

# SeaBird Exploration

Fourth Quarter Presentation  
24 February 2017

CEO    Christophe Debouvry  
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 Q4 2016 earnings release.

# Agenda

- Highlights
- Business review
- Financial review
- Outlook
- Q&A

# Highlights



# Highlights

## Financial results

- Revenues of \$3.4 million (\$20.4 million Q3 2016)
- EBITDA of negative \$1.9 million (positive \$10.7 million Q3 2016)
- Adjusted EBITDA of negative \$2.9 million (positive \$6.9 million Q3 2016)
- Adjusted EBIT of negative \$6.5 million (positive \$3.1 million Q3 2016)
- Cash and cash equivalents of \$15 million (\$11.8 million in Q3 2016)

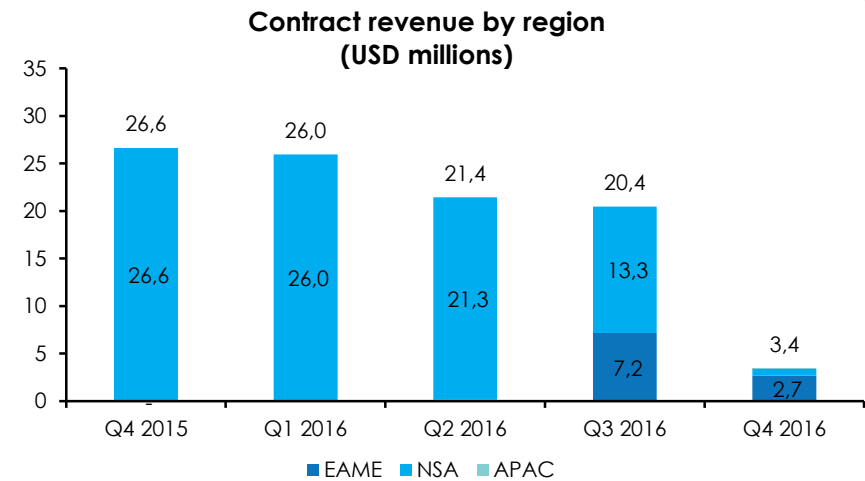
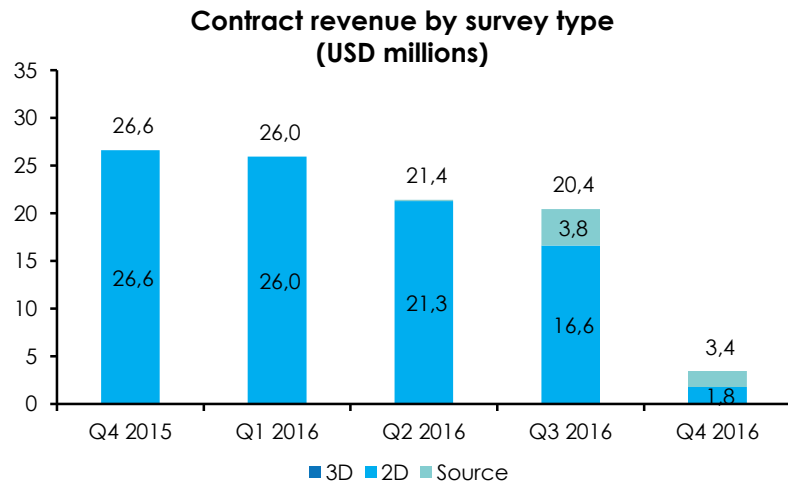
## Quarterly observations

- Continued market softness and weak winter-season, but improved tender activity over the last months
- One source contract and one 2D contract commenced in December
- Multiclient survey in the Barents Sea and one 2D project completed in the quarter
- Vessel utilization for the period of 29% (84% in Q3 2016)
- Continued focus on cost efficiency and optimization; fleet right-sized to five vessels

