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To the bondholders in:

ISIN NO 001 0732043
ISIN NO 001 0732076

**SeaBird Exploration Finance Limited First Lien Callable Bond
Issue 2015/2018**

Oslo, 26 May 2017

Summons to Bondholders' Meeting

1. INTRODUCTION

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by SeaBird Exploration Finance Limited ("**SeaBird**" or the "**Issuer**").

The meeting has been convened to propose (i) a restructuring solution to the Bondholders including the Issuer's reason for proposing it, as described in further detail below and in the presentation attached hereto as Appendix 3, and, separately (ii) a suspension of all financial covenants until 15 August 2017, a standstill for the repayment of a principal amount of USD 2,000,000 due 3 June 2017 and a standstill for the interest payment due 3 June 2017.

Capitalised terms used but not otherwise defined herein shall have the meaning assigned to them in the loan agreement for the Bond Issue dated 2 March 2015 (the "**Bond Agreement**").

Bondholders are encouraged to read this summons letter in its entirety.

The information in this summons regarding the Issuer, market conditions and described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

2. BACKGROUND

SeaBird's parent, Seabird Exploration PLC (the "**Parent**"), recorded a 36.4% active vessel utilisation during the first quarter of 2017, with three vessels in operation. The utilisation was impacted by a weak winter season and continued market softness. The Parent has continued its active marketing of the fleet to secure new projects and seismic tender activity has picked up recently, however contracting lead-time remains long with substantial competition and high market uncertainty. The Group continues to proactively optimise its cost base to improve its relative cost position in the 2D and source markets.

As a result of significant market uncertainty, negative cash flow development for the first half of the year as well as upcoming debt maturities in 2017 and Q1 2018, the Issuer has together with its financial advisors set forth a restructuring proposal to the Bondholders (the "**Restructuring**"), as

defined and further described in the restructuring term sheet attached hereto as Appendix 2 (the "**Restructuring Term Sheet**").

In addition and separately, the Issuer has requested that the Bondholders accept (i) a suspension of all financial covenants from the date of the Bondholders' Meeting until 15 August 2017, (ii) a standstill for the repayment of Bonds in the amount of USD 2,000,000 due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017, which shall be made as a payment-in-kind as soon as possible after the Bondholders' Meeting and added to the principal amount of the Bonds in the form of additional Bonds, and (iii) a standstill for the payment of the interest payment due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017.

The Issuer has in accordance with Clause 22.2 of the Bond Agreement approached the Bond Trustee, and requested that a Bondholders' Meeting be held to consider inter alia the amendments to the terms and conditions for the Bond Issue and the approval of the Restructuring on the terms set out in the Restructuring Term Sheet.

3. SUMMARY OF THE RESTRUCTURING

Set out below is a summary of key terms of the Restructuring. The Bondholders should read the Restructuring Term Sheet attached to this Summons as Appendix 2 and the presentation attached to this Summons as Appendix 3 in full in order to properly understand the terms of the Restructuring.

The Restructuring will, in summary, involve the following main elements:

- a) the equitisation of ~81.5% of outstanding indebtedness (including accrued interest) of the Issuer owed under Tranche B of the Bond Agreement as of 3 June 2017, which is in an aggregate amount of approx. USD 20,150,513 (USD 19,785,342 of principal amount plus estimated accrued interest of USD 365,171) into new shares issued by the Parent at an offer price reflecting a subscription price of shares at NOK 5.00 a share and a USD/NOK exchange rate of 8.37 pursuant to the terms and conditions set out in the Restructuring Term Sheet;
- b) the equitisation of ~81.5% of unpaid and remaining charter hire owed to Ordinat Shipping AS by Munin Navigation Company Limited under the bareboat charter party for the vessel M/V Munin Explorer less the new charter hire (as described in (h) below), which is in an aggregate amount of USD 10,393,144 into new shares issued by the Parent at an offer price reflecting a subscription price of shares at NOK 5.00 a share and a USD/NOK exchange rate of 8.37 pursuant to the terms and conditions set out in the Restructuring Term Sheet;
- c) the equitisation of ~81.5% of outstanding indebtedness owed under the Scan Bunk Credit Facility in an aggregate amount of approx. USD 1,947,210 (USD 1,911,896 of principal amount and estimated accrued interest of USD 35,314) into new shares issued by the Parent at an offer price reflecting a subscription price of shares at NOK 5.00 a share and a USD/NOK exchange rate of 8.37 pursuant to the terms and conditions set out in the Restructuring Term Sheet;
- d) the transfer of all outstanding Tranche A Bonds from TGS AP Investments AS ("**TGS**") to the Issuer, which shall cancel such Tranche A Bonds on the effective date for the Restructuring at the latest, and the discharge of any interest accrued on the Tranche A Bonds in exchange for the transfer of title to the Multi-Client Libraries to TGS, or any affiliate of TGS as designated by TGS, in accordance with and subject to the terms of the Exchange Agreement (as defined in the Restructuring Term Sheet), and the payment of 25 % of the net income from the Multi-Client Libraries by TGS to the Bond Trustee (on behalf of the Tranche B Bondholders and Glander International Bunkering (Norway) AS (formerly known as Scandinavian Bunkering

AS)) after such transfer in accordance with and subject to the terms of the Income Distribution Agreement (as defined in the Restructuring Term Sheet);

- e) amendments to the Scan Bunk Credit Facility including the maturity date being extended until 30 June 2020, no repayments of principal until 30 June 2020 and the introduction of payment-in-kind interest for all interest payments to be made under the Scan Bunk Credit Facility;
- f) an extension of the Maturity Date until 30 June 2020, amendments to the Bond Agreement and the Intercreditor Agreement to reflect (as relevant) the cancellation of all Tranche A Bonds, the transfer of the Multi-Client Libraries to TGS, the suspension of all financial covenants throughout the extended term of the Bond Agreement and the introduction of payment-in-kind interest for all interest payments to be made under the Bond Agreement;
- g) any amendments necessary to the Security Documents and/or any other Finance Document due to the amendment and restatement of the Bond Agreement and the Restructuring; and
- h) an extension of the charter period under the Bareboat Charter Party between the Group and Ordinat Shipping AS to 30 June 2020 and a reduction of charter hire to USD 2,088 per day, which at the Parent's discretion can be accumulated and not paid until 30 June 2020.

The main elements set out above is subject to the Restructuring Term Sheet.

