

SeaBird Exploration

Q4 2022 presentation



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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 36m
- NIBD: USD 15m
- 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 Q4 2022

Operational

- Eagle Explorer
 - Completed mobilization and commenced 2D project in India
 - Some local logistical issues on start-up, strong productivity since
 - On track on project plan
 - Extension program awarded in January
- Fulmar Explorer
 - Completed 1st prospect area under current contract
 - Completed dry-docking for repairs of main propulsion unit
 - Started 2nd prospect area under current contract
 - Strong performance and good feedback from client
- Green Minerals AS distribution approved 22 December 2022, and distributed 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

Q4 2022

- Revenue of USD 8.9m (Q4 2021: USD 8.4m)
- EBITDA of USD 2.3m (USD -2.5m)
- Net profit of USD -1.0m (USD -8.6m)
- Cash flow from operation of USD 1.3m (USD 11.7m)
- Net interest bearing debt of USD 15.4m (USD 13.0m)
- Equity ratio of 45% (41%)

Full year 2022

- Revenue of USD 20.2m (2021: USD 20.7m)
- EBITDA of USD 1.5m (USD -4.2m)
- Net profit of USD -9.3m (USD -11.4m)
- Cash flow from operation of USD -15.9m (USD 6.3m)

Guidance

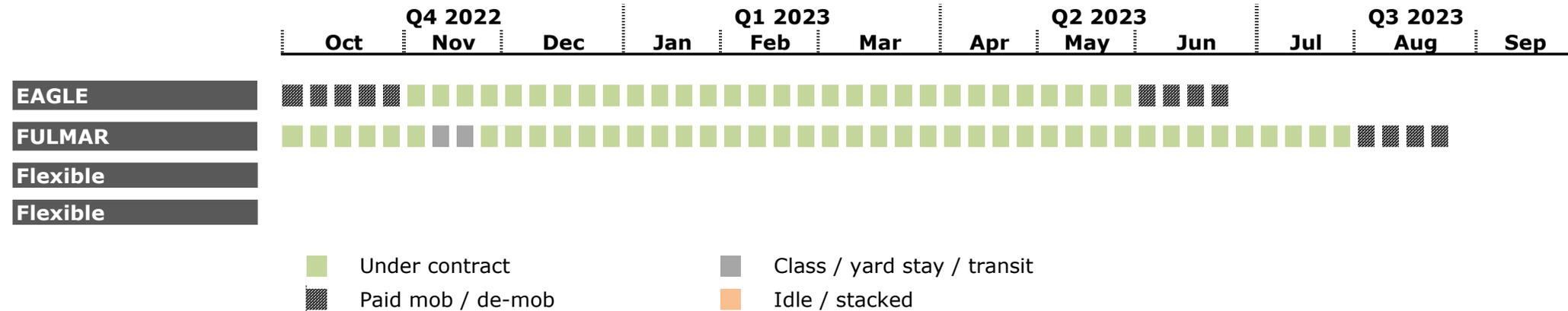
- 2023 SG&A: Approximately USD 4 million
- Q1 EBITDA: USD 4-5 million
- Cash conversion set to improve coming quarters

Key figures				
All figures in USD '000 (except EPS and equity ratio)	Q4 2022	Q4 2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues	8,940	8,354	20,160	20,705
EBITDA	2,332	-2,516	1,458	-4,185
EBIT	-364	-4,736	-6,881	-11,779
Profit/(loss) from continuing operations	-1,025	-8,572	-9,267	-11,425
Profit/(loss) from discontinuing operations	-480	-	-1,272	-
Profit/(loss) for the period	-1,505	-8,572	-10,539	-11,425
Earnings per share from continuing operations	-0.01	-0.25	-0.12	-0.33
Earnings per share	-0.02	-0.25	-0.13	-0.33
Cash flow operating activities	1,262	11,745	-15,894	6,270
Total assets	70,874	69,878	70,874	69,878
Net interest bearing debt	15,431	13,015	15,431	13,015
Equity ratio	45%	41%	45%	41%

