

SeaBird Exploration

Q1 2023 presentation



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 earnings release.

Agenda / Presenters

- Introduction
- Key developments
- Key financials
- Contract and outlook
- Financial
- Summary
- Q&A



Ståle Rodahl

Executive Chairman



Finn Atle Hamre

CEO



Sveinung Alvestad

CFO

SeaBird Exploration Plc

- Global provider of marine seismic 2D and OBN source
- Headquarter in Bergen
- Listed in Oslo under ticker SBX NO
- Market Cap.: USD 30m
- NIBD: USD 12.5m
- Strong backlog and positive market outlook



Eagle Explorer

2D
OBN Source



Fulmar Explorer

OBN Source



Equipment

Can equip one 2D and one OBN source, alternatively two OBN source

**Distributed
25 January**

Green Minerals

Distributed to shareholders
25 January
2023

Rest holding:
446,801 shares due
to rounding effects

Key events Q1 2023

Operational

- Eagle Explorer
 - Project is 80 % completed
 - Contract extension awarded, project completion now expected by mid-June
 - Awarded 60-day OBN contract after the Indian 2D project
- Fulmar Explorer
 - Completed 2nd prospect area under current contract
 - Mobilised to 3rd prospect area this week
 - Strong performance and good feedback from client
- Green Minerals AS distribution completed on 25 January 2023



Market outlook for the oil and gas industry remains strong,
and we see project requests increasing both in numbers and duration

Financial highlights

Q1 2023

- Revenue of USD 9.9m (Q1 2022: USD 5.0m)
- EBITDA of USD 4.4m (USD 0.1m)
- Net profit of USD 6.9m (USD -1.9m),
– including USD 5.0m in distribution gain from GEM
- Cash flow from operation of USD 2.7m (USD -9.4m)
- Net interest bearing debt of USD 12.5m (USD 19.8m)
- Equity ratio of 51% (43%)

Guidance

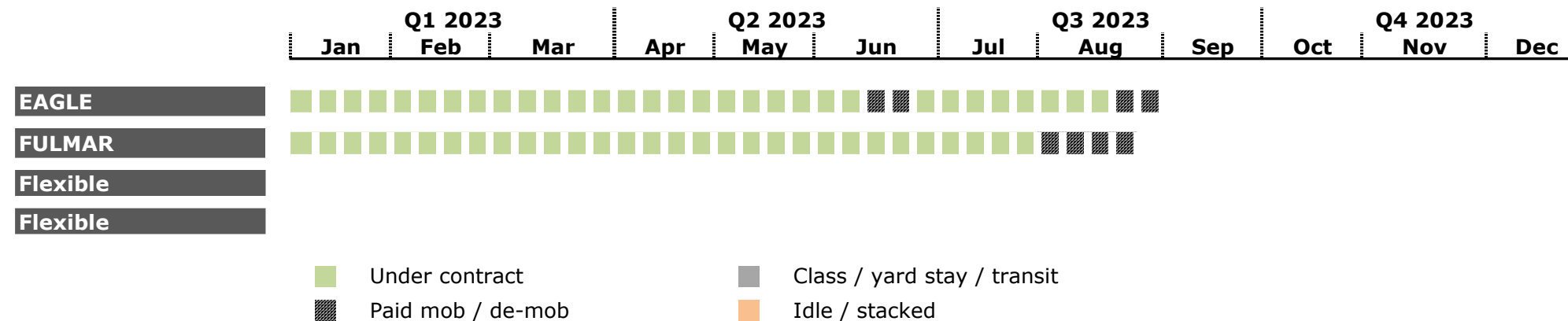
- 2023 SG&A: kept at approximately USD 4 million
- Cash conversion set to improve further in coming quarters

Key figures				
All figures in USD '000 (except EPS and equity ratio)	Q1 2023 (Unaudited)	Q1 2022 (Unaudited)	2022 (Unaudited)	2021 (Audited)
Revenues	9,906	5,002	20,160	20,705
EBITDA	4,374	106	1,458	-4,185
EBIT	2,849	-1,365	-6,881	-11,779
Profit/(loss) for the period	6,918	-1,942	-10,539	-11,425
Earnings per share	0.09	-0.04	-0.13	-0.33
Cash flow operating activities	2,704	-9,367	-15,894	6,270
Total assets	62,442	69,686	70,874	69,878
Net interest bearing debt	12,469	19,757	15,431	13,015
Equity ratio	51%	43%	45%	41%

