

# SeaBird Exploration

Pareto Oil & Offshore Conference  
14 September 2016



# Forward-looking statements

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# SeaBird Exploration

## 2D Acquisition

Positioned to service  
all markets

Largest fleet



## Source

Natural fit with fleet composition

Attractive market trends



## 3D Acquisition

4-6 streamer market

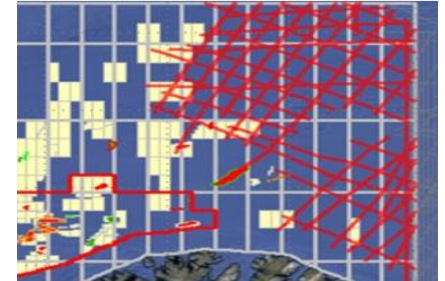
Smaller areas;  
challenging environments;  
shallow water



## Multi-client

Capitalize on attractive  
opportunities

Optimize fleet utilization



- Leading HSSEQ systems; pre-qualified to work for oil majors
- Offices in Cyprus, Oslo, Houston and Singapore
- Approximately 350 employees

**Global market leader of marine 2D, source and niche 3D seismic**

# Fleet overview

## 2D Fleet

### Aquila Explorer



Converted in 2007  
Owned

### Harrier Explorer



Converted in 2007  
Owned

### Northern Explorer



Upgraded in 2005  
Owned

### Hawk Explorer



Converted in 2006  
Owned

### Munin Explorer



Converted in 2007  
Chartered

### Osprey Explorer



Converted in 2006  
Owned

## 3D Fleet

### Voyager Explorer



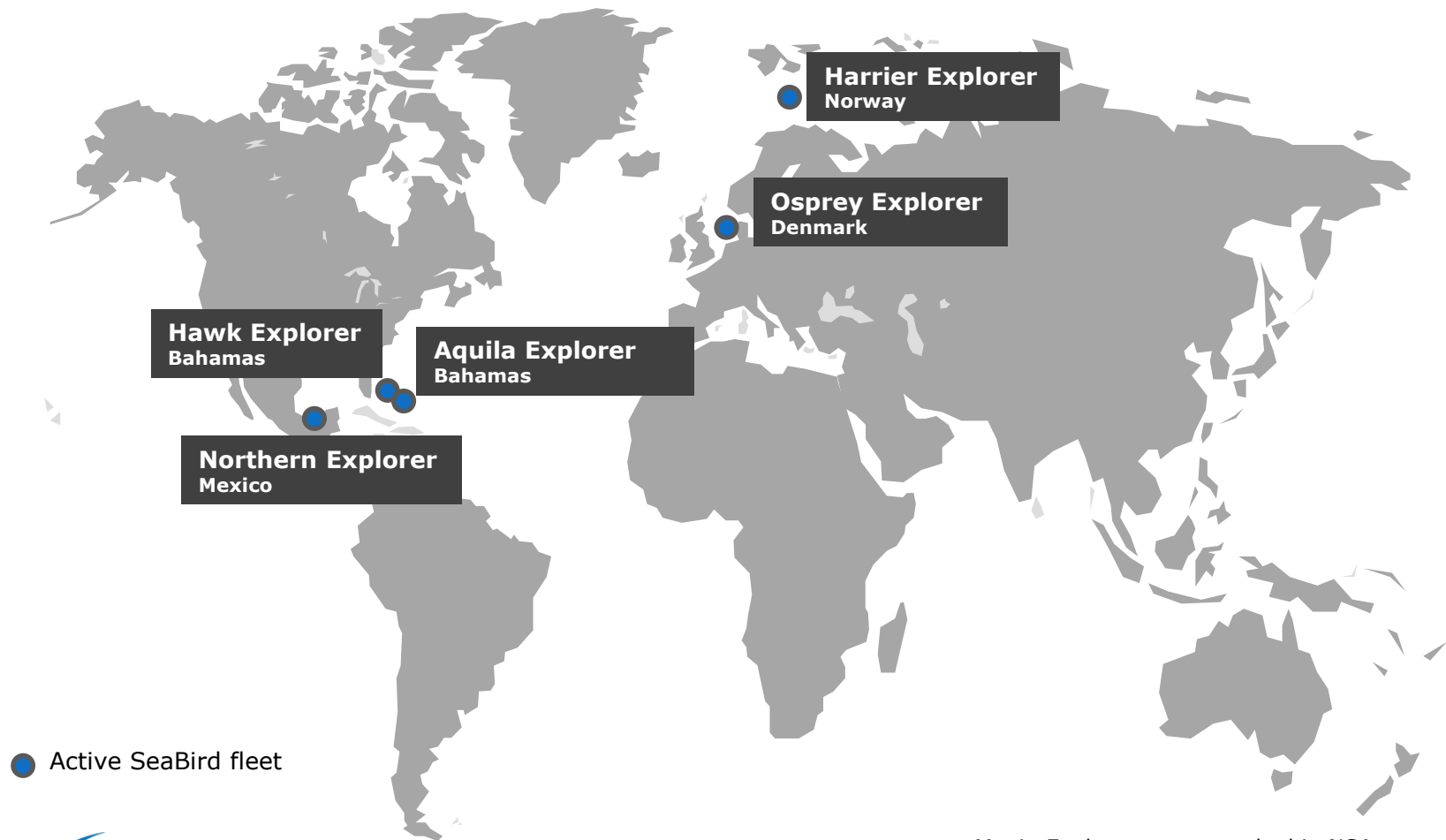
Joint marketing  
agreement with ship  
owner