Contract overview and outlook



Contract coverage



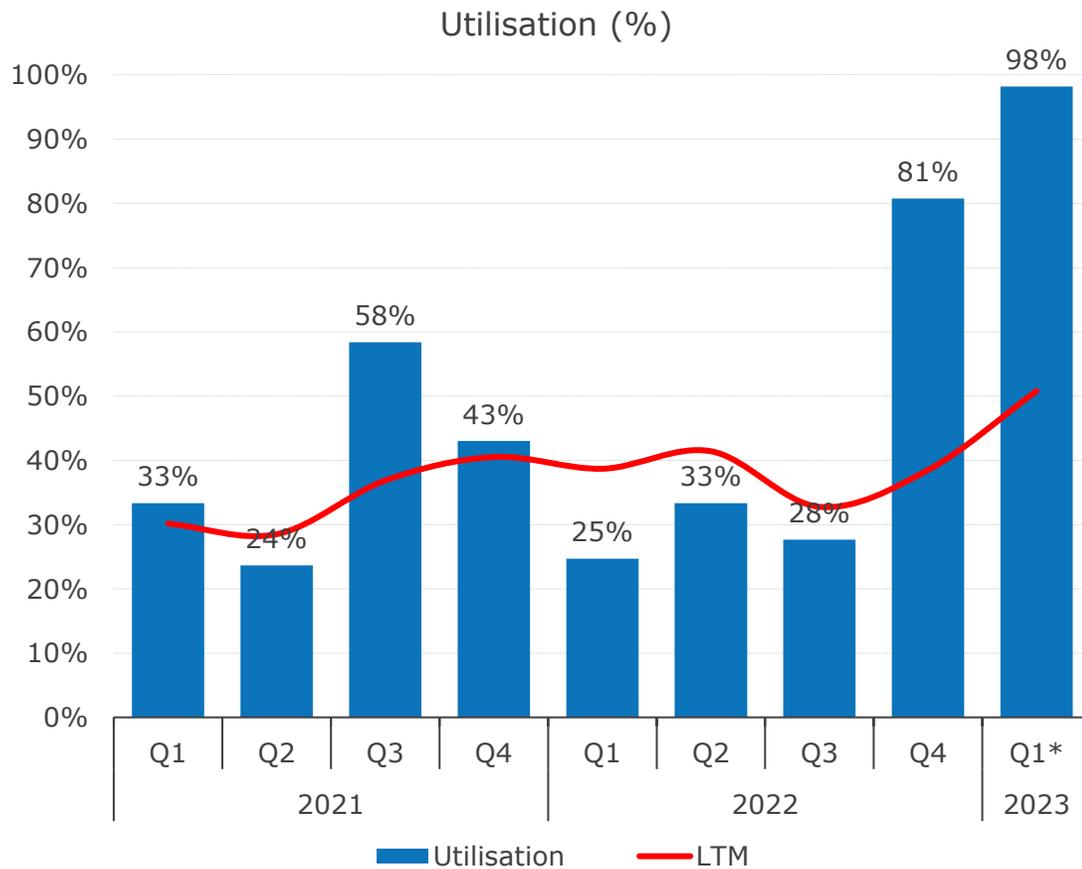
Key highlights:

- “Fulmar Explorer” had a short yard-stay during the quarter, otherwise strong technical and operational performance.
 - The yard stay had abt. 5% negative impact on guided contract economics
- “Eagle Explorer” commenced its contract on 1 November with good performance.
 - Contract extension awarded, adding 20% to the total contract volume

Positive outlook:

- A number of new contract opportunities in GOM, Brazil, West Africa, North Sea, India and SE Asia are being evaluated
- Discussions on one flex charter opportunity with some length have been initiated
- Net variations for the two vessels since order backlog was announced are positive, indicating upside to previously announced contracted EBITDA of USD 18m

