrier in dry dock at the end of the quarter

# Income statement

CONSOLIDATED INTERIM STATEMENT OF INCOME				
Quarter ended 31. March				
All figures in USD millions (except for EPS)	Adjusted 2015	Non-recurring items 2015	Reported 2015	2014
Contract	23.0	-	23.0	30.5
Multi-client	1.2	-	1.2	3.2
<b>Total revenues</b>	<b>24.2</b>	<b>-</b>	<b>24.2</b>	<b>33.7</b>
Cost of sales	(17.0)	-	(17.0)	(19.7)
SG&A	(3.8)	-	(3.8)	(4.9)
Other income (expenses), net	0.1	-	0.1	1.1
Restructuring gain on leases	-	4.7	4.7	-
<b>EBITDA</b>	<b>3.5</b>	<b>4.7</b>	<b>8.1</b>	<b>10.2</b>
Depreciation	(3.8)	-	(3.8)	(5.2)
Amortization	(0.7)	-	(0.7)	(2.6)
Impairment	-	-	-	-
<b>EBIT</b>	<b>(1.0)</b>	<b>4.7</b>	<b>3.7</b>	<b>2.4</b>
Finance expense	(1.2)	-	(1.2)	(2.7)
Restructuring gain	-	61.3	61.3	-
Income tax	(0.5)	-	(0.5)	(0.3)
<b>Profit/(loss)</b>	<b>(2.7)</b>	<b>66.0</b>	<b>63.4</b>	<b>(0.6)</b>
Earnings per share from continued operations				
Basic	(0.00)		0.06	(0.01)
Diluted	(0.00)		0.06	(0.01)

# Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Quarter ended 31 March	
All figures in USD millions	2015	2014
Profit/(loss) before income tax	63.8	(0.4)
Restructuring gain	(66.0)	-
Other non-cash items	7.1	10.5
Paid income tax	(1.1)	(0.4)
Working capital changes	(10.0)	5.2
<b>Net cash from operating activities</b>	<b>(6.2)</b>	<b>14.9</b>
Capital expenditures	(0.2)	(2.4)
Multi-client investments	-	(7.4)
Long-term investments	-	-
<b>Net cash from investing activities</b>	<b>(0.2)</b>	<b>(9.8)</b>
Proceeds from share issuance	10.9	-
Borrowings	4.4	(1.3)
Other financial items	-	0.0
<b>Net cash from financing activities</b>	<b>15.4</b>	<b>(1.2)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>9.0</b>	<b>3.9</b>



