

SeaBird Exploration

Fourth Quarter Presentation
28 February 2020

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Agenda

- Highlights
- Strategic update
- Market and operational review
- Financial review
- Outlook
- Q&A

Highlights



Q4-19 Highlights

Key financial & operational figures

- Revenues of \$7.6 million (\$6.8 million Q4 2018)
- Adjusted EBITDA of negative \$3.8 million (negative \$1.2 million Q4 2018)
- 42% fleet utilization
- CAPEX of \$1.5 million

Major events

- New bank credit facility of \$16 million
- Fleet renewal without major capex
- Reorganization and improving technical downtime
- Restructuring program proceeding according to plan
- Non-recurring charges of \$4.3 million

Strategic update



Strategy update

- Restructuring program
 - Cost reduction progressing as planned
 - Operations moved to Bergen
 - Project based reorganization with technical downtime dropping to single digits on new projects in Q4, continuing further down QTD
- Fleet renewal adds flexibility to cost base and a lighter balance sheet
 - Geo Barents a modern vessel with source, 2D, and niche 3D capacity
 - Replaces Osprey Explorer (2D and source)
- MUSD 16 secured debt facility secured
 - Repayment SBX04
 - Seismic rigging of Fulmar Explorer

Flexible fleet – niche streamer and source

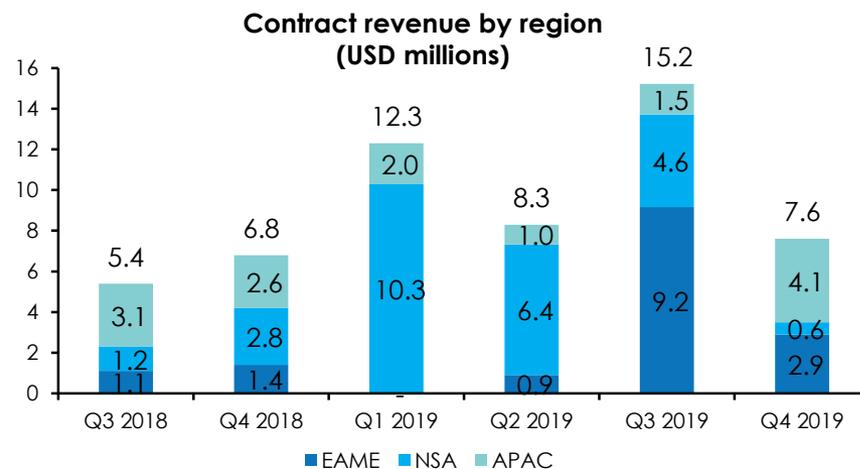
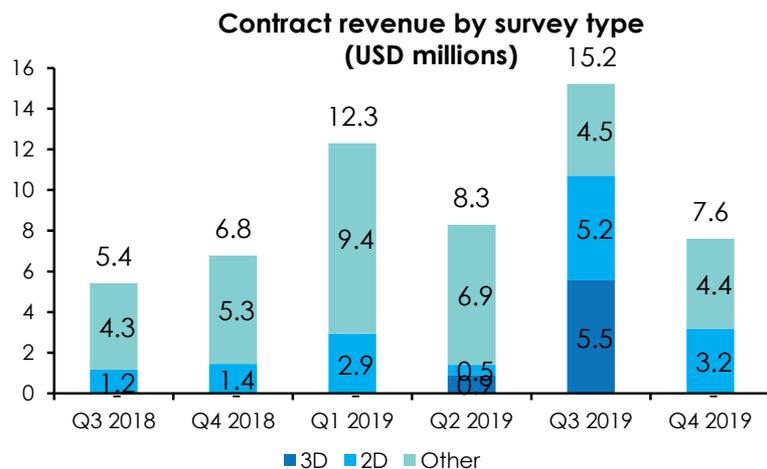
5 – 7 vessels capable of niche streamer and source operations