# Business review



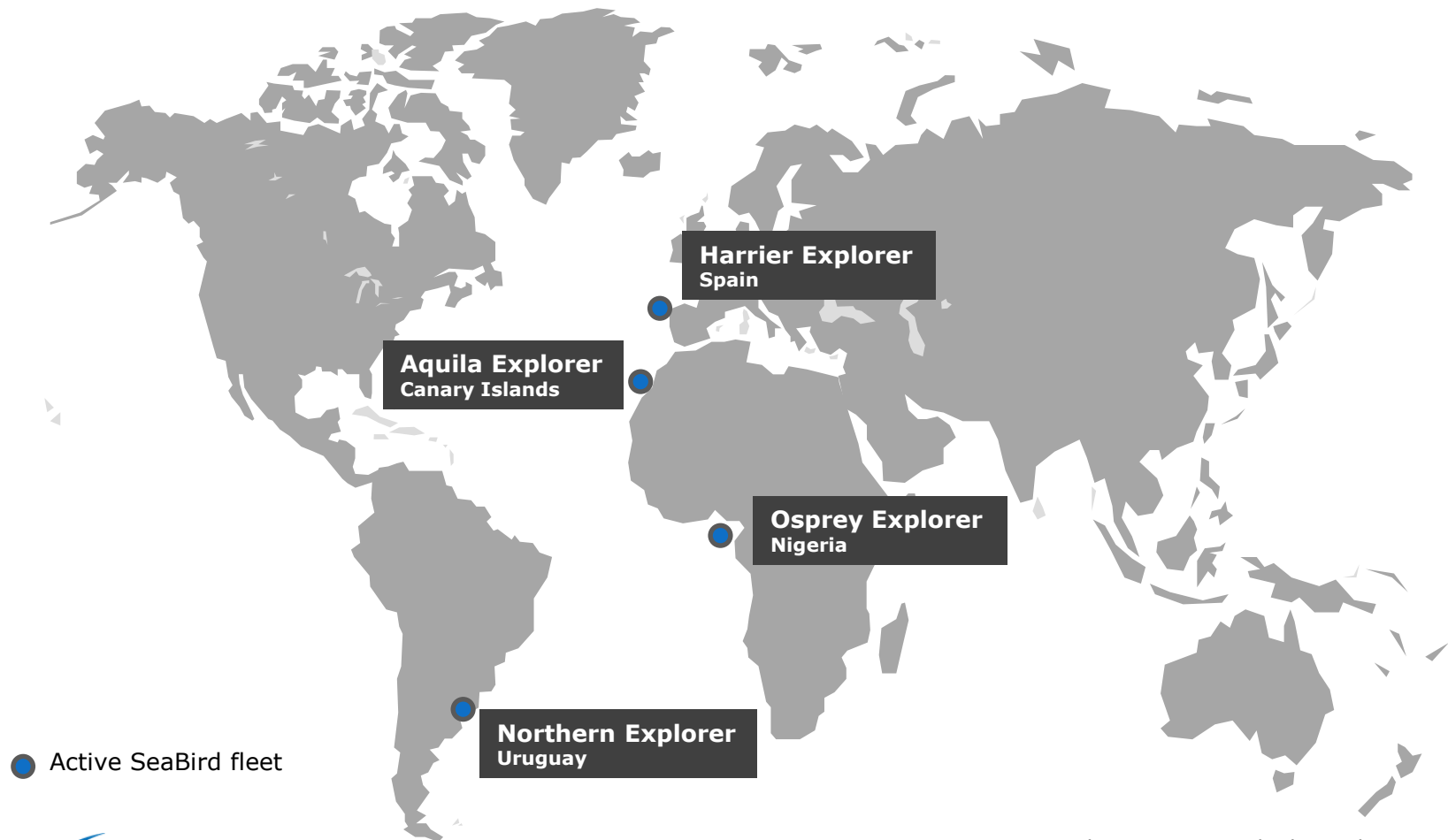
# Segment operating activity



- One 2D project in Central America and MC survey in Barents Sea completed
- One source contract in West Africa and one 2D contract in South America commenced in December
- Q4 contract revenues impacted by downturn and Northern Hemisphere winter season