Utilisation

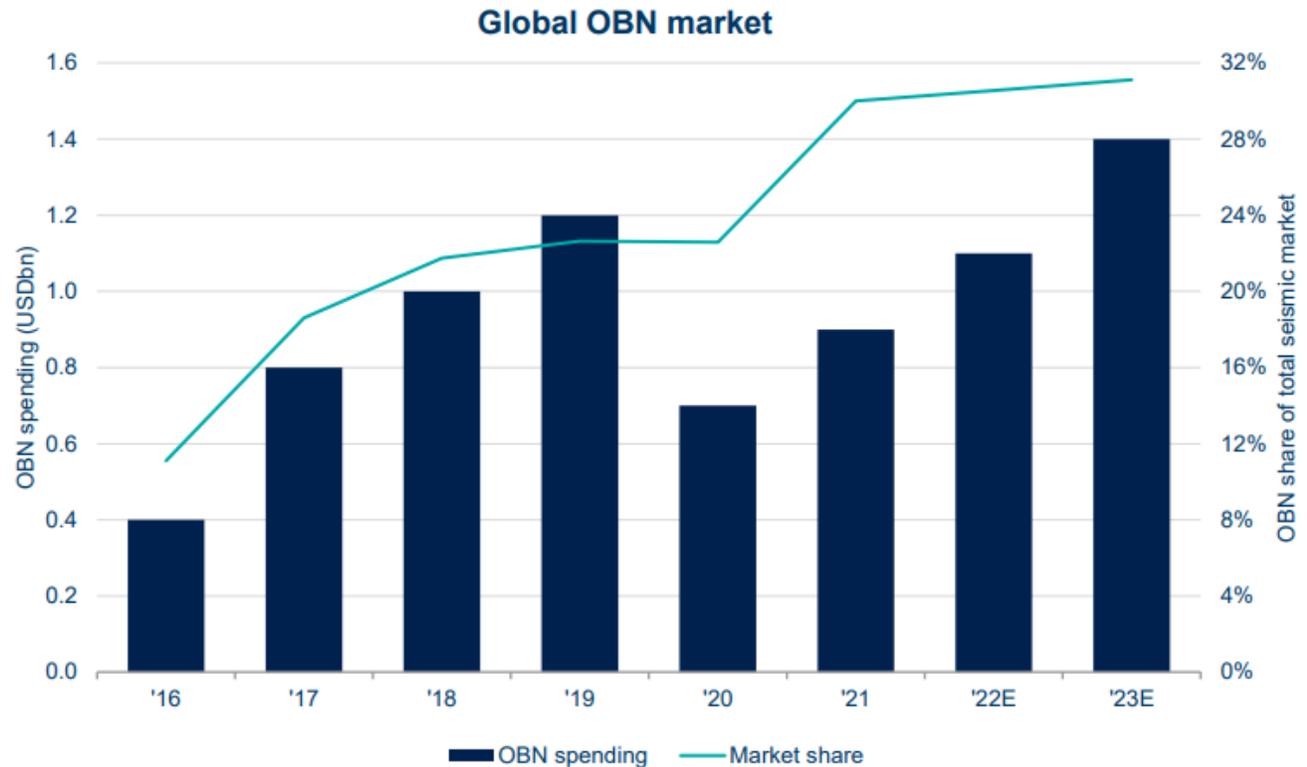


- Q4 utilisation was 81%
 - Fulmar utilisation was negatively impacted by a yard stay in November
 - Q4 was start-up quarter for Eagle, commenced operation in November with solid uptime
- Utilisation year to date has been 98%

Global OBN market is strengthening

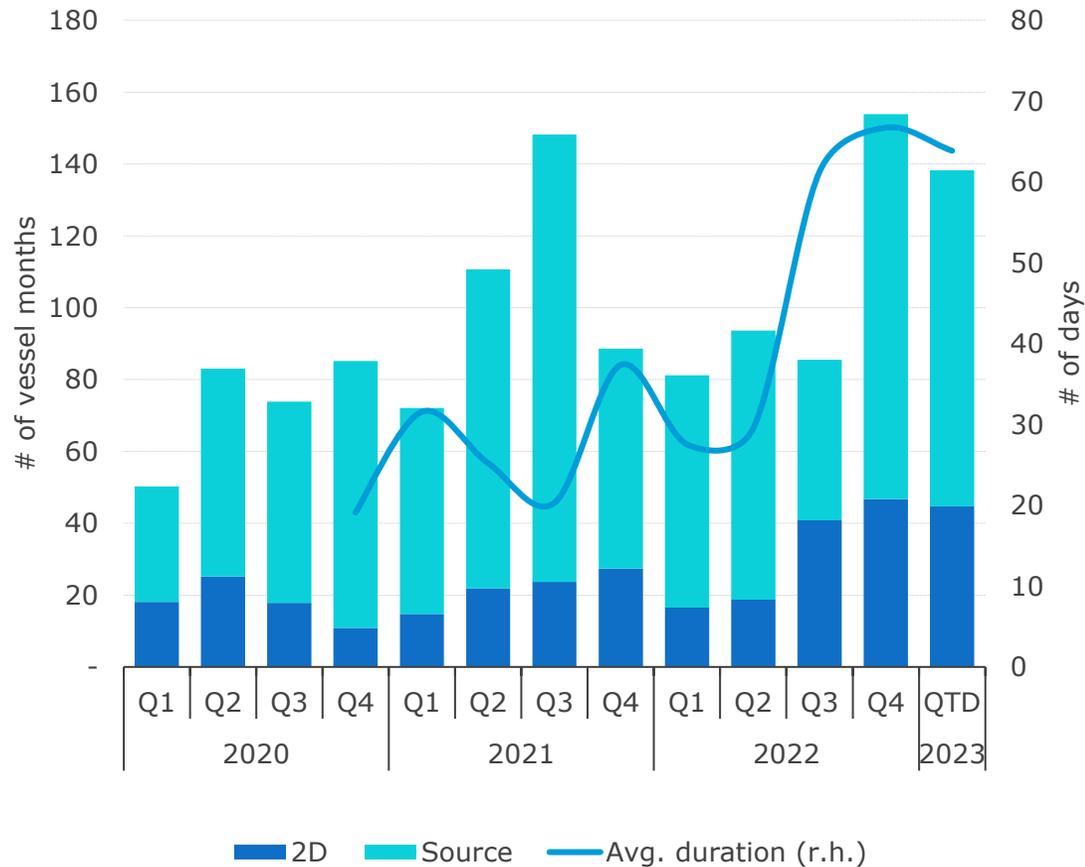
- OBN demand up > 200% over the last 7 years, more than doubling its share of overall seismic spend
- Structural growth in OBN:
 - In-field
 - Near-field
 - 4D
- «We continue to drive down unit cost. Ocean Bottom Seismic now is being deployed widely across our portfolio, giving a better view of the barrels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