Contract overview and outlook



Contract coverage



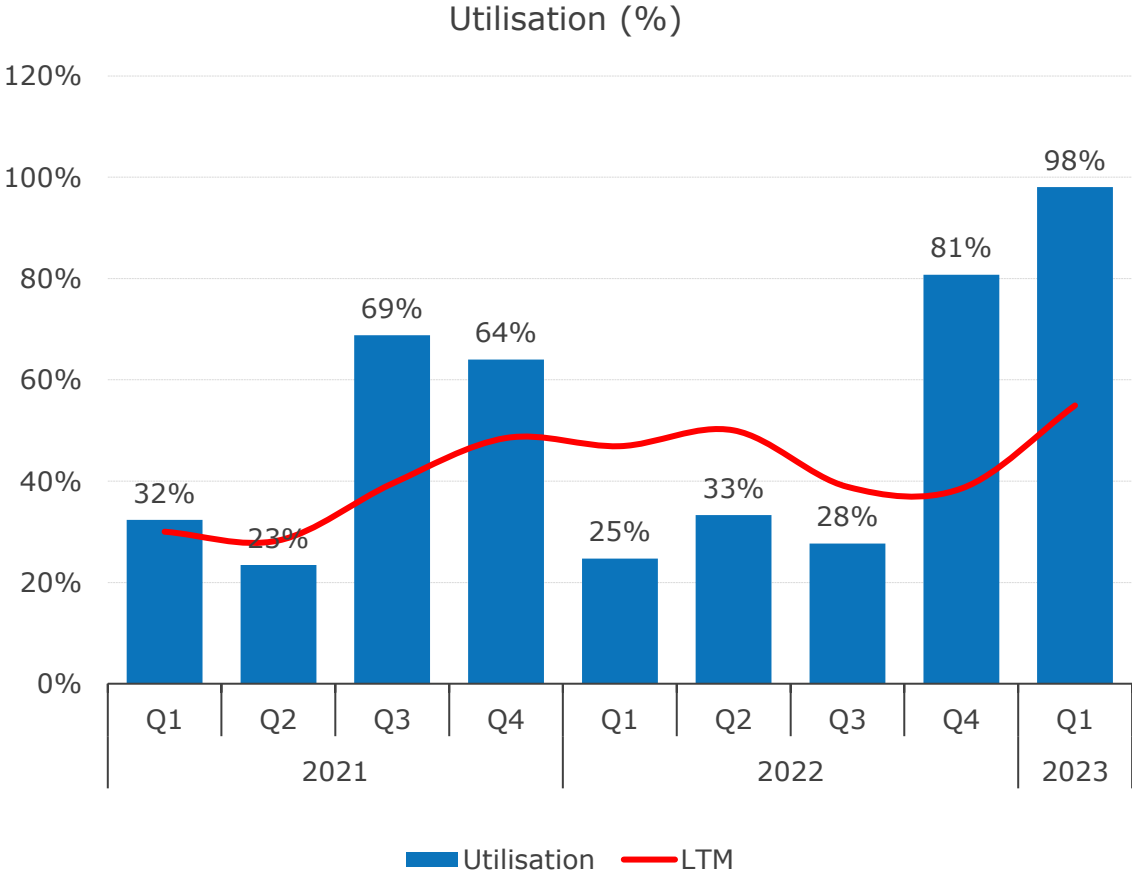
Key highlights:

- “Fulmar Explorer” has been in production throughout the quarter
- “Eagle Explorer” has been in production throughout the quarter.
 - Contract extension awarded, adding 20% to the total contract volume
 - 60-day contract awarded in direct continuation of the ongoing 2D contract in India

Positive outlook:

- A number of new contract opportunities in GOM, Brazil, West Africa, North Sea, India and SE Asia are being evaluated
- Opportunities supporting profitable growth are continuously monitored

Utilisation



- Q1 utilisation was 98%
- Both vessels operated at close to full utilisation during the quarter
- Utilisation year to date has been 98%

Eagle Explorer

Eagle Explorer: 2D & OBN

Operation Q1 2023:

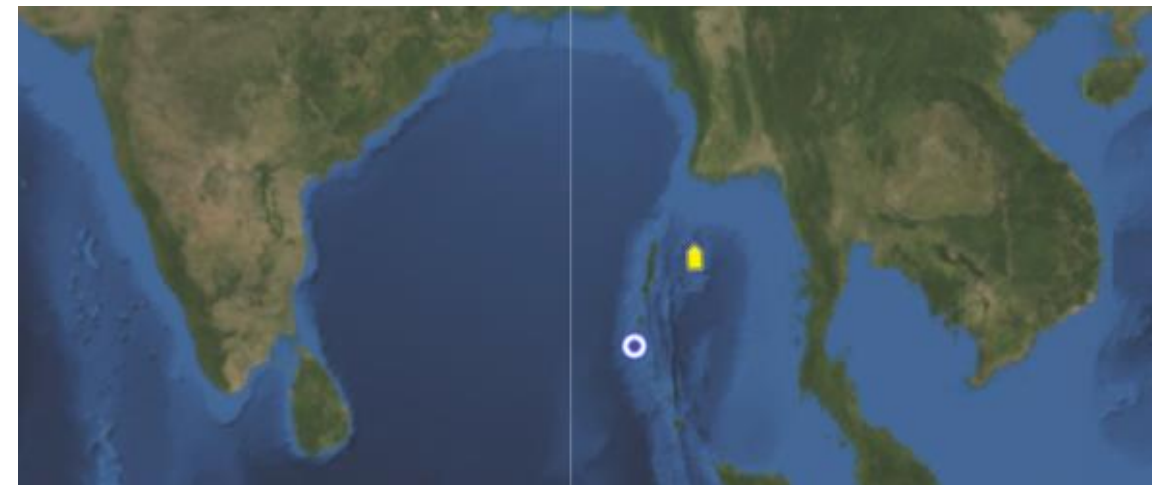
- Under 2D contract India until early June
- Achieved high utilization during quarter

Status in Q2 2023:

- Project is 80% completed and estimated to be finalized early June.