4. THE PROPOSALS

Based on the above, the Issuer proposes that the Bondholders of the Bond Issue resolve the following (the "**Proposal**"):

- (i) to approve the Restructuring on the terms described in the Restructuring Term Sheet (the "**Decision**");
- (ii) to authorise the Bond Trustee to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Decision, including without limitation to:
 - a) prepare, finalise and enter into the necessary amendment agreements and other documentation deemed appropriate to document the Decision and take such further actions which are necessary to execute the Decision (hereunder related to the equitisation of any Bonds to new shares (including subscribing for such shares)); and
 - b) to waive any breaches of clauses in the Bond Agreement that are reasonably necessary in order to implement and complete the Restructuring, and to consent and agree to further amendments of the terms in the Restructuring Term Sheet where such amendments are of minor or technical nature or are otherwise consistent with the principles of the Restructuring and in the opinion of the Bond Trustee are not materially adverse to the rights and interests of the Bondholders; and
- (iii) to authorise and approve a waiver by the Bond Trustee (on behalf of the Bondholders) of all breaches of any financial covenant from the date of the Bondholders' Meeting until 15 August 2017, a standstill for the repayment of a principal amount of USD 2,000,000 of Bonds due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017, which shall be made as a payment-in-kind as soon as possible after the Bondholders' Meeting and added to the principal amount of the Bonds in the form of additional Bonds, and a standstill for the interest payment due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017.

Additionally, the Issuer proposes that the Bondholders of the Bond Issue resolve the following separately from Proposal (the "**Proposal II**"):

- (i) to authorise and approve a waiver by the Bond Trustee (on behalf of the Bondholders) of all breaches of any financial covenant from the date of the Bondholders' Meeting until 15 August 2017, a standstill for the repayment of a principal amount of USD 2,000,000 of Bonds due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017, which shall be made as a payment-in-kind as soon as possible after the Bondholders' Meeting and added to the principal amount of the Bonds in the form of additional Bonds, and a standstill for the interest payment due 3 June 2017 (including for the avoidance of doubt any default interest) until 15 August 2017.

Implementation of the Proposal shall be subject to the satisfaction of the conditions set out in Section 8 (*Conditions Precedent*) of the Restructuring Term Sheet (the "**Decision Conditions**").

The Bond Trustee may, at its discretion:

- a) waive any of the Decision Conditions or waive or extend the time period applicable to any such Decision Conditions; or
- b) terminate the implementation of the Decision, and take no further steps under or in connection with it, at any time with immediate effect following the Bond Trustee's determination, in its sole discretion, that any of the Decision Conditions has not been satisfied.

The Issuer proposes that the Bondholders approve (i) the Proposal, subject to the Decision Conditions, (ii) the Proposal II, and (iii) the Bond Trustee's ability to exercise its discretion under this section 4.

5. COMPANY UPDATE

For access to the latest quarterly reports and other recent publications of the Issuer, please consult the Issuer's website <http://www.sbexp.com>.

6. NON-RELIANCE

The Proposal and the Proposal II are put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall be construed as or constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the proposals are acceptable and vote accordingly.

No statements or admissions made in this summons are capable of being relied upon by a third party who is not the Bond Trustee or acting in their capacity as a Bondholder as at the date of the Bondholders' Meeting.

For more detailed information, please contact Nils Haugestad, of SeaBird Exploration Finance Limited.

Email: Nils.Haugestad@sbexp.com

Telephone: +47 22 40 27 17

7. SUMMONS FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: **6 June 2017 at 1300 hours (Oslo time)**

Place: **The premises of Nordic Trustee ASA,
Haakon VII's gt. 1, 0161 Oslo - 6th floor**

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the following proposals:

It is proposed that the Bondholders' Meeting resolves the following:

"The Bondholders approve (i) the Proposal, subject to the Decision Conditions, (ii) the Proposal II, and the Bond Trustee's ability to exercise its discretion, each as described in the summons for the Bondholders' Meeting.

The Bondholders further authorise the Bond Trustee to enter into such agreements and documents, consent to such waivers and amendments, take any actions and do all such things on behalf of the Bondholders as may be necessary or desirable to support or give effect to the Proposal and the Decision Conditions, and/or the exercise of the Bond Trustee's discretion, including, without limitation, amending and/or waiving the terms of the Bond Agreement and agree that neither the Bond Trustee, nor its advisers shall have any liability whatsoever to any Bondholder or any other person in connection with the Restructuring."

* * *

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting as further described in the Bond Agreement. If the Proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Bonds, (ii) the aggregate nominal amount of the Bonds and (iii) the account number in VPS on which the Bonds are registered.)

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on Bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders'

meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely,
Nordic Trustee ASA



for Morten Bredesen

Appendices:

Appendix 1 – Bondholder's Form

Appendix 2 – Restructuring Term Sheet

Appendix 3 – Issuer's Presentation of the Restructuring proposal

Appendix 2
Issuer's Presentation of the Restructuring proposal

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SeaBird Exploration

Restructuring presentation

26 May 2017

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The Managers are acting as exclusive financial adviser to the Company in relation to the Transaction. Any prospective participants are recommended to seek their own independent financial advice.

The Company expressly reserves the right, in its sole discretion, at any time and in any respect, to amend, modify or terminate the Transaction, to terminate discussions with any or all prospective participants, to reject any or all proposals or to negotiate with any party with respect to a transaction involving the Company.

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Summary of risk factors

Investing in equity and/or bonds of the Company involves inherent significant risks. Before deciding whether or not to invest in shares and/or bonds of the Company, an investor should consider carefully all of the information set forth in this presentation and otherwise available, and in particular, the specific risk factors described in the listing prospectus dated 30 April 2015 (the "2015 Prospectus"). An investment in shares and/or bonds of 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 the investment. Investors are also strongly encouraged to carefully review the Q1 2017 report of the Company, released on newsweb.no on 5 May 2017, where additional financing requirements by third quarter 2017, and significant going concern risks, are discussed.