# SeaBird active seismic fleet

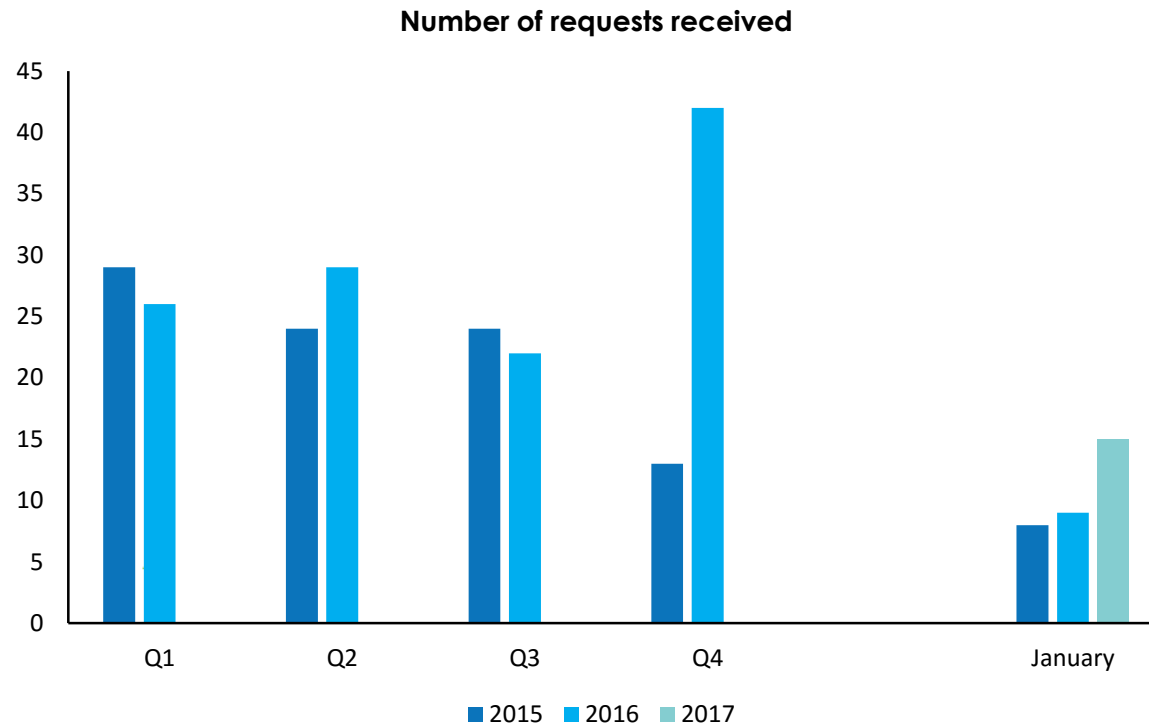
*February 2017*



- Munin Explorer warm-stacked in Bahamas
- Voyager Explorer re-delivered in September 2016, joint marketing agreement