4 x 6000m streamers

- Currently operating 5 vessels
- 1 vessel stacked and 1 vessel under joint marketing agreement

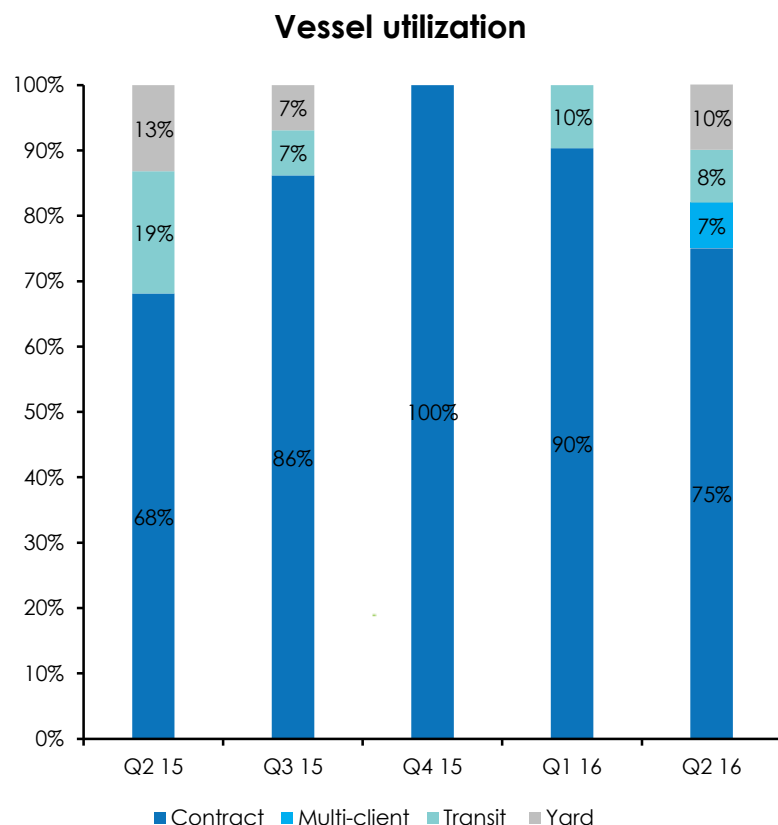
# SeaBird seismic fleet

*September 2016*



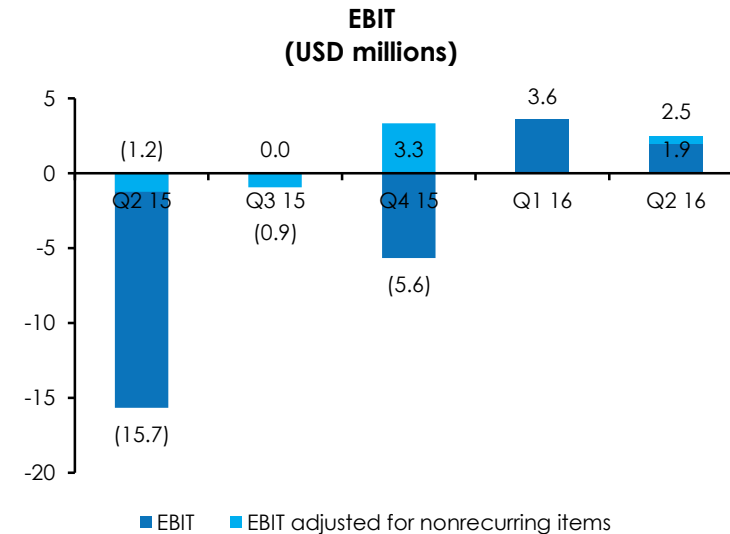
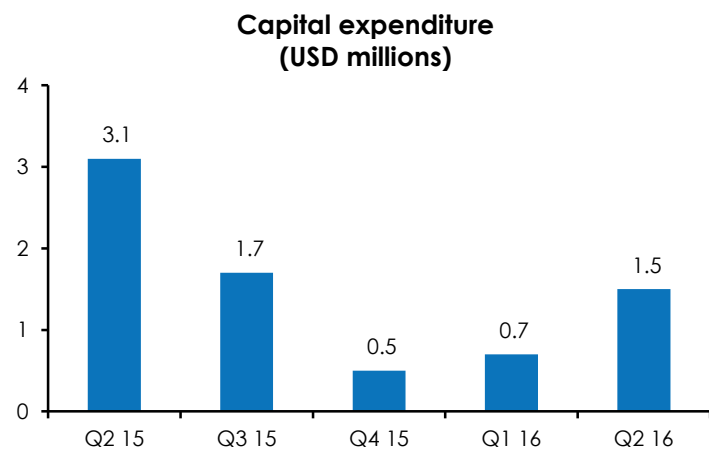
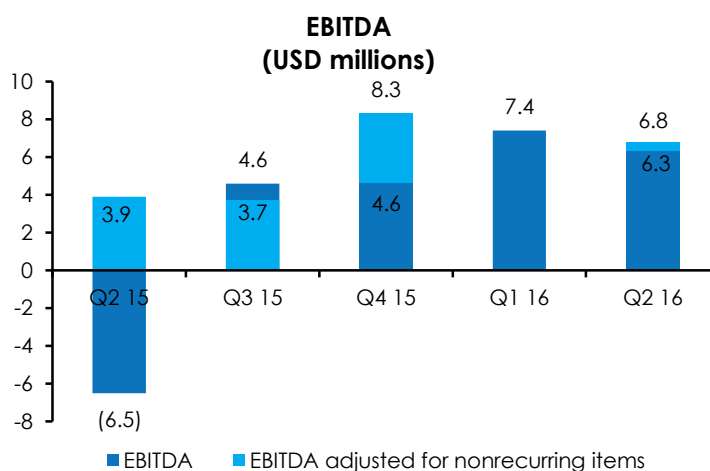
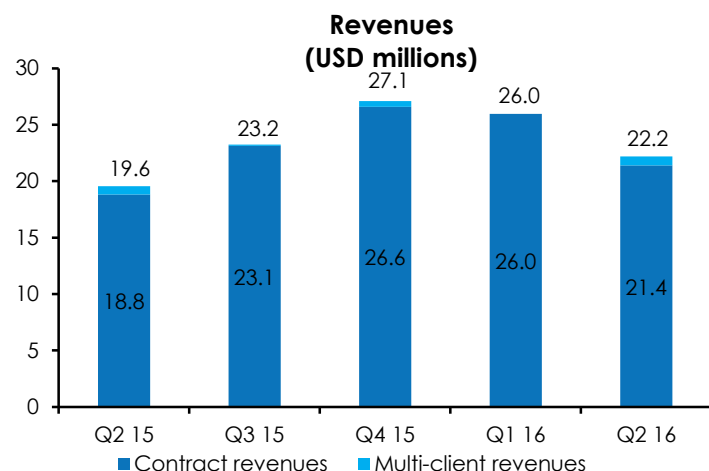
- Munin Explorer warm-stacked in NSA
- Voyager Explorer located in APAC

# Vessel utilization



- Repositioning fleet out of Mexico
  - During Q3, two vessels operating North West Europe; three vessels North America
- Northern Explorer working on Gigante in Mexico into Q4
- Harrier commencing multi-client survey in Barents Sea following 2D contract in same area
- Osprey on undershoot in Denmark following source contract in UK sector
- Aquila recently finished in Mexico, awaiting repositioning

# Historical operating comparison



# Key balance sheet items

Balance sheet - Key numbers			
All figures in USD million (except for equity ratio)	June 30 2016	June 30 2015	December 31 2015
Total assets	96.6	119.6	106.8
Multi-client library	2.7	10.4	3.3
Equity	31.9	46.8	30.0
Cash and cash equivalents	8.1	7.4	6.3
Gross interest bearing debt	33.1	33.7	33.7
Net interest bearing debt	25.0	26.4	27.5
Equity ratio %	33.0%	39.1%	28.1%

Aggregate maturities of loans and borrowings	
	USD millions
Year of repayment	
2016	0.5
2017	7.7
2018	25.2
<b>Total debt principal 30 June 2016</b>	<b>33.3</b>

Note: repayment schedule adjusted for the acquisition of Hawk Explorer in August 2016.