A summary of the risks described in the 2015 Prospectus is listed below. The 2015 Prospectus was made public as an attachment to the Company's press release on 30 April 2015, and is also available on <http://www.newsweb.no/newsweb/search.do?messageId=376877>. If any of these risks described therein materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow, which may cause a decline in the value and trading price of the shares that could result in a loss of all or part of any investment in the shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

- Macroeconomic fluctuations and market risks
- Variability of operating results etc.
- Industry and competition related risks
- Service life and technical risks
- Charters
- Possible liabilities
- Dependence on few assets
- Risks related to business models
- Risks related to international operations
- Political risks
- Risk of war, other armed conflicts and piracy
- Loss of key employees
- Contractual risks
- Operational risks
- Technological risks
- Fleet and charter risks
- Environmental risk
- Financial risks
- Liquidity risks
- Risks related to performance bonds and liquidated damages
- Risks related to debt arrangements
- Risk associated with exchange rate fluctuations
- Risk associated with interest rates
- Tax
- Share price volatility
- Risks related to issuance of shares or other securities
- Risks associated with dilution
- Additional risk for holders of shares registered in a nominee account
- Transfer restrictions under the laws of the US and other jurisdictions

For a full description of the risks factors that apply, please refer to the 2015 Prospectus and page 13 -16 in this Investor Presentation.

In addition, investing bonds involves certain specific risks (the list is not exhaustive):

- There will only be a limited trading market for the new bonds.
- The market price of the new bonds may be volatile.
- The terms and conditions of the bond agreement will allow for modification of the bonds or security, waivers or authorizations of breaches which, in certain circumstances, may be effected without the consent of bondholder, or with majority consent.
- The value of the collateral securing the new bonds may not be sufficient to satisfy the issuer's obligations under the bonds.
- Following a default, the Bond Trustee may not be able to realize any or all of the security.
- Failures or inadequacies in perfecting security may occur.
- Maritime liens may arise and take priority over the liens securing the new bonds.
- Investors in the United States may have difficulty enforcing any judgment obtained in the United States against the issuer or its directors or executive officers in Cyprus.
- The transfer of bonds is subject to restrictions under the securities laws of the United States and other jurisdictions.

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- II. Additional risk factors and other considerations



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Introduction

- As a result of significant market uncertainty, contracting lead times, deteriorating orderbook as well as upcoming debt maturities in 2017 and Q1 2018, Seabird has since Q1 2017 facilitated discussions between its stakeholders to find a refinancing solution
- Company cash position is the main challenge
 - Forecast show SBX will likely run out of cash in August 2017
 - New contracts may improve this - several opportunities in the pipeline; timing of these is critical
 - It is highly likely that a liquidity injection is required by early Q3
- Existing stakeholders' values best preserved through going concern
 - No recovery to all creditors in a bankruptcy scenario
- Imperative to maintain optionality through the next months
- If the company does not get new contracts in the period, new cash is required
- To attract new equity, the company must have very limited debt obligations
 - Some debt maintained to preserve creditors' security positions
- The company must be prepared to raise equity at very short notice
- This presentation outlines a restructuring plan supported by the company's main stakeholders
- Summons dispatched for bondholder's meeting to be held 6 June 2017, summons for an EGM to be held around mid June will be dispatched as soon as practically possible



Proposed transaction

SBX04 A	<ul style="list-style-type: none"> • Downpayment of loan + accrued interest in exchange for MC library (book value per Q1 of USD 2.7m) • 25% of net income from the multi client library to benefit the Tranche B bondholders and Glander
SBX04 B	<ul style="list-style-type: none"> • Equitisation of USD 20.2m principal and accrued interest into 58.7% of shares (issue price NOK 5.0, USDNOK 8.37) • Rollover bonds of USD 4.6m • Extension of three years (i.e. until June 2020) • Suspension of all financial covenants • Payment in kind interest for all interest
Glander	<ul style="list-style-type: none"> • Equitisation of USD 1.9m principal and accrued interest into 5.7% of shares (issue price NOK 5.0, USDNOK 8.37) • Rollover credit facility of USD 0.4m • Same financial terms as SBX04 B
Ordinat / Munin	<ul style="list-style-type: none"> • Reduction of charter hire to USD 2,088 per until the maturity of SBX04B (June 2020). The lease can be accumulated at the company's option and not paid in cash before June 2020. Total PIKable amount of USD 2.4m • Remaining claim, USD 10.4m, converted to 30.3% of shares (issue price NOK 5.0, USDNOK 8.37)
Existing shareholders	<ul style="list-style-type: none"> • Diluted to 5.3% ownership
Other	<ul style="list-style-type: none"> • All creditors accept non-payment of default interest for interim period between original payment date and bondholder meeting • The new shares will become tradable on Oslo Børs upon prospectus approval by the NFSA, currently expected mid/late July • To facilitate trade of the new shares, the company will endeavour to list the newly issued shares on Merkur Market in the interim period prior to admission to Oslo Børs



Conversion mechanics

Debt conversion

Conversion price NOK	5.00
USDNOK	8.37
Conversion price USD	0.60

New bond/debt to Glander 5,000,000

	"Claim"	New debt/lease	To be converted	Shares	
SBX04B (inc accrued interest)	24,709,922	4,559,409	20,150,513	33,731,959	58.7%
Glander (inc accrued interest)	2,387,801	440,591	1,947,210	3,259,630	5.7%
Ordinat	12,744,776	2,351,632	10,393,144	17,398,123	30.3%
Current shares				3,065,434	5.3%
	39,842,499	7,351,632		57,455,145	