							
	EAGLE EXPLORER	FULMAR EXPLORER	PETREL EXPLORER	GEO BARENTS	VOYAGER EXPLORER	NORDIC EXPLORER	HARRIER EXPLORER
<i>Status</i>	Owned	Owned	Owned	Flex TC	Flex BB	Flex TC	Owned
<i>Source</i>	Yes	Yes	No	Yes	Yes	Yes	Yes
<i>2D</i>	Yes	Yes	EM - TC	Yes	Yes	Yes	Yes
<i>3D</i>	Yes	No	NA	Yes	Yes	Yes	No
<i>Streamer</i>	Sentinel	Sentinel	NA	Sentinel	Sentinel	DigiStreamer	DigiStreamer

Market and operational review



Segment operating activity



Key take-aways:

- Continue to see a healthy balance between streamer and source projects
- Relative pick-up in activity in the Asia Pacific region

Note: contract revenues does not include \$0.8 million in multi-client revenues in Q3 2019 and \$0.9 million in Q2 2019

Operational update

Five vessels in operation during the quarter

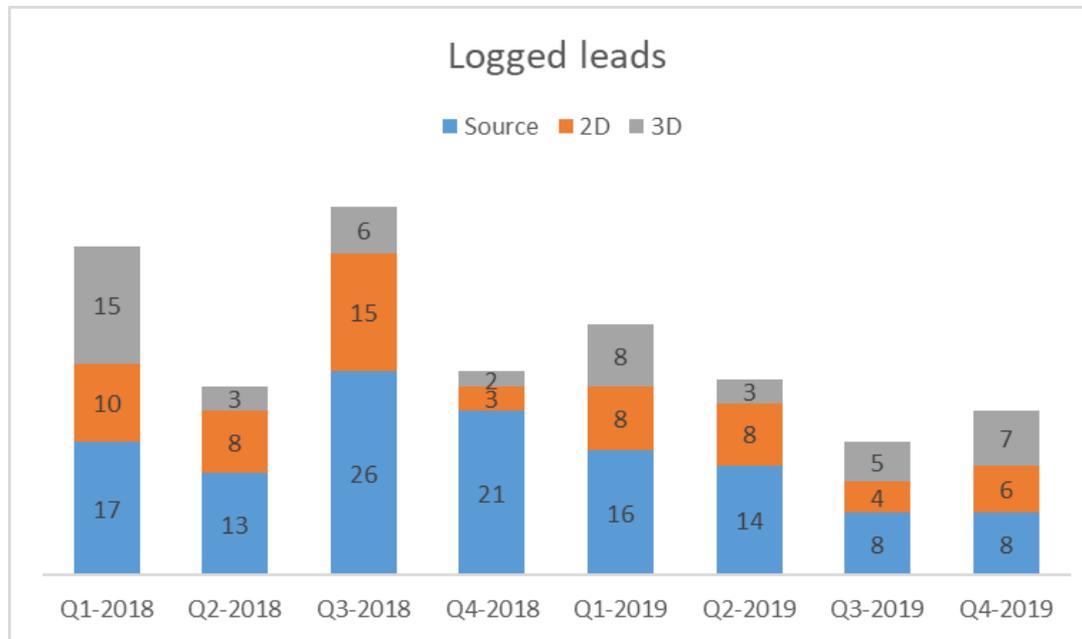
- Voyager Explorer (Asia Pacific)
 - Commenced OBN source project in Asia
- Osprey Explorer (GoM)
 - Completed OBN source project in the North Sea
- Harrier Explorer (NSA)
 - Completed 2D project in South America
- Eagle Explorer (GoM)
 - Completed 2D project in North Sea
- Petrel Explorer (Asia Pacific)
 - Operating on contract with EMGS
- Nordic Explorer (WAF)
 - Completed 2D project in West Africa and mobilized for project in Australia