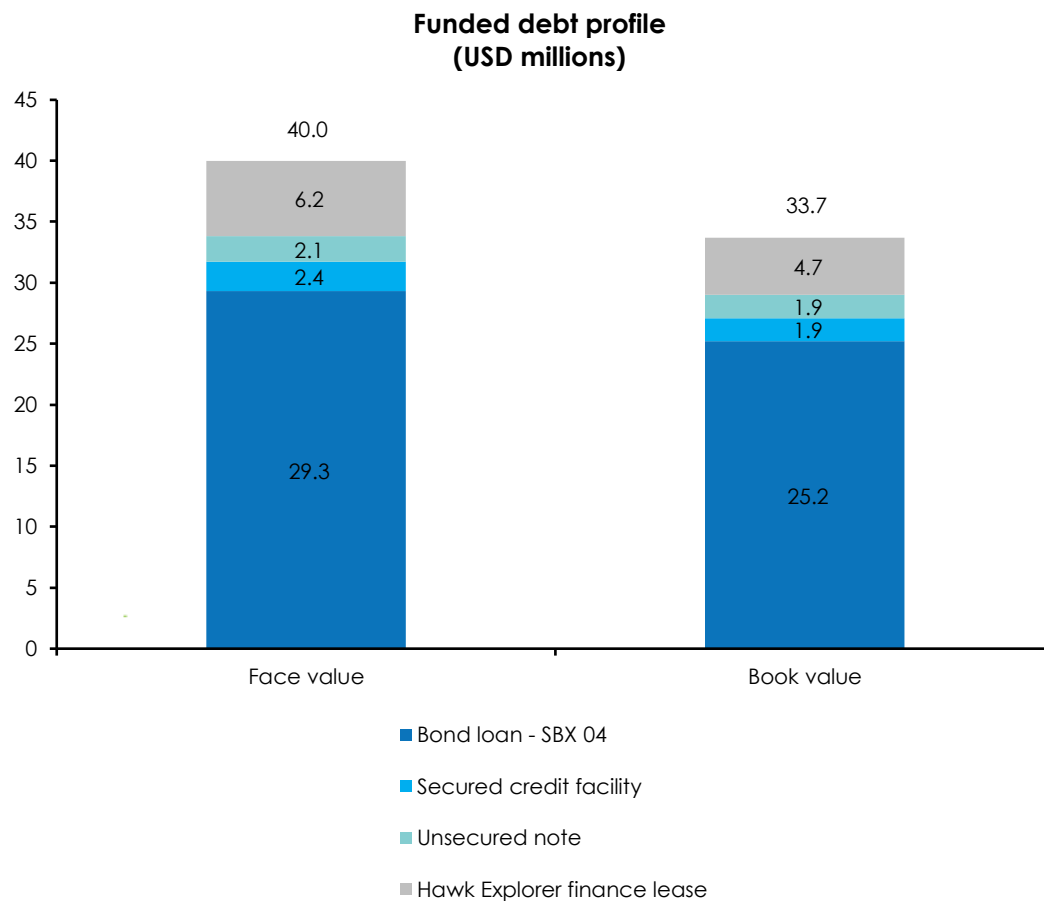
# Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 31 March	
All figures in USD millions (except for equity ratio)	2015	2014
Property, plant and equipment	75.3	119.6
Multi-client library	14.0	12.3
Other non-current assets	0.1	1.3
Inventories	2.6	4.6
Trade receivables	16.5	27.6
Other current assets	8.1	19.5
Cash and cash equivalents	15.9	16.0
<b>Total Assets</b>	<b>132.4</b>	<b>201.0</b>
Equity	54.9	57.5
Non-current loans and borrowings	28.7	72.9
Other long-term liabilities	0.0	1.1
Trade and other payables	36.0	42.8
Provisions	8.1	-
Current loans and borrowings	4.7	26.6
<b>Total equity and liabilities</b>	<b>132.4</b>	<b>201.0</b>
Net interest bearing debt	17.5	83.5
Equity ratio %	41.4%	28.6%

# Restructuring update

- Reduced debt and extended maturities
  - Total nominal debt reduced from \$96.8 million to \$40.0 million
  - Approximately \$17 million in vendor obligations converted into equity, debt or written down
  - No significant debt amortization until Q2 2017
- Gross additional funds of \$16.6 million
  - Share offering of \$11.6 million
  - Debt issuance of \$5.0 million
- Preference shares converted to ordinary shares 30 April 2015