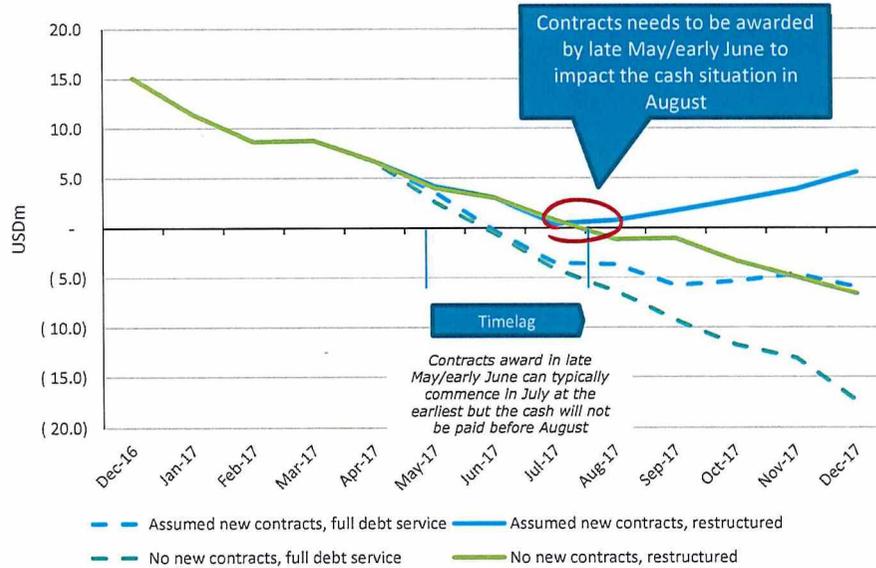


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Liquidity forecast

Highly likely that new liquidity is required by early Q3

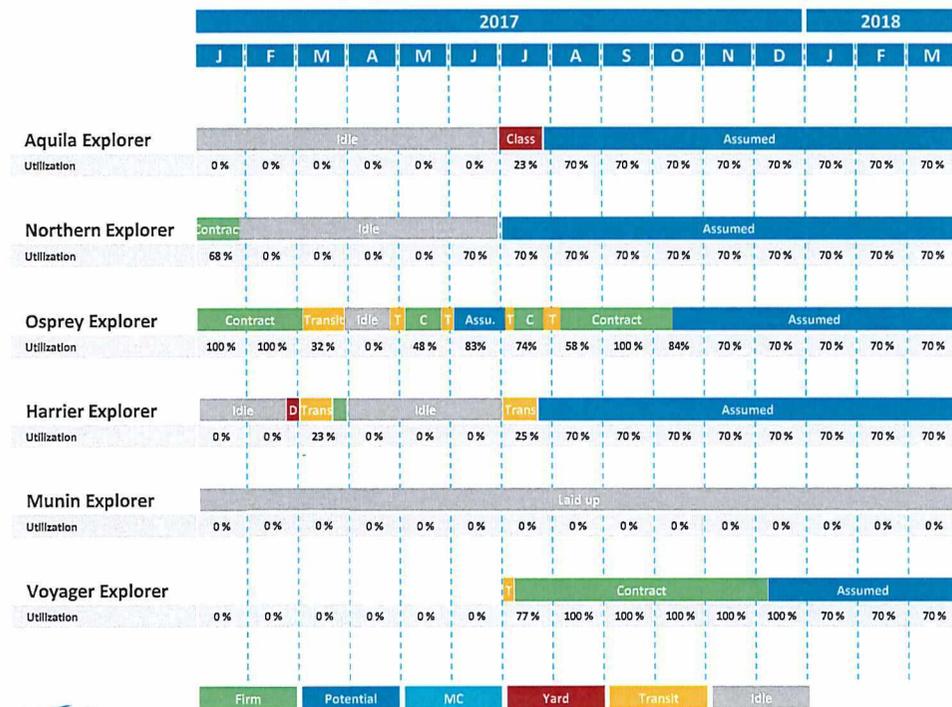
SBX cash position



Key assumptions

- Day rate (USDk/day)
 - 2017: 60
- Utilization (%): 70
- Active vessels (#)
 - 2017: 4.5
- MC investments: no multi client investments assumed in forecast on LHS
- In restructured scenario, there are no cash payments to creditors
- Low case: no new contracts

Conversion of leads have taken more time than expected



- Assumed 70% utilisation from August on 3 vessels that currently does not have any contracts
- Potential work in July will not be converted to cash before August/September
- The cash situation in July / August will be critical

Several leads but timing remains uncertain

Leads

BACKLOG/HIGH PROBABILITY LEADS						Weighted value		
Startup	Region	Vessel months	Value USDm	Prob.	Q2	Q3	Q4	
Q3	APAC	5.0	4.6	100%		2.7	1.8	
Q2	EAME	1.0	1.7	100%	1.7			
Q2	EAME	0.5	0.6	100%	0.6			
Q3	NSA	2.0	3.7	100%		3.7		
Total firm backlog					2.3	6.4	1.8	
Q2	EAME	1.0	1.7	95%	1.7			
Q3	EAME	0.5	1.0	95%		1.0		
Q4	NSA	3.0	3.2	95%			3.0	
Q4	NSA	17.0	28.1	95%			4.7	
Q4	APAC	3.0	5.0	75%			3.7	
Q4	NSA	3.0	5.0	65%			3.3	
Q4	EAME	4.0	6.0	60%			1.8	
Q1 18	EAME	3.0	8.0	60%				
Q4	APAC	2.0	3.5	50%			1.8	
Q4	NSA	7.9	10.8	50%		4.1	1.3	
Q2	NSA	4.6	7.4	40%	0.6	1.9	0.4	
Q3	NSA	0.4	1.1	40%		0.4		
Q4	NSA	9.8	15.0	35%			0.5	
Q4	NSA	1.5	1.8	35%			0.6	
Q4	NSA	3.0	5.0	35%			1.7	
Q3	NSA	2.2	4.0	30%		1.2		
Q3	NSA	0.2	1.5	20%		0.3		
Q3/Q4	NSA	2.0	4.0	20%		0.4	0.4	
Q3	EAME	1.6	2.9	20%		0.6		
Q4	APAC	4.0	8.0	20%			1.2	
Q4	EAME	3.0	6.0	20%			1.2	
Total high probability leads *					76.7	128.8		
Probability weighted total leads					43.6	71.4	2.3 10.0 25.6	

Forecast vs. prob weighted leads

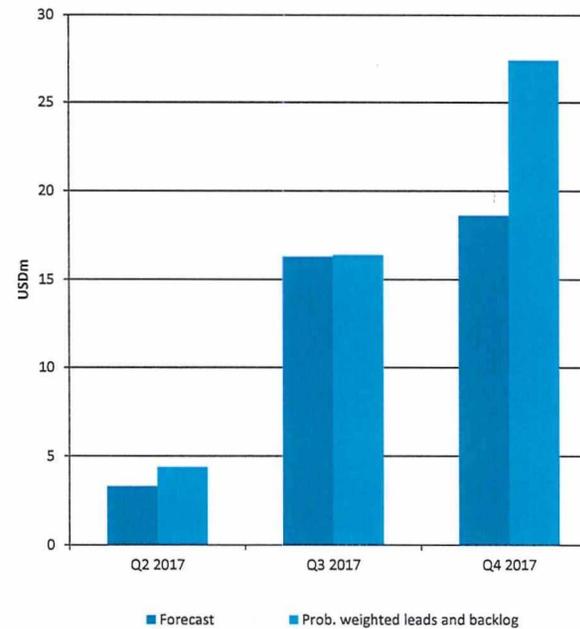


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- I. The proposed transaction
- II. Additional risk factors and other considerations**



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Risk factors

ADDITIONAL RISK FACTORS AND OTHER CONSIDERATIONS

In addition to the risks set out in the prospectus for the 2015 equity offering, the risks set out below also apply to the current bond issue. Further, any risks to the operations and financial position of the Group set out hereunder or in the 2015 Prospectus may materially adversely affect the Issuer's ability to service its bonds and other debt, the Obligors' ability to meet their obligations under the Company's finance documents and the trading price of the Company's bonds. This section is not intended to be exhaustive – additional risks and uncertainties not presently known to the Issuer, or that they currently deem immaterial, may also impair the Issuer's business operations or the trading price of the Bonds. All risks to the Issuer's ability to service bonds and other debt may also apply to the other Obligors' ability to meet their obligations under the Company's finance documents.