Market trends

- Source vessel demand driven by ocean bottom seismic
 - Oil & gas companies' focus on increased oil recovery on producing fields, as well as near-field exploration
 - Tendency for increased multi-client activity in OBN
 - We expect to see moderate growth in OBN activity in 2020
- Demand for proprietary 2D and niche 3D surveys
 - License obligations
 - High conversion ratio, but surveys are relatively small
 - Energy security emerging as a demand driver in select regions – Far East and Africa
- Signs that conversion ratio for 2D multi-client is increasing
 - Confirmed surveys
 - More specific discussions with potential clients

Tender activity in SeaBird markets

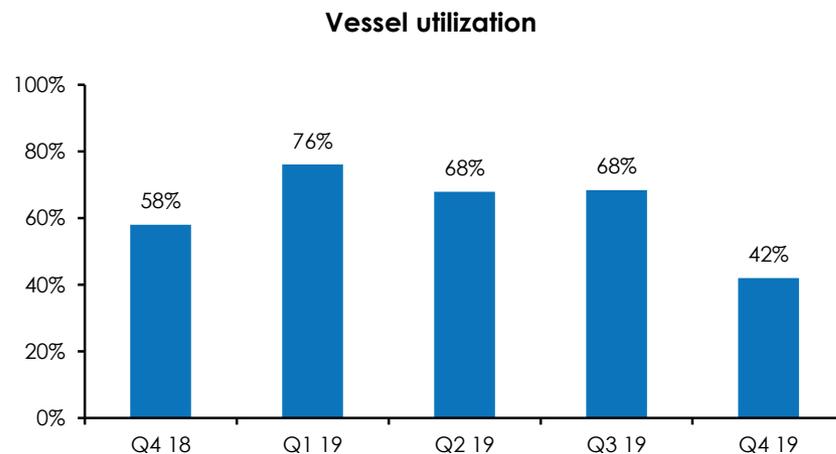
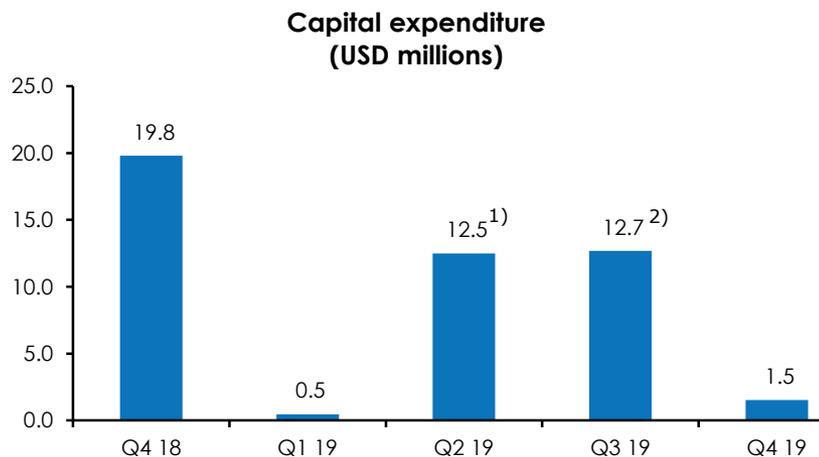
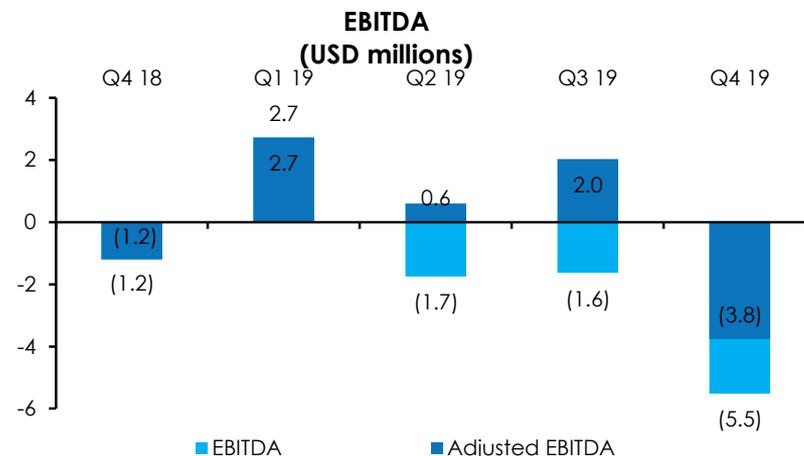
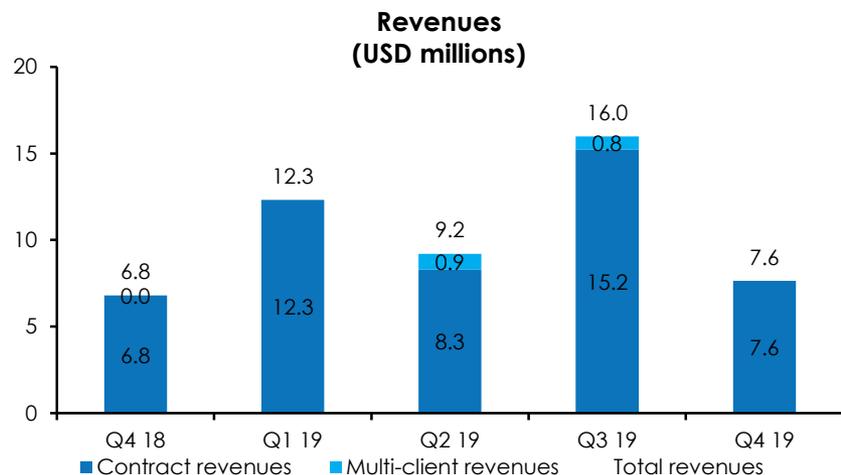