Outlook:

- Signed a 60-day OBN contract in direct continuation of current contract. Expected to keep the vessel busy until late August
- Vessel is due for 5-year SPS during 2023, final date is not set due to scheduling of potential contracts
- Opportunities as both:
 - I. 2D vessel in developing countries focusing on energy security and developing domestic O&G industry
 - II. OBN source vessel in more mature area/basins



Fulmar Explorer

Fulmar Explorer: OBN

Operation Q1 2023:

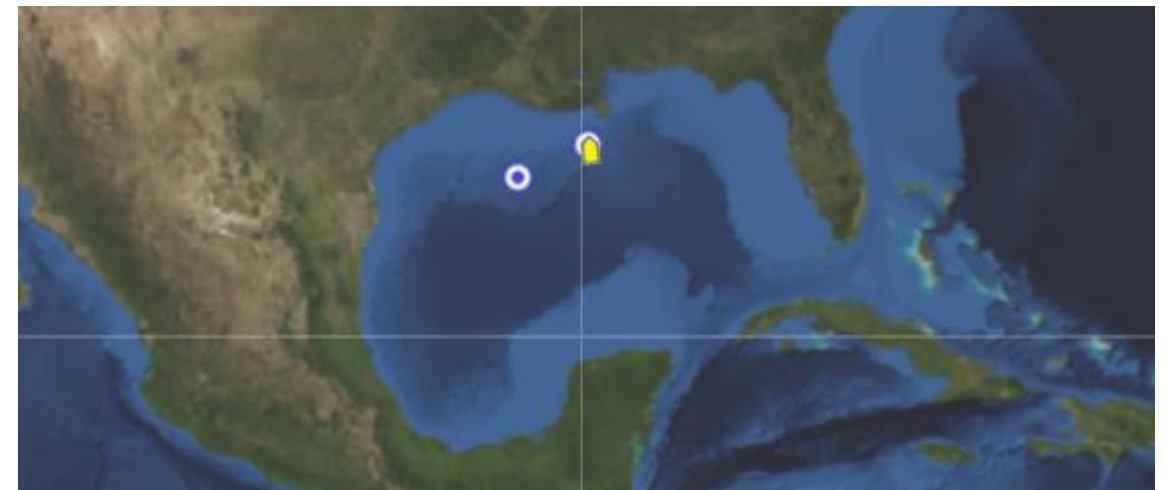
- OBN source contract in US GoM since August 2022
- Completed 2nd prospect under current contract

Status in Q2 2023:

- Mobilized to 3rd prospect area this week
- Strong performance and good feedback from client

Outlook:

- Discussions for long-term opportunities after current contract expire in July/August ongoing
- Prospects is mainly in mature basin were oil companies want to further complement current seismic data with OBN in relation with current infrastructure



“Flex capacity” - Equipment Pool / Chartered in vessels



Equipment pool could outfit:

- 1x 2D + 1x OBN-vessel or
- 2x OBN-vessels
- Seabird in a strong position as there is shortage of equipment in the industry

Seabird equipment pool

Seabird charter in 3rd party vessel

Seabird marine seismic operation

Seeking long-term contract to match charter-in vessel

Client



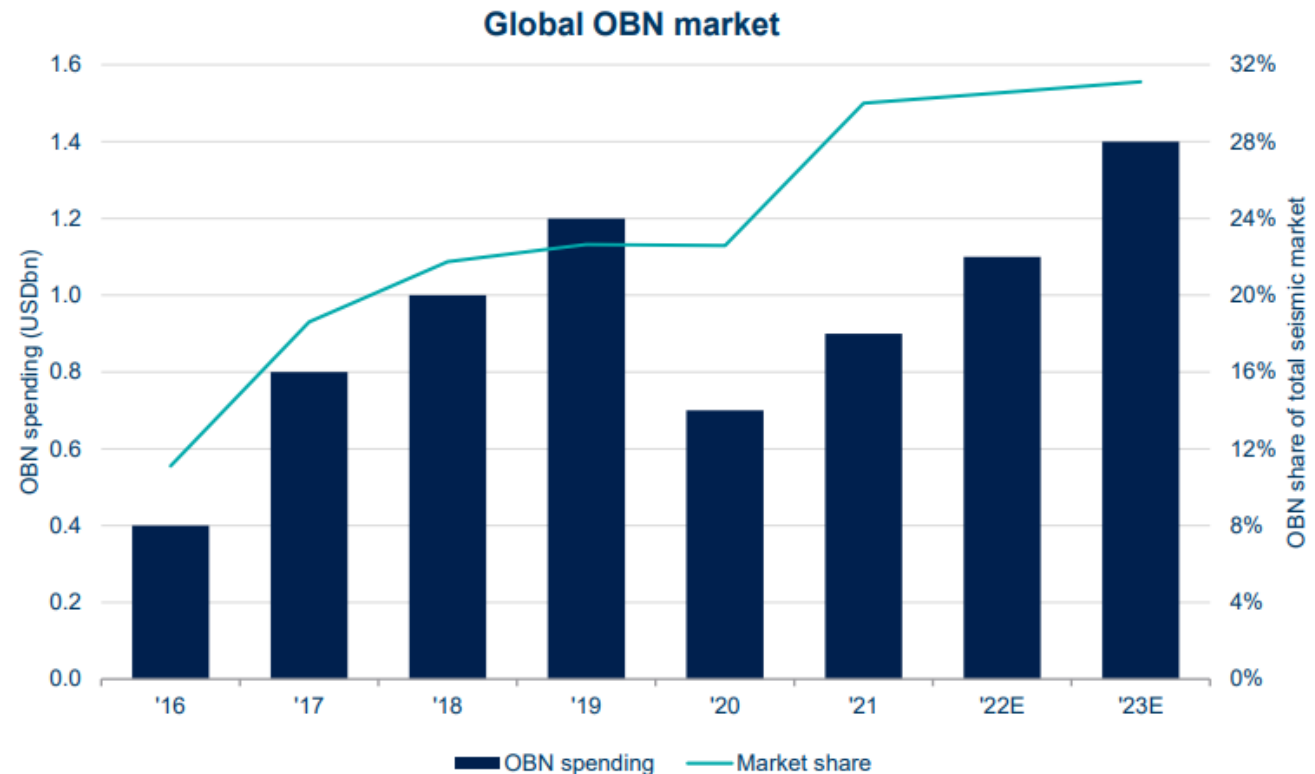
Third party vessel charter:

- Seabird is exploring options to charter-in third party vessel
- Keeping a disciplined approach, will not add capacity without contract opportunities
- Flip-side of a tighter vessel market is possibilities to secure third party tonnage

Global OBN market is strengthening

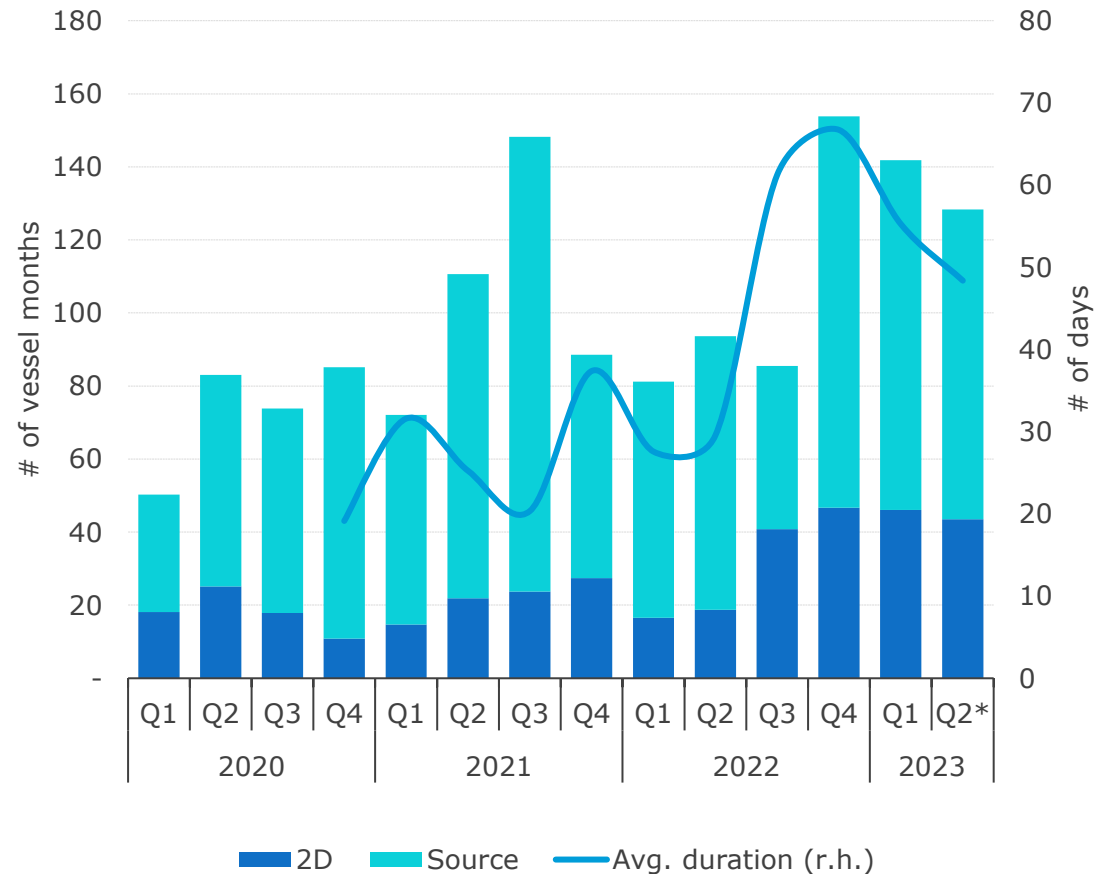
- OBN demand up > 200% over the last 7 years, more than doubling its share of overall seismic spend
- Structural growth in OBN:
 - In-field
 - Near-field
 - 4D
- «We continue to drive down unit cost. Ocean Bottom Seismic now is being deployed widely across our portfolio, giving a better view of the barrels that remain.»