RISKS RELATED TO THE COMPANY

The Company and Group's ability to service its debt obligations is fully dependent upon a successful restructuring of the Group and of additional financing in the near future.

The Company and Group is currently unable to service certain of its financing agreements. The survival of the Group, and its future financial condition and profitability of its operations is reliant on a successful restructuring of the Group, including its debt arrangements, financial and operational agreements including renegotiation and termination of certain chartering arrangements, as well as successful refinancing. Additional financing will not have been obtained by the date of the restructuring. If any part of the restructuring is not completed or otherwise successful, it is likely to have a material adverse effect on the financial condition of the Group and the Issuer's ability to obtain required additional financing.

The Company's ability to service its debt obligations is fully dependent upon a continued successful implementation of the business plan.

The Issuer is following a comprehensive business plan aimed at bringing the Group to profitable operations upon improvement of general market conditions. The continued successful implementation of this business plan and meeting the targets set out therein is highly important for the Company and Group's financial condition, future profitability and ability to service the Company's debt obligations. The business plan contains several sensitive issues and assumptions, many of which will be decisive for its success. If the Group is unable to continue to adapt to prevailing market conditions and implement the business plan in full, any part of the business plan fails to deliver the anticipated results or any of the assumptions on which it is based prove to be incorrect, it is likely to have a material adverse effect on the financial condition of the Group and the Company's ability to service its debt obligations.

Further issue of shares in the Company is required and the terms are not clarified

The Company requires additional capital, and will seek to issue shares to investors in the near future. It is not clear at what terms new equity will be available (if at all), and shareholders may therefore be subject to transactions which significantly dilute their shareholding. There can be no assurance of the level of dilution of the shareholders which will be the result of any new share issue. In the future, further share capital increases may be necessary, and the same considerations would apply in such case.

Share price volatility and liquidity

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. The factors which may affect the share price include, but is not limited to, matters such as 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 and the general sentiment in the stock market. There can be no assurance as to the liquidity of the market for the Company's shares or shareholders' ability to sell the shares.

Market conditions in the Company's industry

The market conditions for the Company continues to be very challenging, and there can be no assurance of whether, or when, such conditions will improve. Said market conditions severely and adversely affect the Company's ability to generate backlog and profits, and said conditions may continue in the future.



Risk factors cont'd

RISKS RELATED TO THE COMPANY'S DEBT

The Group will continue to have substantial indebtedness

Pursuant to the Company's debt obligations, including its bonds, the Group will have substantial indebtedness which may limit the flexibility of its operations, its business, its financial capability and its ability to satisfy its obligations under the bond agreement and its other agreements, which could have negative consequences for the creditors and other stakeholders. Further, cross default provisions may be triggered by non-performance of any member of the Group and may in certain situations be continuing even if the original default has been remedied. This may cause a situation where the Group and the Company are required to prepay a substantial amount of their total indebtedness prior to its scheduled maturity.

The Company's cash flow may not be sufficient to service the Company's debt obligations

In addition to additional equity capital in the near future, the Company is reliant on its subsidiaries to provide revenue and cash flow for it to service its debt obligations. If the subsidiaries are unable to generate sufficient cash flow from operations, or such cash flow is not available to the Issuer to service its debts, the Issuer may need to obtain further financing than scheduled. Inability to obtain such refinancing or financing may have a material adverse effect on the Group's business, results of operations, and going concern position.

There is only a limited trading market for the Company's bonds

The liquidity of the market for the Company's bonds will depend on the number of holders of those bonds, investor interest at large and relative to the Issuer and its business segment in particular, and the interest of securities dealers in making a market in those securities and other factors. Accordingly, there can be no assurance as to the liquidity of the market for the Company's bonds or bondholders' ability to sell the bonds.

The market price of the Company's bonds may be volatile

The market price of the Company's bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of bonds, interest rates as well as other factors.

The Group may incur additional indebtedness

Despite the Group's current levels of indebtedness, Group companies may in the future incur substantially more debt, including in relation to new vessel and equipment leases, which could further exacerbate the risks associated with its substantial indebtedness and adversely affect its ability to service the bonds and their trading price.



Risk factors cont'd

The bond agreement for the Company's bonds will contain provisions permitting the Trustee or certain defined majorities to make decisions binding for all bondholders

The bond agreement contains provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. Further, the Trustee may, without the consent of the bondholders, agree to certain modifications, waivers, authorisations of breaches of the bond agreement and other finance documents and the substitution of the Issuer which, in the opinion of the Trustee, are proper to make.

Upon a change of control event the Group may not be able to redeem the bonds

Upon the occurrence of a change of control event (as described in the bond agreement), each individual bondholder shall have a right of pre-payment of the Bonds at a price of 101% of par value plus all accrued and unpaid interest to the date of redemption together with a prepayment premium established in the bond agreement. However, it is possible that the Issuer may not have sufficient funds at the time of the change of control event to make the required redemption of bonds. The Company's failure to redeem tendered bonds would constitute an event of default under the bond agreement.

Mandatory prepayment events may lead to a prepayment of the Company's bonds in circumstances where an investor may not be able to reinvest the prepayment proceeds at an equivalent rate of interest

In accordance with the terms and conditions of the bond agreement, the bonds are subject to mandatory prepayment by the Company on the occurrence of certain specified events. Following any early redemption after the occurrence of a mandatory prepayment event, it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the bonds and may only be able to do so at a significantly lower rate. It is further possible that the Company will not have sufficient funds at the time of the mandatory prepayment event to make the required redemption of bonds.