# SeaBird tender and bid activity



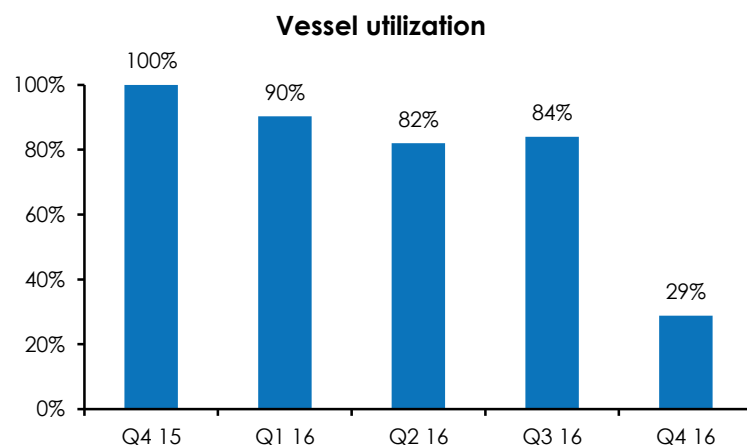
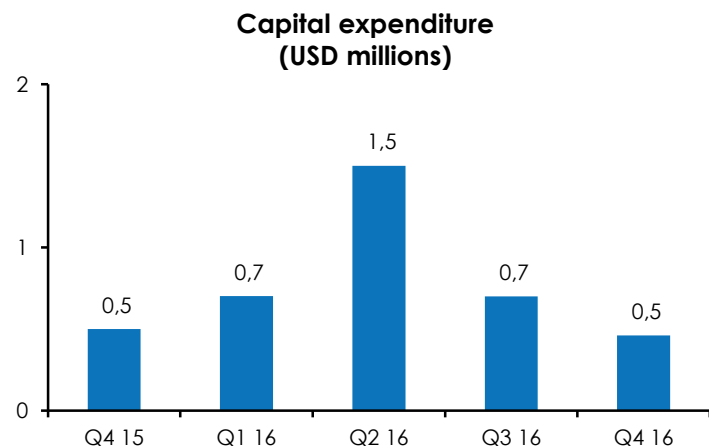
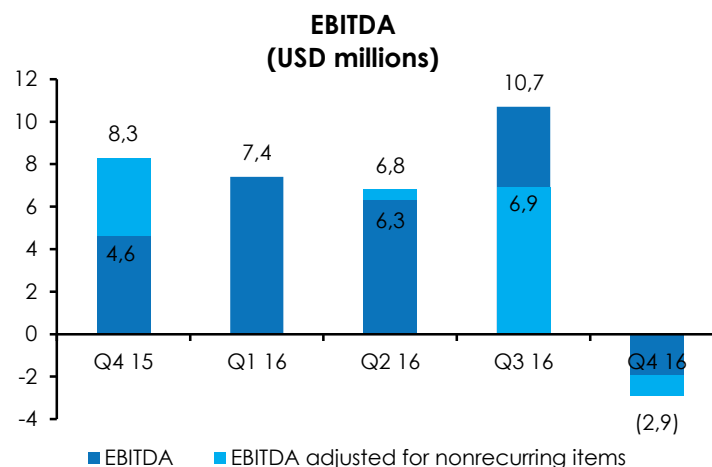
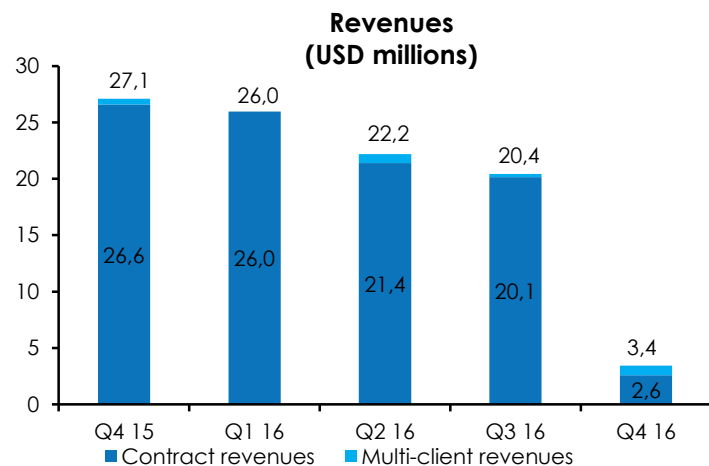
# 2017 – a transition year

- Significant reduction in costs and improved cost structure flexibility implemented in 2016; additional efforts in progress
- Fleet size adapted to structural market demand
  - Critical size for global operations preserved
  - Continuing to monitor evolution of industry demand
  - Proactive management of existing fleet on basis of seasonal market fluctuations now fully effective
- E&P spending likely reached a turning-point
- Tender volume is picking up; 2017 likely to be better than 2016 but still challenging
- Proactively working on improving the capital structure; retained financial advisers to assist in this respect