## Covenants

- Leverage ratio < 2.5
- Unrestricted cash > \$5.0 million
- In compliance with both covenants as of 30 June 2016

## Debt repayments

- Debt repayments principally in 2018

## Cautious multi-client policy

- Cautiously valued library in light of market uncertainty



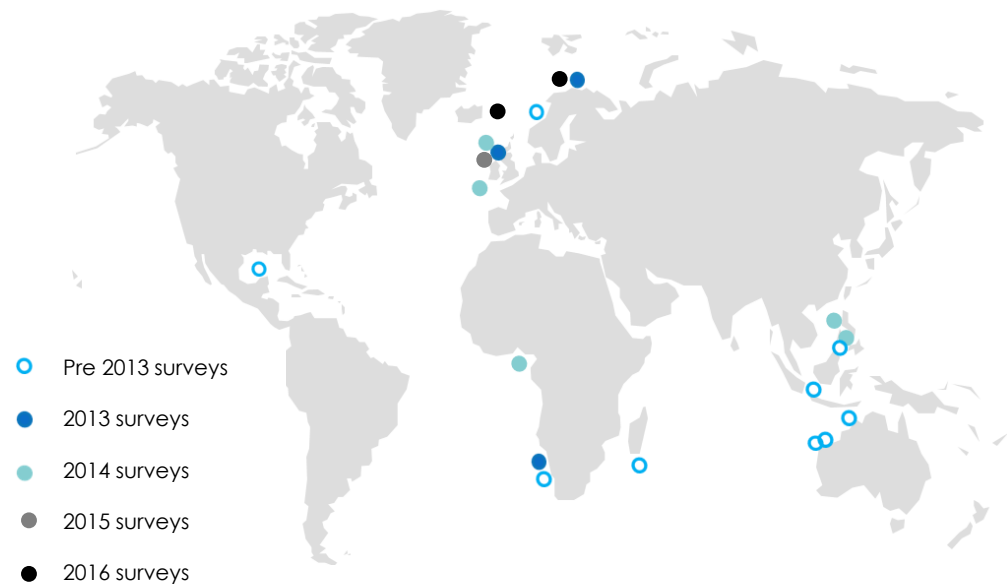
# Strategy

- Continued focus on core operating segments:
  - 2D Acquisition
  - Source Vessel services (seabed, undershoot, wide azimuth,...)
  - Niche 3D Acquisition (4-6 streamers)
- Targeted multi-client
  - Capitalize on attractive investment opportunities
  - Apply creative technologies
  - Stabilize fluctuations in contract market and optimize vessel utilization, if RoI criteria met
- Develop commercial partnerships or preferred service provider status with larger seismic players in need of 2D and/or Source services
- Maintain preferred service provider for oil and gas industry
  - Only focused 2D service provider pre-approved by oil majors
  - Recognized HSSEQ system assures safety and quality

The most **reliable** and **productive** service provider in **focus areas**, based on **low cost** operations, **experienced** crews and unparalleled **technology** expertise in target segments

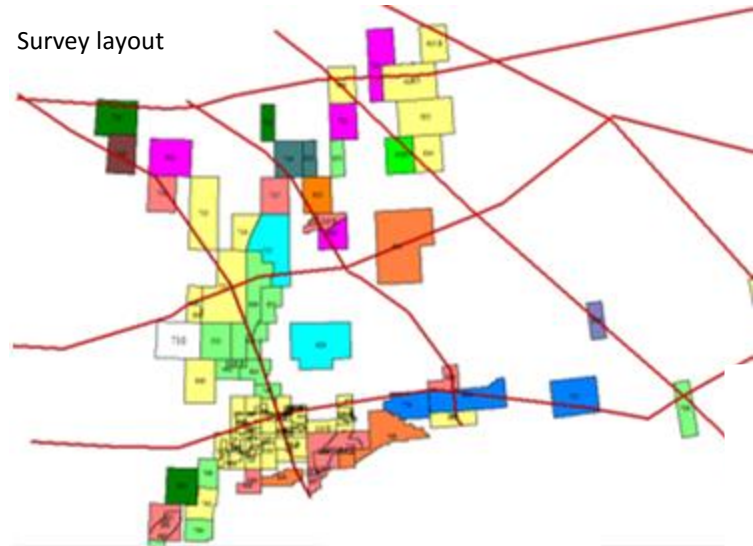
# Multi-client library – recent vintages