# Debt profile



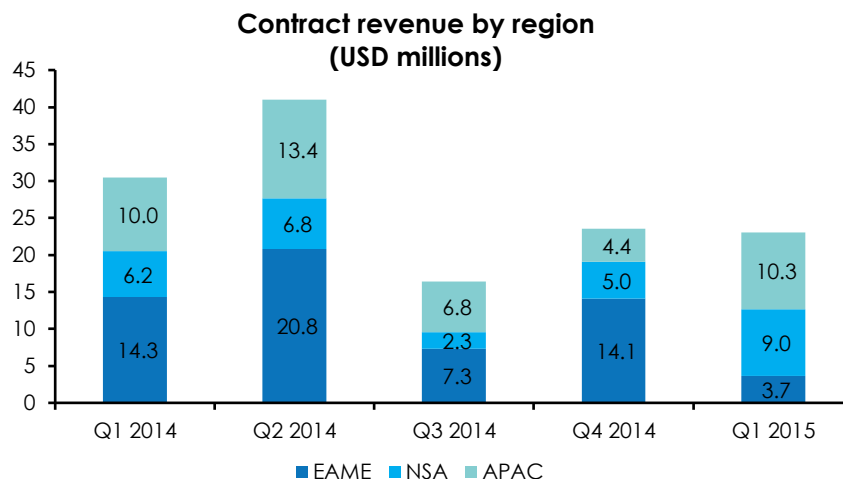
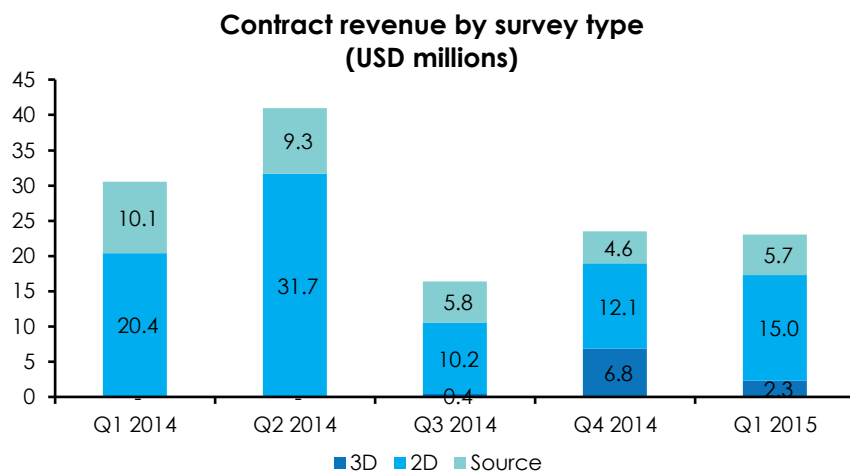
# Funded debt review

Debt instruments				
	SBX04			
Main terms	Tranche A	Tranche B	Credit facility	Unsecured note
Amount in millions	5.0	24.3	2.4	2.1
Maturity	Mar-18	Mar-18	Mar-18	Dec-17
Coupon	12.00%	6.00%	6.00%	6.00%
Amortization	Two years holiday period; thereafter quarterly installments of \$2m		Two years holiday period; thereafter quarterly installments proportionally to SBX04	Nine equal quarterly instalments commencing 31 Dec 2015
Interest payment	Quarterly commencing June 2015		Quarterly commencing June 2015	Quarterly commencing April 2015
Call option	Callable at par, in whole or in part, at any time		Callable at par, in whole or in part, at any time	Callable at par, in whole or in part, at any time
Financial covenants	Leverage ratio of less than 2.5 commencing 31 Dec 2015, tested on each quarter date		No covenants	No covenants
	Minimum cash of \$5m commencing 31 Dec 2015, tested on each quarter date			