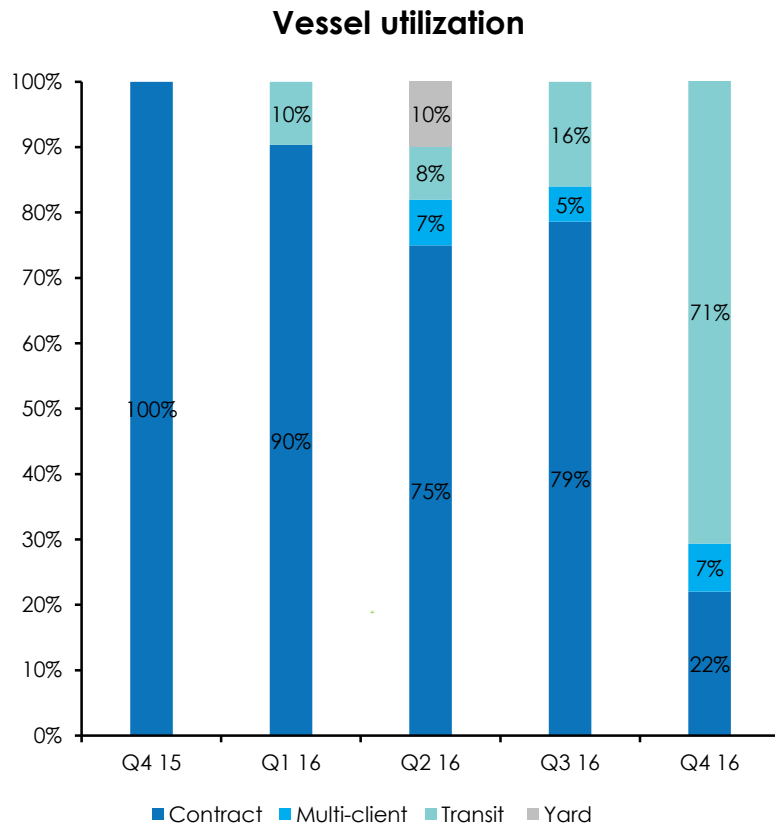
# Financial review



# Historical operating comparison



# Vessel utilization



- Q4 utilization of 29%, down from 84% in Q3 2016
  - One active vessel working in the NSA region
  - Two active vessels working in the EAME region

# Income statement Q4 2016

## CONSOLIDATED INTERIM STATEMENT OF INCOME

All figures in USD millions (except EPS)	Adjusted Q4 2016	Non-recurring items Q4 2016	Quarter ended 31 December		Year ended 31 December	
			2016	2015	2016	2015
Contract	2.6	-	2.6	26.6	70.1	91.6
Multi-client	0.9	-	0.9	0.5	2.0	2.5
<b>Total revenues</b>	<b>3.4</b>	<b>-</b>	<b>3.4</b>	<b>27.1</b>	<b>72.1</b>	<b>94.1</b>
Cost of sales	(3.7)	0.0	(3.8)	(18.2)	(41.9)	(69.8)
SG&A	(3.1)	-	(3.1)	(4.5)	(13.3)	(18.6)
Reversal of bad debt charges	0.1	(1.1)	1.2	-	4.5	-
Other income (expenses), net	0.3	-	0.3	0.2	1.1	0.4
Restructuring gain on leases	-	-	-	-	-	4.7
<b>EBITDA</b>	<b>(2.9)</b>	<b>(1.0)</b>	<b>(1.9)</b>	<b>4.6</b>	<b>22.4</b>	<b>10.9</b>
Depreciation	(2.8)	-	(2.8)	(3.8)	(12.8)	(16.0)
Amortization	(0.8)	-	(0.8)	(1.2)	(2.8)	(3.1)
Impairment	-	-	(0.0)	(5.3)	(9.9)	(9.4)
<b>EBIT</b>	<b>(6.5)</b>	<b>(1.0)</b>	<b>(5.5)</b>	<b>(5.6)</b>	<b>(3.0)</b>	<b>(17.6)</b>
Interest and finance expense	(1.4)	-	(1.4)	(0.8)	(4.3)	(4.8)
Restructuring gain	-	-	-	-	-	61.7
Income tax	(0.0)	-	(0.0)	0.0	(0.6)	(1.0)
<b>Profit/(loss)</b>	<b>(7.9)</b>	<b>(1.0)</b>	<b>(6.9)</b>	<b>(6.5)</b>	<b>(8.0)</b>	<b>38.3</b>
Earnings per share from continued operations						
Basic			(2.25)	(2.11)	(2.61)	15.05
Diluted			(2.25)	(2.11)	(2.61)	14.84