- Stable OBN related tendering activity
- 2D tendering continues at a moderate pace and we expect more surveys to realize than before
- Still short lead time from contract award to project start-up

Financial review

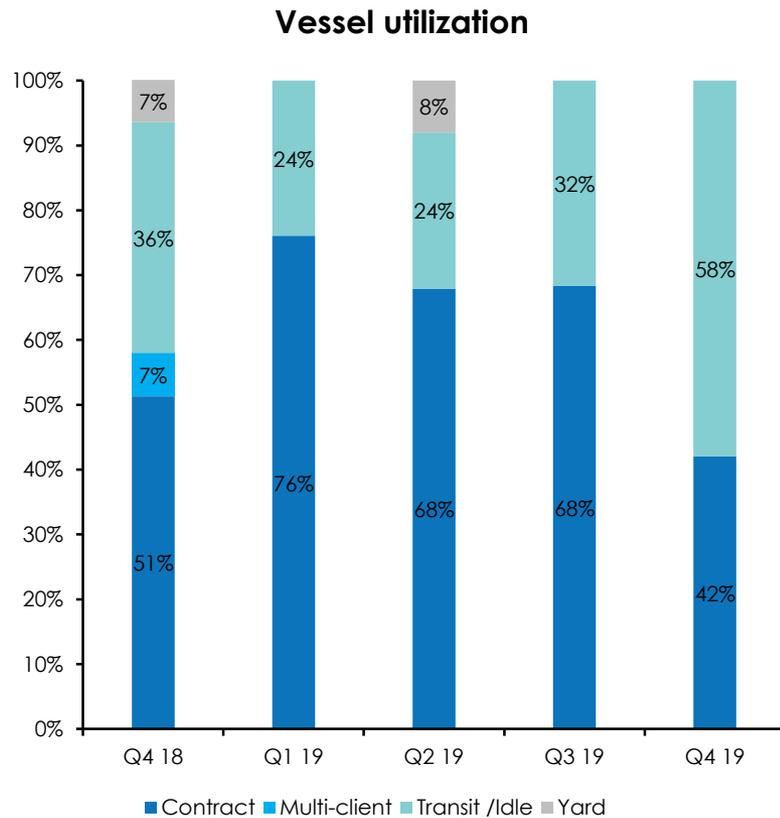


Historical operating comparison



1) CAPEX includes \$3.2 million in non-cash investment in Petrel raised from sellers of the vessel
 2) CAPEX includes \$3.2 million in non-cash investment in Fulmar raised from sellers of the vessel