The Company's bonds and their security may rank junior to certain preferred claims

As a general matter, the Company's liabilities in respect of the Company's bonds may, in the event of a bankruptcy or insolvency proceeding or similar proceeding, rank junior to certain of the Issuer's liabilities that may be entitled to priority under the laws of the relevant jurisdiction, including maritime liens. Further, the laws the jurisdictions in which the Company's vessels may operate may give rise to the existence of maritime liens which may take priority over the liens securing the Company's bonds. Such liens may arise in support of, among other things, claims by unpaid ship builders or ship repairers remaining in possession of the vessels and claims for salvage. Maritime liens can sometimes attach without any court action, registration or documentation and accordingly their existence cannot necessarily be identified.

The value of the collateral securing the Company's bonds may not be sufficient to satisfy the Company's obligations under the bonds

There can be no assurance that the Trustee will be able to sell any of the security for the bonds, including the vessels, without delays (or even at all) or that the proceeds obtained will be sufficient to pay all of the secured obligations. The value of the vessels and other collateral securing the Company's bonds and the amount actually received on any sale of the vessels and such other collateral will depend upon many factors.

Risk factors cont'd

The enforcement of rights as a bondholder across multiple jurisdictions may prove difficult.

The enforcement of rights as a bondholder across multiple jurisdictions may prove difficult. Furthermore, in the event any bondholder's rights as a bondholder have been infringed, it may be difficult to enforce judgments against the Issuer or its directors or management. The Issuer is incorporated in Cyprus and the guarantors are incorporated under the laws of Cyprus, Singapore and Norway. The vessels are registered in the ship registries of various jurisdictions and operate globally. Their business is operated primarily from offices in Oslo, Singapore, Cyprus, Huston, Odessa, St. Petersburg and Dubai. Local laws may prevent or restrict bondholders from enforcing a judgment against the Group's assets, the assets of its senior managers, the assets of the Parent and/or the assets of the directors or management of the parent.

Any bankruptcy or insolvency proceedings may involve Cypriot, Norwegian and Singaporean insolvency law

As the Issuer is incorporated in Singaporean and the Guarantors are incorporated under the laws of Cyprus, Norway and Singaporean, an insolvency proceeding relating to an Obligor, even if brought in another jurisdiction, would likely involve Cypriot insolvency laws and possibly Norwegian and Singaporean insolvency law, the procedural and substantive provisions of which may differ from comparable provisions of those of other jurisdictions with which investors are familiar.

Following a default, the Trustee may not be able to realize any or all of the security

It may be difficult or even impossible for the Trustee to enforce the security. In particular, the enforcement of vessel mortgages (including the ones to be provided over each of the vessels) can be complicated, very costly, convoluted and time consuming. For example, it can be difficult to locate the vessels without the assistance of a specialist agency, or problematic to enforce the mortgage as it would be subject to the laws of the place where the vessel is situated at the time of enforcement. Even if the initial arrest of either of the vessels is achieved, the process (if any) by which it can be sold and the proceeds ultimately realized varies greatly from jurisdiction to jurisdiction. These issues further increase the risk that, after the enforcement of the security, following deduction of all costs and expenses incurred in connection with the enforcement, there may be insufficient funds to settle amounts owed under the bonds. These and other factors relating to a forced sale of collateral could result in the bondholders losing all or part of their investment.

Failures or inadequacies in perfecting security

It is always possible that inadequacies or failures in perfecting the security may arise. Such inadequacies or failures may, inter alia, lead to unexpected and/or conflicting claims of bondholders, inability to enforce the security, reduced effectiveness of the security, loss of priority against other claims.

Appendix 3
Restructuring Term Sheet

Restructuring Term Sheet

Seabird Exploration Finance Ltd

This Restructuring term sheet (the "**Restructuring Term Sheet**") sets out the key terms for the proposed Restructuring of the capital structure and certain liabilities of Seabird Exploration Finance Ltd (the "**Issuer**" or the "**Company**"), including proposed amendments to the bonds issued by the Company and certain other agreements and arrangements (the "**Restructuring**").

Definitions:

Defined terms used herein but not otherwise defined shall have the meaning given to them in the SBX04 Bond Agreement. References to Sections are to sections of this Restructuring Term Sheet.

"**Bond Trustee**" means Nordic Trustee ASA in its capacity as bond trustee for the SBX04 Bondholders under the SBX04 Bond Agreement.

"**Debt to Equity Conversion**" means a conversion to new Shares of Tranche B Bonds (and accrued interest thereon), claims under the Glander Credit Facility and the Munin Charter Hire Claim as described further under Section 2 "Debt to Equity Conversion".

"**Effective Date**" means the date on which all the conditions precedent for the Restructuring set out in Section 8 "Conditions Precedent" have been fulfilled.

"**Existing Shareholders**" mean the shareholders in the Parent from time to time up to and prior to the Effective Date.

"**Finance Document**" shall have the meaning given to such term in the SBX04 Bond Agreement.

"**Glander**" means Glander International Bunkering (Norway) AS (formerly known as Scandinavian Bunkering AS).

"**Glander Credit Facility**" means a credit line facility, up to a maximum principal amount of USD 2,354,256, to the Group for bunker purchases between the Company and Glander.

"**Group**" means Seabird Exploration PLC and its subsidiaries from time to time.

"**Intercreditor Agreement**" means an agreement between inter alia the Bond Trustee and the Company dated 2 March 2015.

"**Multi-Client Libraries**" means the right title and interest from time to time of each of Aquila Explorer Inc., Raven Navigation Company Ltd. and Seabird Exploration Multi-Client Ltd (collectively, the "**MC Transferors**") in and to its respective library of seismic data collected during surveys conducted either alone or together with a partner, which is licensed to third parties on a non-exclusive basis.

"**Munin**" means Munin Navigation Company Limited.

"**Munin Charter Contract**" means the bareboat charter party agreement between Munin and Ordinat for the vessel M/V Munin Explorer.

"**Munin Charter Contract Amendments**" means the proposed amendments to the Munin Charter Contract as described further below in Section 7 "Munin Charter Contract Amendments".

"**Munin Charter Hire Claim**" means an amount equal to the total unpaid and remaining amounts owed by Munin to Ordinat under the Munin Charter Contract until 19 October 2019 less the total amounts owed by Munin under the Munin Charter Contract using the new charter hire rate of USD 2,088 per day from 3 June 2017 until the end of the extended charter period of 30 June 2020, which in total amounts to USD 10,393,114.

"**Ordinat**" means Ordinat Shipping AS.

"**Parent**" means Seabird Exploration PLC.

"**SBX04 Bondholders**" means the holders of the SBX04 Bonds from time to time.