# Cash flow statement

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Quarter ended 31 December		Year ended 31 December	
All figures in USD millions	2016	2015	2016	2015
Profit/(loss) before income tax	(6.9)	(6.5)	(7.4)	39.3
Restructuring gain	-	-	-	(66.4)
Other non-cash items	2.3	10.4	18.0	35.1
Paid income tax	(0.2)	(0.2)	(0.9)	(2.6)
Working capital changes	10.2	(1.2)	11.0	(12.3)
<b>Net cash from operating activities</b>	<b>5.4</b>	<b>2.4</b>	<b>20.7</b>	<b>(6.9)</b>
Capital expenditures	(0.5)	(0.5)	(3.3)	(5.6)
Other long term investment	0.0	-	(0.1)	-
Multi-client investments	(1.0)	(0.0)	(2.3)	(0.2)
<b>Net cash from investing activities</b>	<b>(1.4)</b>	<b>(0.5)</b>	<b>(5.7)</b>	<b>(5.8)</b>
Proceeds from share issuance	-	(0.0)	-	11.0
Borrowings	(0.2)	(0.4)	(3.3)	3.5
Other financial items	(0.6)	(0.7)	(2.9)	(2.5)
<b>Net cash from financing activities</b>	<b>(0.8)</b>	<b>(1.1)</b>	<b>(6.2)</b>	<b>12.0</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>3.2</b>	<b>0.8</b>	<b>8.8</b>	<b>(0.7)</b>

# Balance sheet

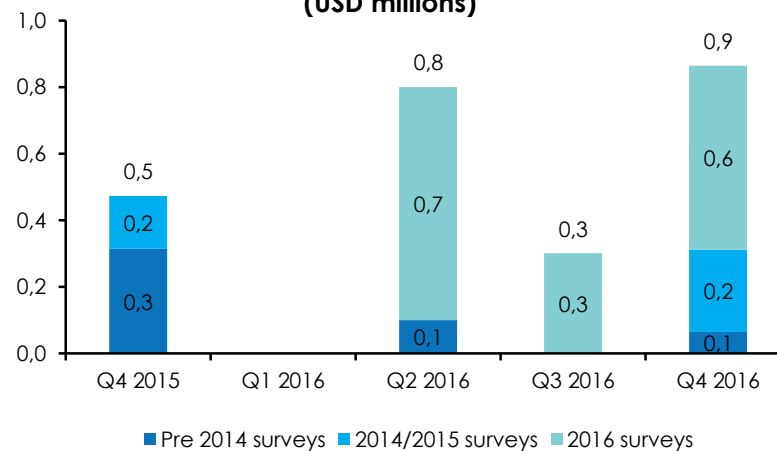
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 31 December	
All figures in USD millions (except for equity ratio)	2016	2015
Property, plant and equipment	47.5	67.4
Multi-client library	3.1	3.3
Other non-current assets	0.1	0.0
Inventories	1.3	3.1
Trade receivables	2.1	12.6
Other current assets	3.0	14.0
Cash and cash equivalents	15.0	6.3
<b>Total assets</b>	<b>72.2</b>	<b>106.8</b>
Equity	22.1	30.0
Non-current loans and borrowings	23.3	31.1
Trade and other payables	12.3	25.4
Provisions	2.0	12.2
Tax liabilities	5.2	5.4
Current loans and borrowings	7.4	2.6
<b>Total equity and liabilities</b>	<b>72.2</b>	<b>106.8</b>
Net interest bearing debt	15.6	27.5
Equity ratio %	30.6%	28.1%