# **Business review and outlook**



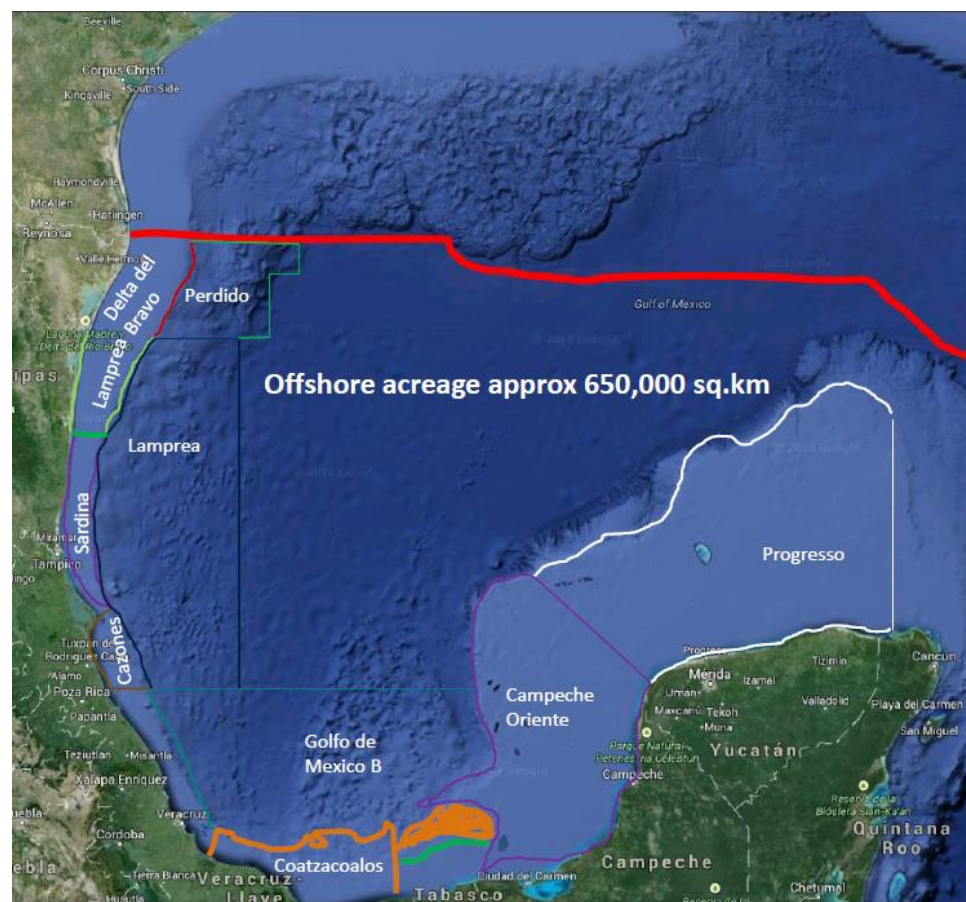
# Segment operating activity



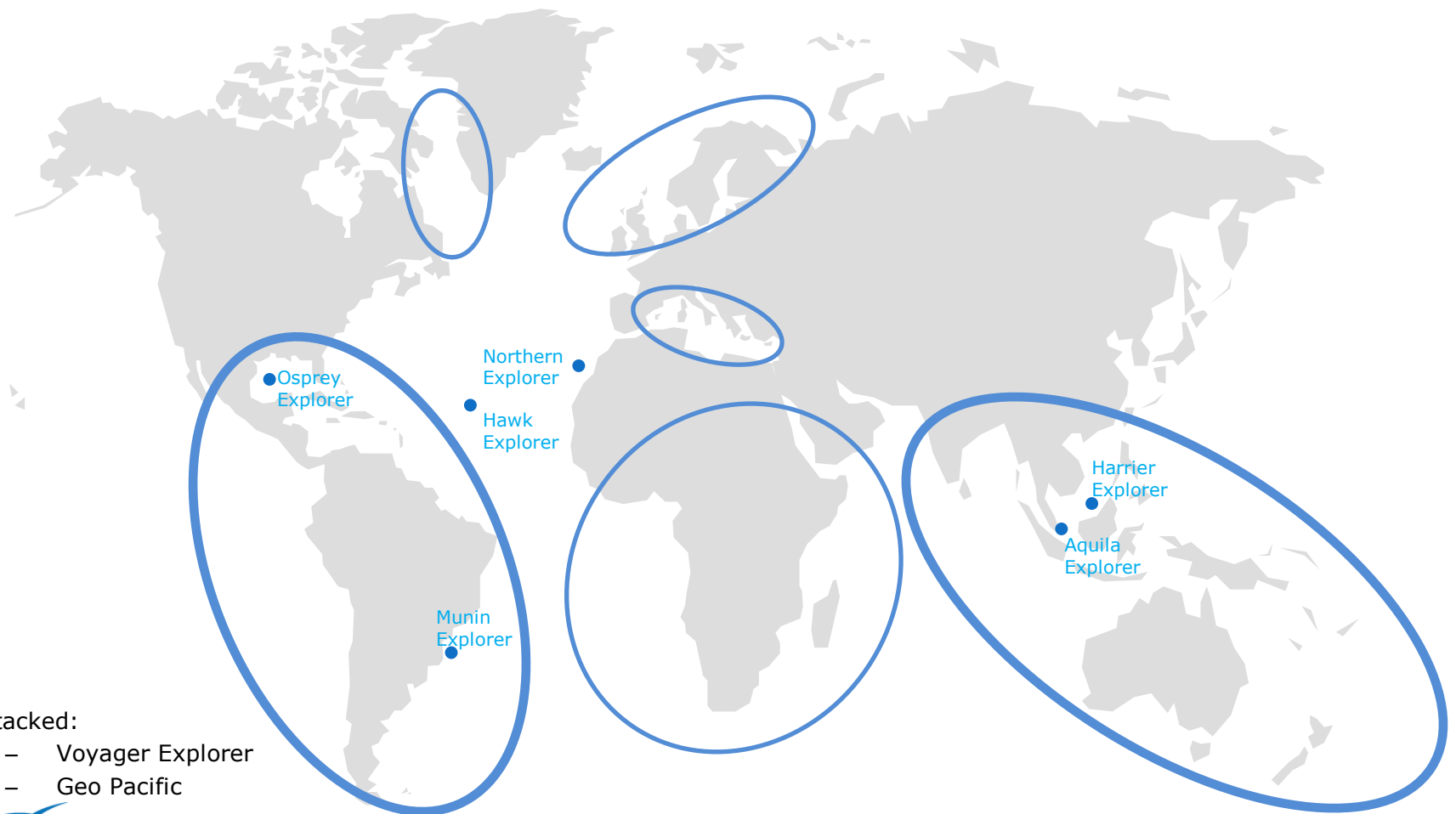
- Contract revenues continue to be negatively affected by the softness in the market
  - Four vessels utilized on 2D and source projects
    - Munin on long term source contract working in South America throughout Q1
    - Aquila continued its 2D survey in the Australasia region
    - Osprey worked on several 2D contract surveys in Gulf of Mexico
  - Geo Pacific finished its 3D survey in West Africa