BP Q4 2022 conference call



Source: ABGSC Research

Market trends



General

- Tendering activity continues strong and reflects seasonal positioning
- Duration of new tenders is increasing
- Strong outlook for energy prices following years of underinvestment
- Oil & gas to remain an important part of energy mix in the foreseeable future

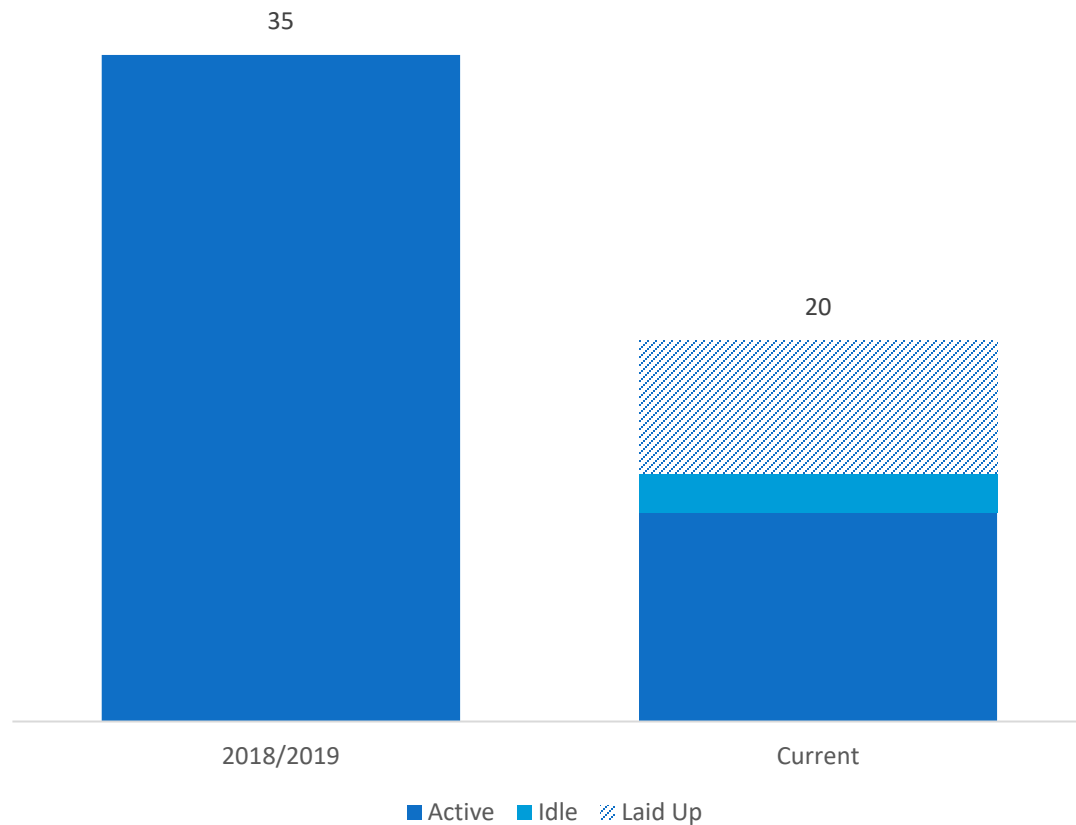
Ocean bottom seismic

- Oil & gas companies' focus on increased oil recovery on producing fields, as well as near-field exploration
- Reduced competition following equipment consolidation and vessels exiting the OBN source segment
- Key areas Gulf of Mexico, Brazil, West Africa, North Sea and India

Proprietary 2D surveys

- Energy security emerging as a demand driver in select regions – Far East, Africa and South America
- India expected to be an important market for 2D going forward

Source fleet overview



- Current fleet of active source vessels consists of 11 vessels*
- We see a potential of 2 additional vessels available on relatively short notice
- Average age of the laid up vessels are 25 year, only two built after year 2000
- The comparable fleet in 2018/2019 was 35 vessels.
- Active fleet reduced by ~60%

** This is the "free" fleet competing for work globally, excluding Russian and Chinese vessels due to limitations and also "inhouse" vessels from integrated players not being offered to competitors*

Illustrative annual EBITDA potential

Market condition as in:	2013	2020	2021	2022	Current market
Vessel					
Eagle Explorer (as 2D capacity)	20	6	7	12-15	15-20
Fulmar Explorer (as OBN source)	20	2	5	11-14	13-16
SG&A	-4	-4	-4	-4	-4
Company EBITDA - USDm	36	4	8	19-25	24-32
EBITDA potential from flex capacity					
1x vessel					9-13