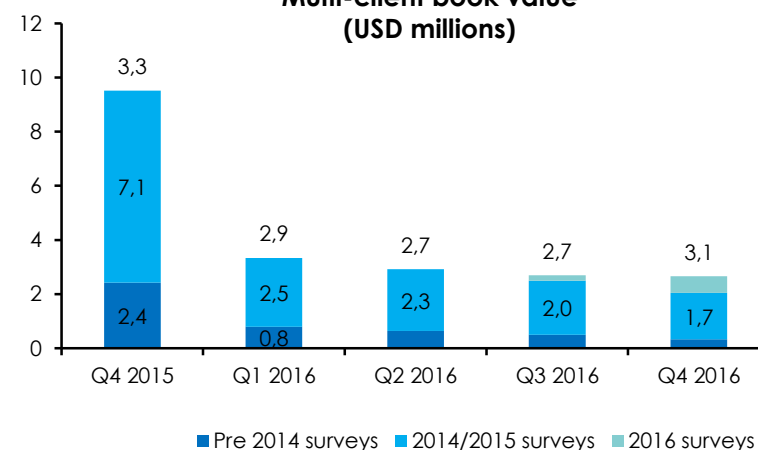
# Multi-client update

- Multi-client revenues in the quarter of \$0.9 million
  - \$0.6 million prefunding for 2016 projects
  - \$0.3 million related to late sales
- Multi-client investment of \$1.3 million<sup>1)</sup> was recognized in the fourth quarter
- Harrier Explorer completed a 2D multi-client survey in Barents Sea during the quarter

Multi-client revenues  
(USD millions)

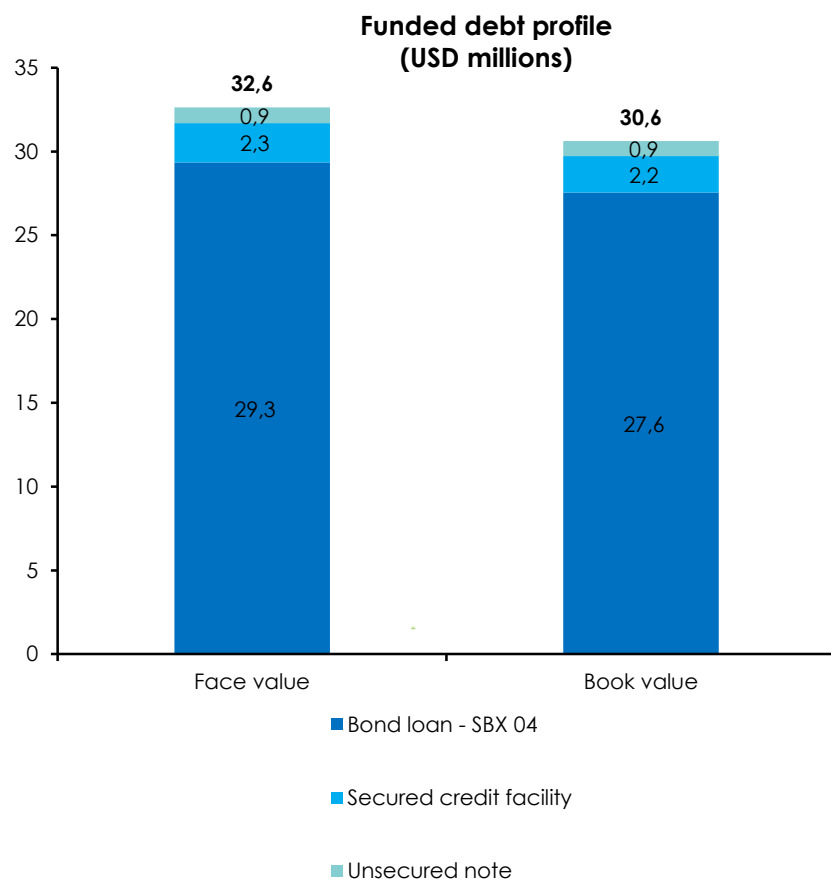


Multi-client book value  
(USD millions)