# Update on Mexico

- Mexico approval process progressing, but still awaiting select permits
  - CNH permit received
- Expected start-up in 1H 2015
  - Further delay represents meaningful risk
- Up to four vessels active for a period of up to three years



# Fleet update



Cold stacked:

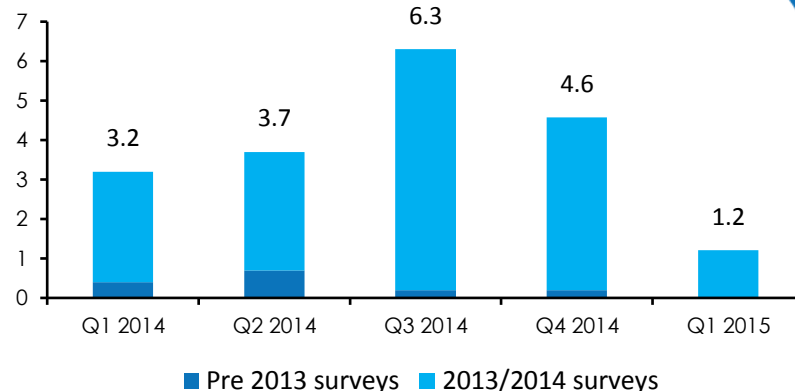
- Voyager Explorer
- Geo Pacific



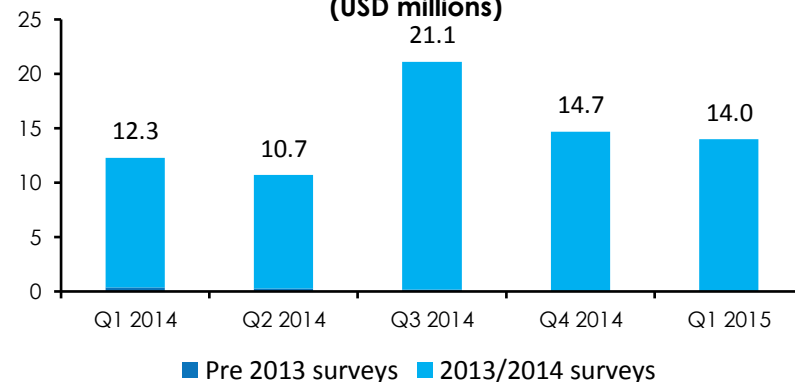
# Multi-client update

- Multi-client revenues in Q1 of \$1.2 million
  - Revenues predominantly relate to sales of 2014 surveys
  - Late sales negatively impacted by reduced oil company spending
- No multi-client investment during the quarter
- Challenging prefunding environment increases difficulty of acting on attractive multi-client opportunities

Multi-client revenues by quarter  
(USD millions)



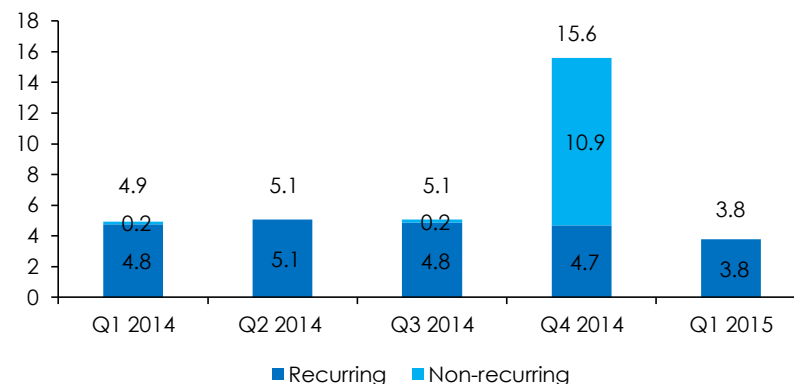
Multi-client book value by quarter  
(USD millions)



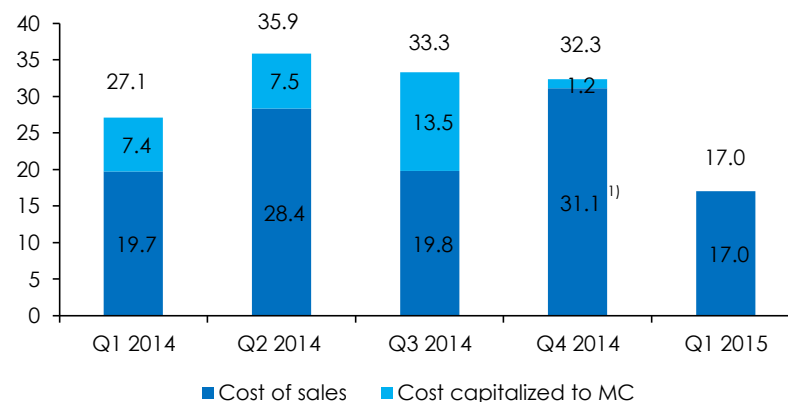
# Cost reduction measures

- SG&A
  - Decrease of approximately \$1 million
  - Number of onshore staff reduced
  - Closing of Dubai office
- Cost of sales
  - Geo Pacific cold stacked in March
  - Lower crew headcount
  - Reduced vessel charter rates as a part of the restructuring; \$9 million estimated savings per year
  - Lower bunker prices
- Increased focus on cost elasticity

**SG&A  
(USD millions)**



**Cost of sales including cost capitalized to MC  
(USD millions)**



1) Cost of sales excluding non-recurring provisions of \$9 million

# Market outlook

- Market uncertainty is continuing to impact spending by oil companies
  - Reduced tender activity
  - Increased risk of start-up delays or project cancellations
- Significant activity in 2D and source vessel markets. However, still spill over from 3D vessels despite the large number of vessels being stacked and retired
- Pricing has remained relatively stable in the quarter
- Multi-client sales and prefunding weakness expected to persist
- Current market softness likely to continue throughout 2015