Survey and country	Number of km	Number of km <sup>2</sup>	Year of completion
Norway (Snøspurv)	6,286	-	2013
Namibia	5,424	-	2013
Rockall I West of Hebrides	1,484	-	2013
ST&P-3 and JDZ-5 Sao Tome	-	2,467	2014
Pinatubo Philippines	3,511	-	2014
Rockall II West of Hebrides	3,291	-	2014
Porcupine Ireland	4,500	-	2014
Mialara Philippines	4,900	-	2014
Pala Sulu (reprocessed)	7,071	-	2015
Celtic Sea	5,132	-	2015
Iceland Dreki	1,005	-	2016
Barents Sea	3,800	-	2016
<b>Sum</b>	<b>46,404</b>	<b>2,467</b>	



# Barents Sea multi-client survey

- Survey jointly developed with Lundin Norway
- Significant industry support
- Unique 2D survey covering entire southern Barents Sea
- Objective is to increase regional understanding of the Barents Sea by deep subsurface imaging
- Long-offset and deep tow configuration allows for imaging of large scale deep seated crustal structures
- Survey totals approximately 3,800 km
- Fast track data estimated available late 2016



Index map

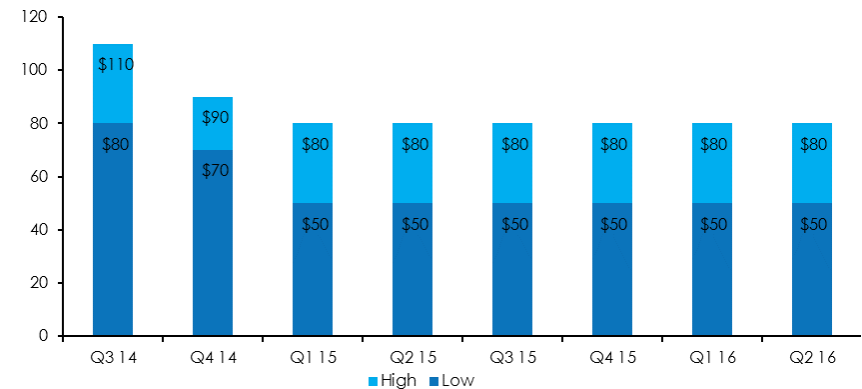


Source: NPD

# Current contract market status

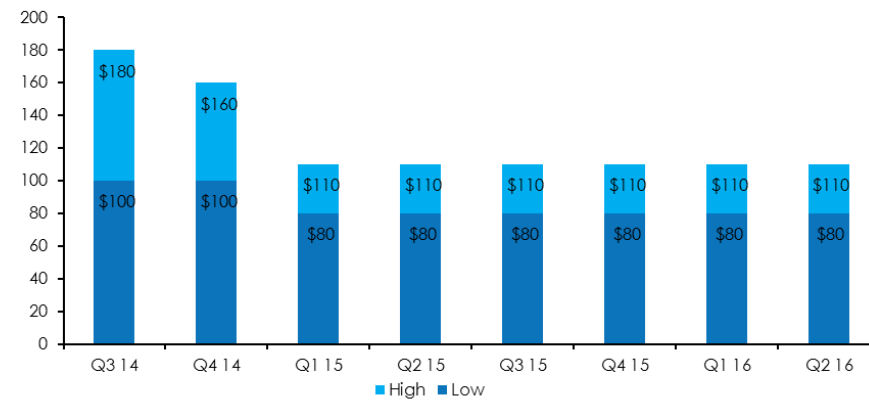
- Despite recent improvement in the oil price:
  - Global seismic demand continued to be weak in the second quarter with soft tendering activity
  - A number of contracts delayed or cancelled
  - Slow decision processes and late awards lead to short term backlog visibility
  - Prices seem to have stabilized, but no sign of recovery to date
- SeaBird has proactively adapted to such deteriorated market conditions over H1 and will continue to do so going forward

2D High end  
(USD thousand)



3D Low end  
(USD thousand)