1) including capitalized depreciation, net of partner contribution

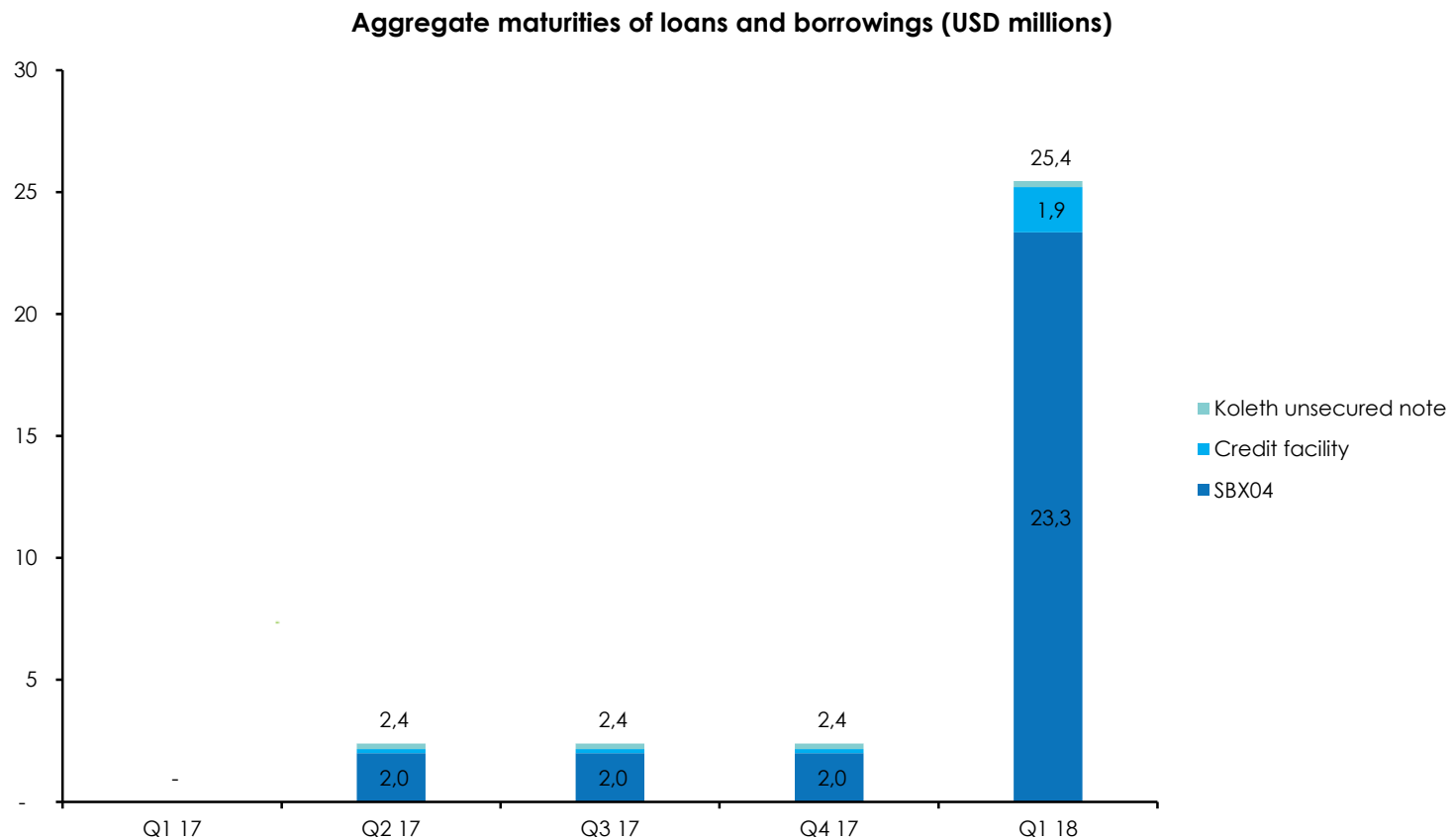
# Debt profile



## Covenants

- Leverage ratio < 2.5
- Unrestricted cash > \$5.0 million
- In compliance with both covenants as of 31 December 2016

# Debt maturities



# Outlook



# Outlook

- Tender activity has improved and we would expect to see a growing number of seismic surveys as a result
- We believe market conditions in 2017 will show some improvement compared to 2015 and 2016; however, this may still be a challenging year
- Day rates have stabilized and we do not expect further downward price pressure
- Global fleet capacity is reduced substantially and this should help a recovery in the sector
- The company is better positioned with a five-vessel fleet given the current market demand
- SeaBird's core focus will remain backlog replenishment and continued attention to cost management and enhanced operational optimization

# Q&A