"**SBX04 Bonds**" means bonds issued by the Company with a principal amount outstanding of USD 29,344,751 in a tranche A of USD 5,000,000 ("**Tranche A**") and a tranche B of USD 24,344,751 ("**Tranche B**") pursuant to the Seabird Exploration Finance Limited First Lien Callable Bond Issue 2015/2018 bond agreement dated 2 March 2015 (the "**SBX04 Bond Agreement**").

"**Security Documents**" shall have the meaning given to such term in the SBX04 Bond Agreement.

"**Shares**" means the ordinary shares of the Seabird Exploration PLC with a nominal value of USD 0.10.

"**TGS**" means TGS AP Investments AS or any of its affiliates.

"**Tranche A Bondholder**" means TGS.

"**Tranche B Bondholders**" means at any time, the holders of the Tranche B Bonds at that time.

1. Restructuring Overview

The Restructuring will involve:

- the equitisation of ~81.5% of outstanding indebtedness including accrued interest of the Group owed under Tranche B of the Bond Agreement as of 3 June 2017, which is in an aggregate amount of approx. USD 20,150,513 (USD 19,785,342 of principal amount plus estimated accrued interest of USD 365,171) into Shares at an offer price reflecting a subscription price of Shares at NOK 5.00 a Share and a USD/NOK exchange rate of 8.37 pursuant to the terms and conditions;
- the equitisation of ~81.5% of unpaid and remaining charter hire owed to Ordinat under the Munin Charter Contract less the new charter hire (as described in Section 7), which is in an aggregate amount of USD 10,393,144 into Shares at an offer price reflecting a subscription price of Shares at NOK 5.00 a Share and a USD/NOK exchange rate of 8.37;

- the equitisation of ~81.5% of outstanding indebtedness owed under the Glander Credit Facility in an aggregate amount of approx. USD 1,947,210 (USD 1,911,896 of principal amount and estimated accrued interest of USD 35,314) into Shares at an offer price reflecting a subscription price of Shares at NOK 5.00 a Share and a USD/NOK exchange rate of 8.37;
- the transfer of all outstanding SBX04 Bonds under Tranche A to the Company, which shall redeem and cancel such SBX04 Bonds on the Effective Date at the latest, and any interest thereon being discharged in exchange for the transfer of title to the Multi-Client Libraries to the Tranche A Bondholder, or any affiliate of the Tranche A Bondholder as may be designated by the Tranche A Bondholder, in accordance with and subject to the terms of the Exchange Agreement (as defined in Section 3 below) and the payment of 25 % of the net income from the Multi-Client Libraries to the Bond Trustee (on behalf of the Tranche B Bondholders and Glander) after such transfer in accordance with and subject to the terms of the Income Distribution Agreement (as defined in Section 3 below);
- the outstanding indebtedness of the Group under the Glander Credit Facility being reduced to USD 440,591;
- amendments to the Glander Credit Facility including the maturity date being extended until 30 June 2020, no principal payments until 30 June 2020 and the introduction of payment-in-kind interest for all interest payments to be made under the Glander Credit Facility;
- an extension of the maturity date of the SBX04 Bonds until 30 June 2020, amendments to the SBX04 Bond Agreement and the Intercreditor Agreement to reflect (as relevant) the cancellation of all SBX04 Bonds under Tranche A, the transfer of the Multi-Client Libraries, the suspension of all financial covenants throughout the extended term of the SBX04 Bond Agreement and the introduction of payment-in-kind interest for all interest payments to be made under the SBX04 Bond Agreement (the "**Amended and Restated SBX04 Bond Agreement**");
- any amendments necessary to the Security Documents or any other Finance Document due to the amendment and restatement of the SBX04 Bond Agreement; and
- an extension of the charter period of the Munin Charter Contract until 30 June 2020 and a reduction of charter hire under the Munin Charter Contract to USD 2,088 per day, which at the company's discretion can be accumulated and not paid until 30 June 2020.

<p>2. Debt to Equity Conversion</p>	<p>On the Effective Date the following indebtedness owed to creditors of the Group will be converted into Shares at an offer price reflecting a subscription price of Shares at NOK 5.00 a Share and a USD/NOK exchange rate of 8.37:</p> <ul style="list-style-type: none"> • Approx. USD 20,150,513, being the sum of USD 19,785,342 of the principal amount and all accrued interest as of 3 June 2017 estimated at USD 365,171 owed to the holders of SBX04 Bonds under Tranche B will be exchanged for approx. 33,731,959 Shares representing ~58.71 % of the pro-forma post-Restructuring share capital of the Parent (calculated on a fully-diluted basis); • USD 10,393,144 of the present and future Charter Hire Claim will be exchanged for 17,398,123 Shares representing ~30.28 % of the pro-forma post-Restructuring share capital of the Parent (calculated on a fully-
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	<p>diluted basis); and</p> <ul style="list-style-type: none"> • Approx. USD 1,947,210, being the sum USD 1,911,896 of the principal amount and all accrued interest as of 3 June 2017 estimated at USD 35,314, owed under the Glander Credit Facility will be exchanged for approx. 3,259,630 Shares representing ~5.67 % of the pro-forma post-Restructuring share capital of the Parent (calculated on a fully-diluted basis). <p>Immediately following the Effective Date, the Existing Shareholders shall hold 3,065,434 Shares in the Parent representing ~5.34 % of the pro-forma post-Restructuring share capital of the Parent (calculated on a fully-diluted basis). The outstanding amount under the Glander Credit Facility will after the implementation of the Restructuring be USD 440,591.</p>
<p>3. SBXo4 Bonds – Tranche A</p>	<p>The SBXo4 Bonds outstanding under Tranche A will be transferred to the Company and the accrued interest on the SBXo4 Bonds under Tranche A will be discharged in exchange for the transfer of title to the Multi-Client Libraries to the Tranche A Bondholder or any affiliate of the Tranche A Bondholder as may be designated by the Tranche A Bondholder, in accordance with and subject to the terms of the Exchange Agreement. On or before the Effective Date (and in accordance with the Exchange Agreement), the Company shall cancel all SBXo4 Bonds under Tranche A. The terms and conditions of the transfer of title to the Multi-Client Libraries will be documented in an exchange agreement (the “Exchange Agreement”) to be entered into between the Tranche A Bondholder (or its designated affiliate) and the MC Transferors.</p> <p>25% of the income whatsoever from any utilisation, sale or other disposal of the Multi-Client Libraries by the Tranche A Bondholder, less costs defined as 10% of sales shall be transferred to the Bond Trustee (on behalf of the Tranche B Bondholders and Glander).</p> <p>The terms and conditions for the income distribution from the utilisation, sale or other disposal of the Multi-Client Libraries will be documented by an income distribution agreement to be entered into between the Tranche A Bondholder and the Bond Trustee (the “Income Distribution Agreement”).</p> <p>The proceeds from the Income Distribution Agreement shall be applied by the Bond Trustee:</p> <ul style="list-style-type: none"> • first, in or towards payment of all unpaid fees, costs and expenses whatsoever incurred by the Bond Trustee; and • second, transfer payment in full of any amounts received to the Tranche B Bondholders and Glander (on a <i>pro rata</i> and <i>pari passu</i> basis between the Tranche B Bondholders and Glander as of 3 June 2017) whereby: <ul style="list-style-type: none"> (i) the Tranche B Bondholders shall receive ~91.19 %; and (ii) Glander shall receive ~8.81 %. <p>Provided that the Tranche B Liabilities and the Glander Credit Facility have been irrevocably repaid and discharged, the Tranche A Bondholder shall have no further income sharing obligations to the Tranche B Bondholders nor Glander and all income from utilisation of the Multi-Client Libraries</p>