Source: Petrodata



Source: Petrodata

# Continued optimization

## Fleet optimization

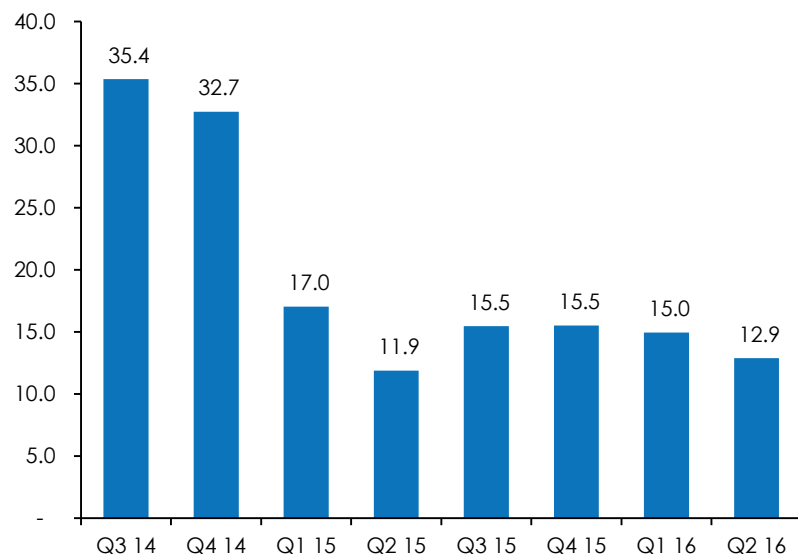
- Maintain requisite fleet size to uphold market-leading position
  - Global reach and ability to provide vessel access is key differentiator
- Warm-stacked Munin; redelivered Geo Pacific
- Acquired Hawk; evaluating alternatives
- Joint marketing agreement Voyager

## Cost structure

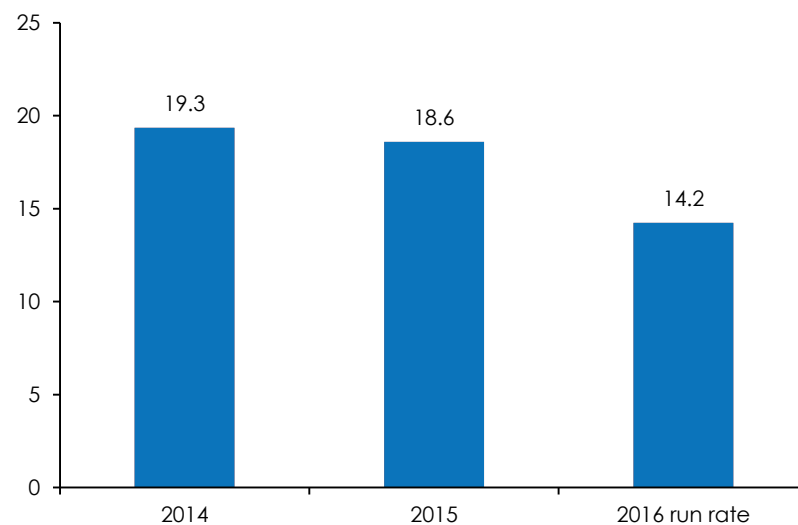
- Administrative costs reduced approximately 30%
- Improved project and vessel planning; supply chain enhancements
- Crew cost flexibility implemented
- Significantly enhanced cost elasticity

# Cost structure management

**Recurring cost of sales  
(including capitalized multi-client costs)  
(USD millions)**



**SG&A costs  
(in USD millions)**



Note: Annualized first half 2016

Number of vessels in  
operation  
Utilization

8	8/7	7/6	6	6/5	5	5	5
65%	57%	58%	68%	86%	100%	90%	82%

Cost savings significantly ahead of target

Note: Nonrecurring costs are excluded

# Outlook

- Despite recent stabilization of the oil price in the \$45-50 range, oil exploration spending expected to remain depressed and is likely to continue to negatively impact seismic activity at large in the foreseeable future
- Global seismic demand continued to be weak in the second quarter and weak tender activity is expected to prevail throughout H2-16
- Multi-client market conditions remain challenging with limited pre-funding opportunities and poor visibility for future sales.
- In this context, SeaBird is working on a number of commercial leads and will continue to work on securing additional contract backlog for the second half of 2016 and 2017, while maintaining a strict multi-client investment discipline
- As has been the case in H1-16, SeaBird's core focus in H2-16 will remain backlog replenishment, as well as tight cost base and liquidity management



# Q&A