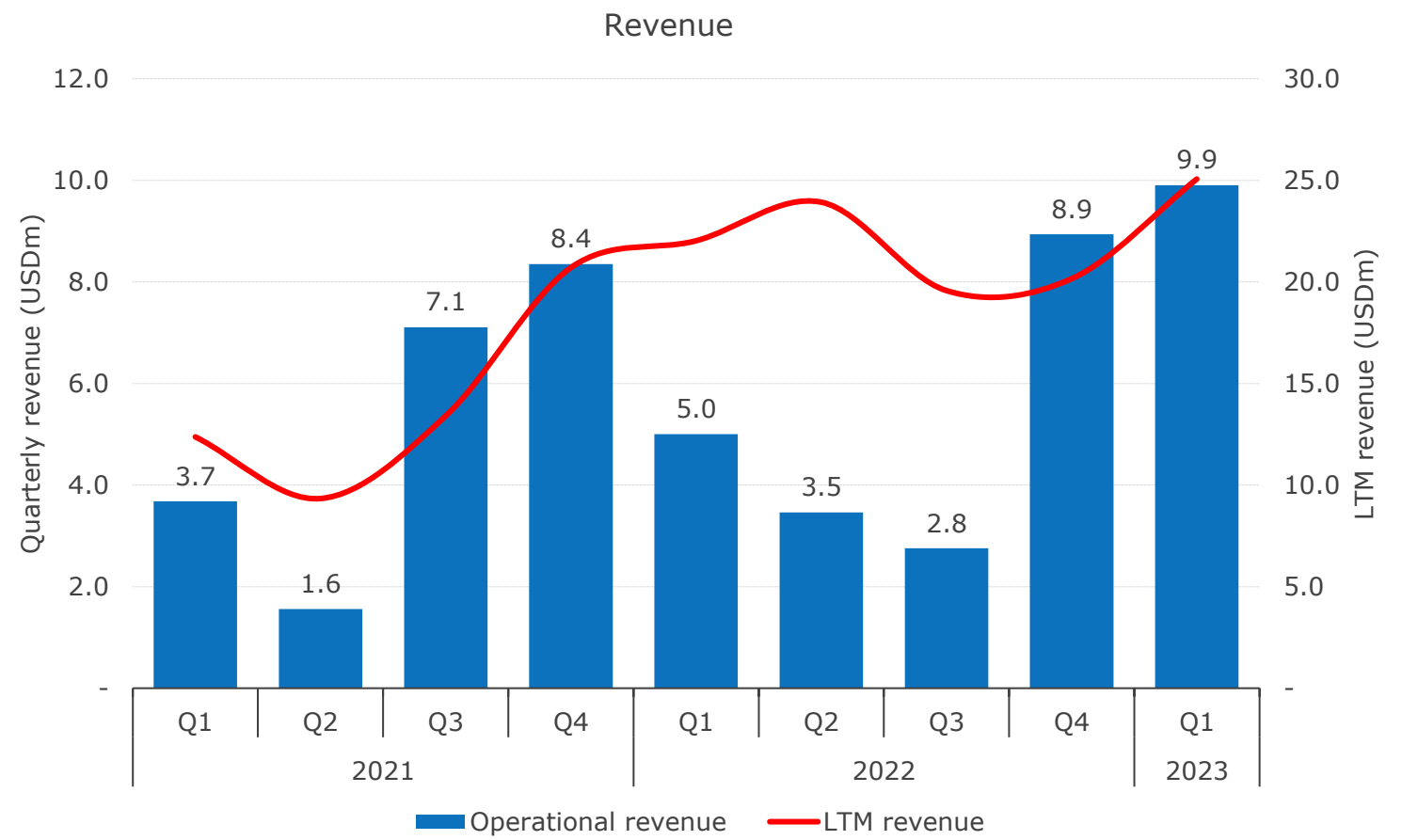
- Based on “rough” rate-level in the different period and current opex level
- Illustration above is based on 95% utilization for a full year and would be sensitive to any changes
- “Flex capacity” would require limited increase in SG&A