Vessel utilization



- Q4 utilization of 42% for whole fleet
- No yard stays during the quarter

Notes:
 Aquila Explorer not included in utilization from Q2 2019
 Fulmar and Petrel included in utilization from date of delivery

Income statement Q4 2019

CONSOLIDATED INTERIM STATEMENT OF INCOME				
All figures in USD millions (except EPS)	Adjusted	Q4 2019		Q4 2018
		Non-recurring	Actual	Actual
Contract Multi-client	7.7	0.1	7.6	6.8
Total revenues	7.7	0.1	7.6	6.8
Cost of sales	(9.2)	-	(9.2)	(5.8)
SG&A	(2.1)	(0.5)	(1.5)	(1.9)
Reversal of bad debt charges	(0.2)	0.2	(0.4)	-
Other income (expenses), net	0.0	0.8	(0.8)	(0.3)
Restructuring gain on leases	-	1.2	(1.2)	-
EBITDA	(3.8)	1.7	(5.5)	(1.2)
Depreciation	(2.6)	-	(2.6)	(2.5)
Amortization	(0.2)	-	(0.2)	-
Impairment	(0.2)	2.5	(2.7)	-
EBIT	(6.8)	4.2	(11.0)	(3.6)
Interest expense	(0.4)	0.1	(0.4)	(0.2)
Other financial items	(0.2)	-	(0.2)	0.1
Restructuring gain	-	-	-	-
Income tax	(0.2)	-	(0.2)	0.0
Profit/(loss) continuing operations	(7.5)	4.3	(11.8)	(3.7)
Net profit/(loss) discontinued operations	-	-	-	-
Profit/(loss) for the period	(7.5)	4.3	(11.8)	(3.7)
Earnings per share from continued operations				
Basic			(0.02)	(0.01)
Diluted			(0.02)	(0.01)

- Non-recurring items include:
 - Osprey decommissioning \$3.0 million
 - Restructuring provision \$1.2 million
 - Option expenses reversed \$0.5 million

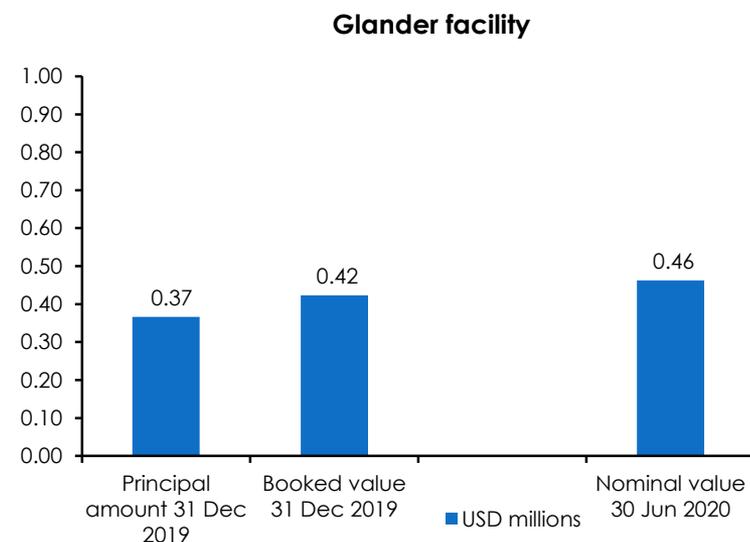
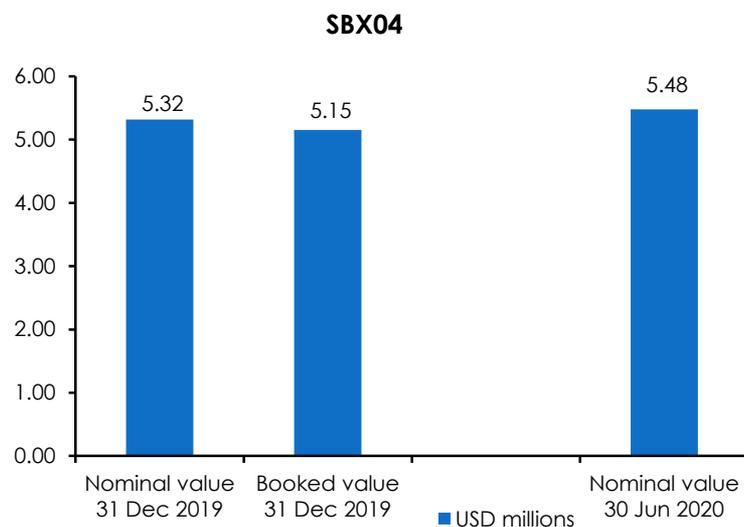
Balance sheet