	shall thereafter be the sole property of the Tranche A Bondholder.
4. SBXo4 Bonds – Tranche B	<p>On the Effective Date a total of 19,785,342 Tranche B Bonds (and any accrued interest thereon) will be redeemed on a <i>pro rata</i> basis as to the total amount SBXo4 Bonds under Tranche B held by each Tranche B Bondholder and converted into equity as described in Section 2 "Debt to Equity Conversion".</p> <p>The remaining total principal amount outstanding under Tranche B will after the implementation of the Restructuring be USD 4,559,409.</p>
5. Amendment and restatement of the SBXo4 Bond Agreement and the Intercreditor Agreement and the amendment of Finance Documents	<p>On the Effective Date the SBXo4 Bond Agreement and the Intercreditor Agreement will be amended and restated to reflect:</p> <ul style="list-style-type: none"> • an extension of the maturity date of the SBXo4 Bonds until 30 June 2020; • no principal repayments until maturity; • the suspension of all financial covenants throughout the term of the SBXo4 Bond Agreement; • the settlement of the SBXo4 Bonds under Tranche A and the transfer of the Multi-Client Libraries as described above; and • the introduction of payment-in-kind interest for all interest payments to be made under the SBXo4 Bond Agreement, such interest to accrue from 3 June 2017 only on the SBXo4 Bonds remaining after the implementation of the Restructuring, provided that the Restructuring is implemented. <p>Additionally, any amendments necessary to the Security Documents and/or any other Finance Document due to the amendment and restatement of the Bond Agreement and the Restructuring;</p>
6. Shareholders and the offering of New Equity:	The Parent will call an extraordinary general meeting to propose that the shareholders approve the Restructuring, including the issuance of the new equity required for the Debt to Equity Conversion (the " Required Shareholder Resolutions ").
7. Munin Charter Contract Amendments	<p>The Group shall enter into an addendum to the Munin Charter Contract pursuant to which the charter period for the Munin Charter Contract shall be extended to 30 June 2020, a reduction in the charter hire to USD 2,088 per day for the period from 3 June 2017 until 30 June 2020.</p> <p>The new charter hire can at the Company's discretion be accumulated and not paid in cash before 30 June 2020.</p> <p>The difference between the new charter hire of USD 2,088 per day and the remaining and unpaid previous charter hire shall be converted into equity as described in Section 2 "Debt to Equity Conversion".</p>
8. Conditions Precedent:	The occurrence of the Effective Date will be subject to the following conditions precedent in form and substance satisfactory to the Bond Trustee being fulfilled on or prior to 15 August 2017:

- (i) Approval of the Restructuring at a duly convened Bondholders' Meeting in the Bond Issue pursuant to the terms of the Bond Agreement.
- (ii) The passing of the Required Shareholder Resolutions at a duly convened shareholders' meeting of the Parent.
- (iii) Confirmation that USD 19,785,342 of the principal amount and all accrued interest as of 3 June 2017 estimated at USD 365,171 owed to the Tranche B Bondholders have been redeemed and/or settled by the issuance of Shares to the Tranche B Bondholders so that principal amount outstanding under the SBX04 Bonds post-Restructuring is USD 4,559,409.
- (iv) Confirmation that USD 1,911,896 of the principal amount and all accrued interest as of 3 June 2017 estimated at USD 35,314 owed to Glander under the Glander Credit Facility has been irrevocably repaid and discharged by the issuance of Shares to the Glander and that the remaining claim of Glander under the Glander Credit Facility is USD 440,591.
- (v) The entry into of the Amended and Restated SBX04 Bond Agreement between the Company, relevant members of the Group and the Bond Trustee.
- (vi) Amendments to the Glander Credit Facility including the maturity date being extended until 30 June 2020, no principal payments until 30 June 2020 and the introduction of payment-in-kind interest for all interest payments to be made under the Glander Credit Facility;
- (vii) Confirmation that all amendments necessary to the Security Documents or any other Finance Document due to the amendment and restatement of the SBX04 Bond Agreement have been made;
- (viii) The entry into of the Exchange Agreement and a confirmation that all SBX04 Bonds outstanding under Tranche A have been transferred to the Company and that any interest on such SBX04 Bonds has been irrevocably discharged in exchange for the transfer of title to the Multi-Client Libraries to TGS, and confirmation that the Company has cancelled all SBX04 Bonds under Tranche A.
- (ix) The entry into of the Income Distribution Agreement between TGS and the Bond Trustee.
- (x) Confirmation from the Company that the agreement with Ordinat (including the share exchange) has been entered into on the terms contemplated by this Restructuring Term Sheet.
- (xi) No member of the Group having entered into any bankruptcy, liquidation, administration, receivership or any other insolvency procedure (or any analogous proceeding in any other jurisdiction), whether voluntary or involuntary.
- (xii) No enforcement or acceleration or debt recovery action having

been taken by or on behalf of any of the other creditors and/or suppliers of the Company or any member of the Group under or in connection with any other indebtedness or due amounts of the Company or any member of the Group in an aggregate amount in excess of USD 5 million.

(xiii) Other customary condition precedent as reasonably requested by the Bond Trustee.