Financials

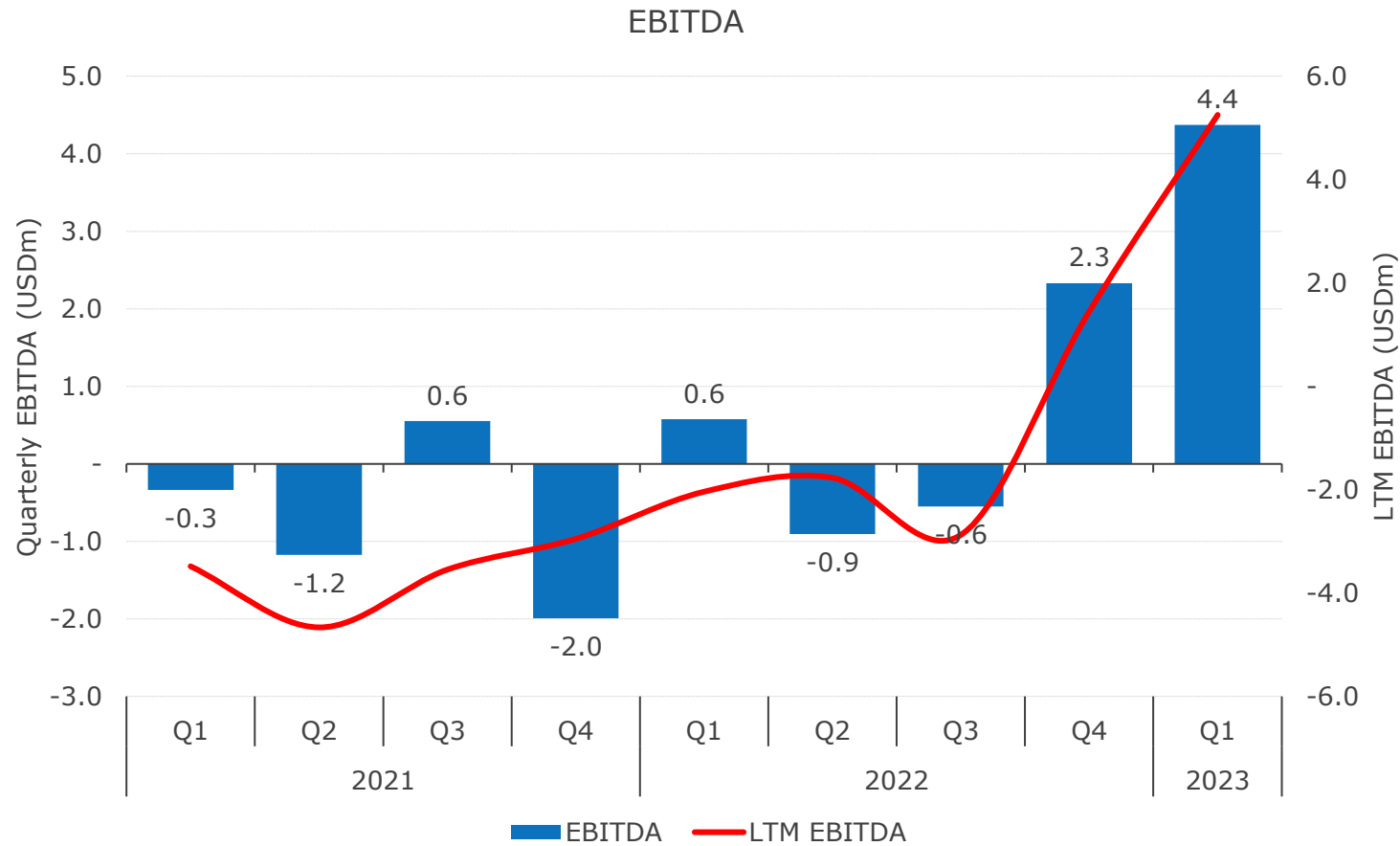


Revenue

- Q1 revenue of USD 9.9m, up from USD 5.0m in Q1 2022
- Q1 2023 utilization was 98%
- Solid revenue contribution from both vessels
- Revenues for last twelve months were USD 25.1 million