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION		
	As of 31 December	
All figures in USD millions (except for equity ratio)	2019	2018
Property, plant and equipment	53.9	41.9
MultiClient Investment	0.4	1.5
Other non-current assets	0.1	0.6
Inventories	1.9	1.2
Trade receivables	3.6	2.1
Other current assets	5.2	3.3
Contract assets	1.8	1.8
Assets classified as held for sale	0.0	-
Restricted cash	0.2	0.2
Cash and cash equivalents	3.6	5.8
Total assets	70.9	58.3
Equity	46.5	37.5
Non-current borrowings	-	4.6
Long term trade payables	-	0.4
Long term tax liabilities	0.8	1.3
Other long term liabilities	0.2	0.6
Trade payables	5.3	3.0
Contract liabilities	0.0	0.7
Other payables	9.2	8.9
Provisions	2.2	-
Current borrowings	5.2	-
Current tax liabilities	1.4	1.5
Total equity and liabilities	70.9	58.3
Net interest bearing debt	1.5	(1.2)
Equity ratio	66%	64%

Cash flow statement

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW		
	Quarter ended 31 December	
All figures in USD millions	2019	2018
Profit / (loss) before income tax	(11.6)	(3.7)
Depreciation, amortization and impairment	5.5	2.5
Other items	3.4	0.2
(Increase)/decrease in working capital	2.7	(0.4)
Net cash used in operating activities	(0.0)	(1.5)
Capital expenditures	(1.5)	(19.8)
Long term investment	0.1	0.0
Multi-client investment	-	(0.8)
Net cash used in investing activities	(1.4)	(20.5)
Share issuance	-	(0.0)
Other	(0.4)	(0.0)
Net cash from financing activities	(0.4)	(0.0)
Net (decrease)/increase in cash and cash equivalents	(1.8)	(22.0)
Cash and cash equivalents at beginning of the period	5.4	27.8
Cash and cash equivalents at end of the period	3.6	5.8

Financial borrowings and facilities



- SBX04 and Glander credit facility mature 30 June 2020
- \$16.0 million secured credit facility
 - Repayment of SBX04
 - Seismic rigging of Fulmar Explorer
- Moving current liabilities to long-term financing through refinancing SBX04

Summary



Summary



Q4 EBITDA hampered by low utilization. Project performance satisfactory



Day rates stabilizing following sharp growth 2018/19



Structural growth in OBN continues in 2020 while 2D expected to pick up



Delivering on new strategy in 4 months



An upgraded, modern and competitive fleet ready beginning 2H 2020

Q&A