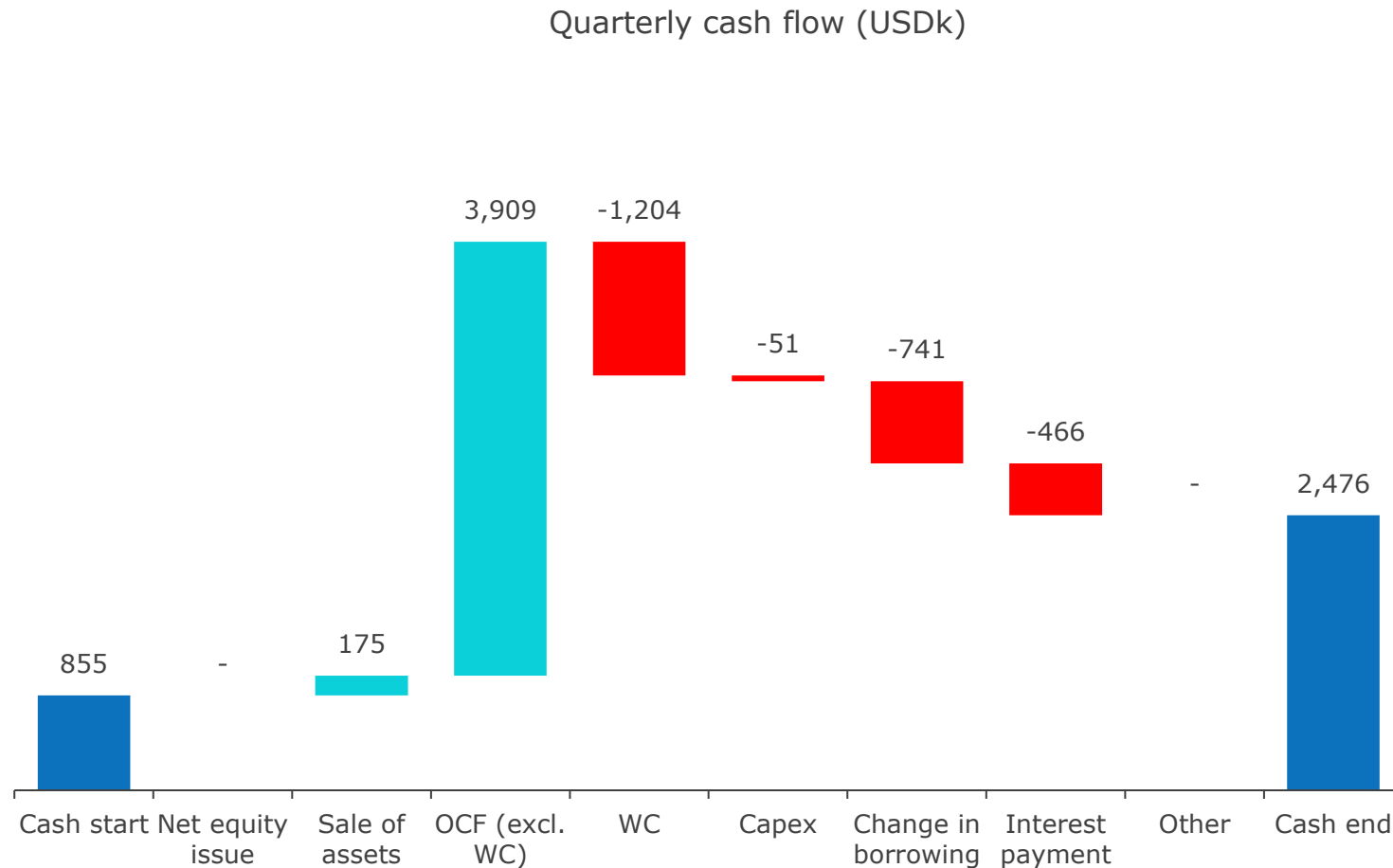


EBITDA



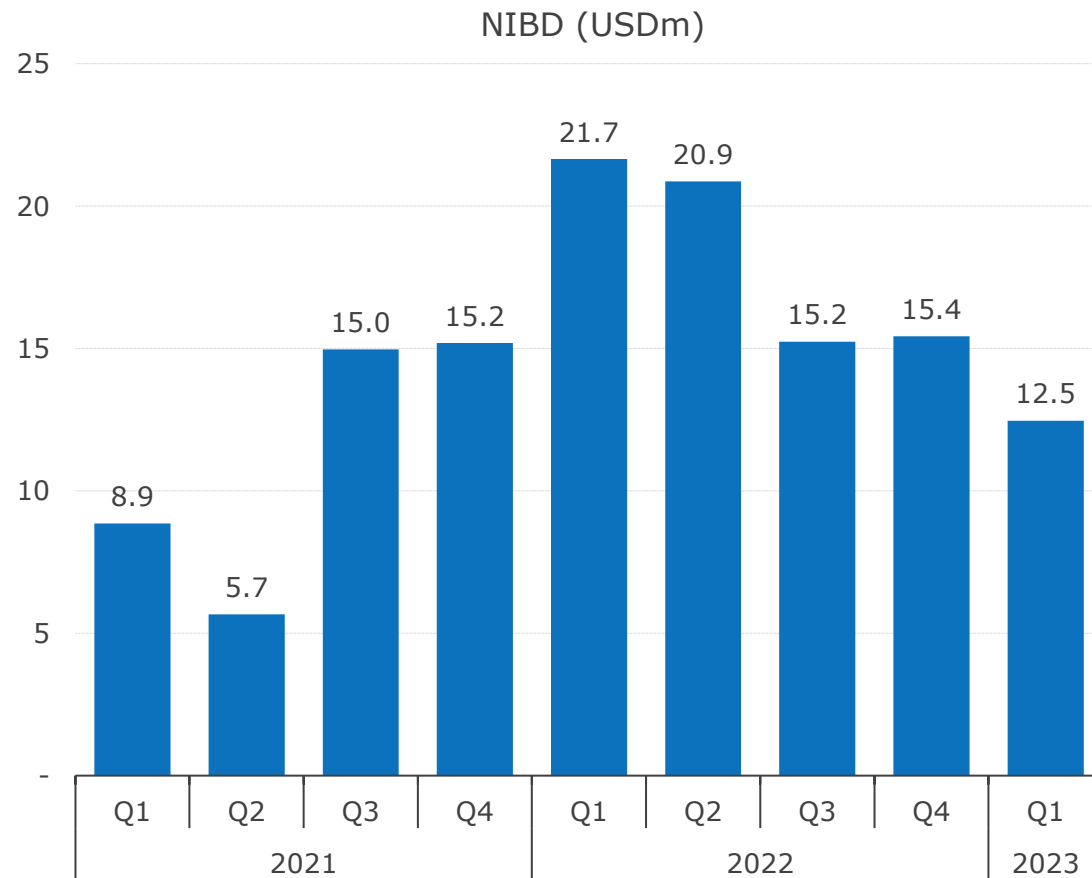
- Q1 EBITDA of USD 4.4m, up from USD 0.6m the prior year quarter
- EBITDA the last twelve months of USD 5.3m
- SG&A for Q4 was USD 1.0m. This is in line with where we expect it to be going forward

Cash flow bridge



- Cash flow from operation excluding working capital was USD 4.0 million
- Working capital was USD -1.2m for the quarter
- USD 0.7m debt repaid
- Net cash flow for the quarter was USD 1.6 m

Net interest-bearing debt



- Net interest-bearing debt has been reduced from USD 21.7m from the start of 2022 to USD 12.5m as of Q1 2023
- Gross debt is USD 15.0m with maturing in June 2023
- The company is in compliance with all active bank covenants
- We are in advanced dialogue with our main lender about refinancing our bank facilities, and we remain confident that the refinancing is concluded well ahead of the maturity in June.

Summary



Strategy

- Strong operational performance – 98% utilization YTD
- Win attractive contracts – additional backlog secured YTD
- Finalize new debt facility – refinancing on track before bullet matures in June
- Actively monitor value accretive opportunities for growth
- Strong financial performance expected to continue to improve balance sheet, release/normalization of working capital
- Free cash flow focus - capex limited to SPS and some equipment restocking
- Return capital to shareholders either through dividends or share-buy backs



Sound platform for profitability and consolidation in place

Q&A