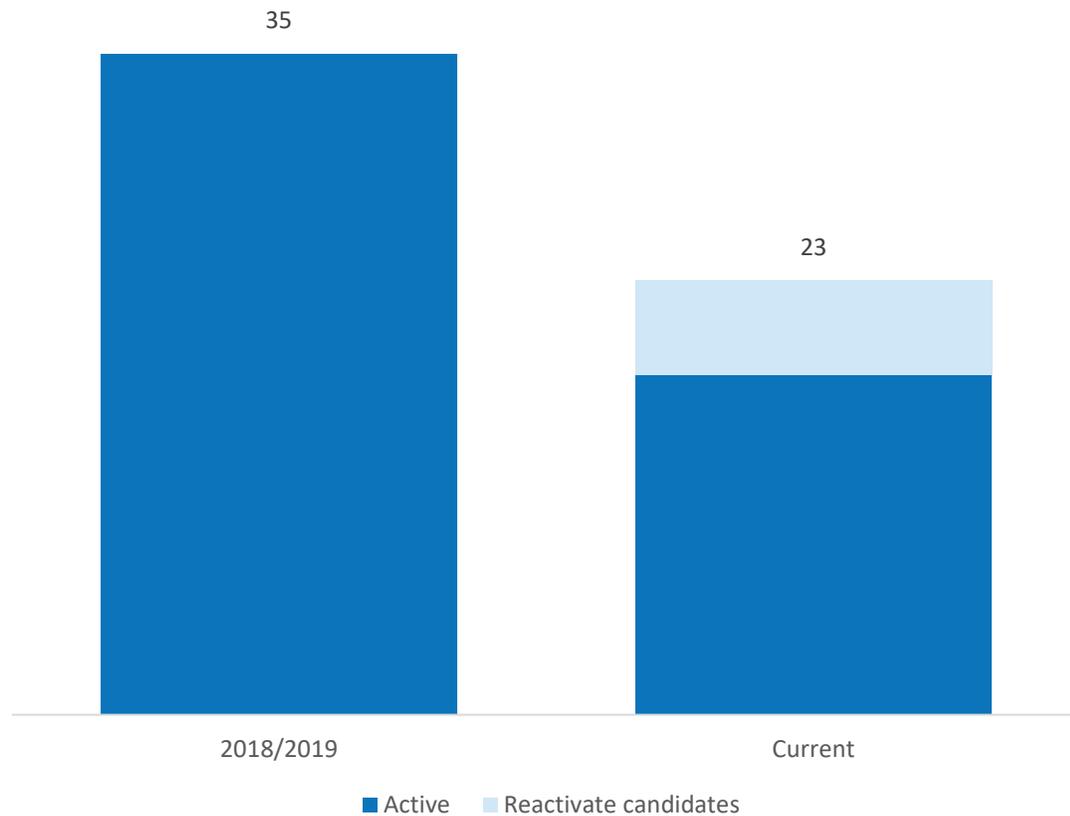
Ocean bottom seismic

- 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



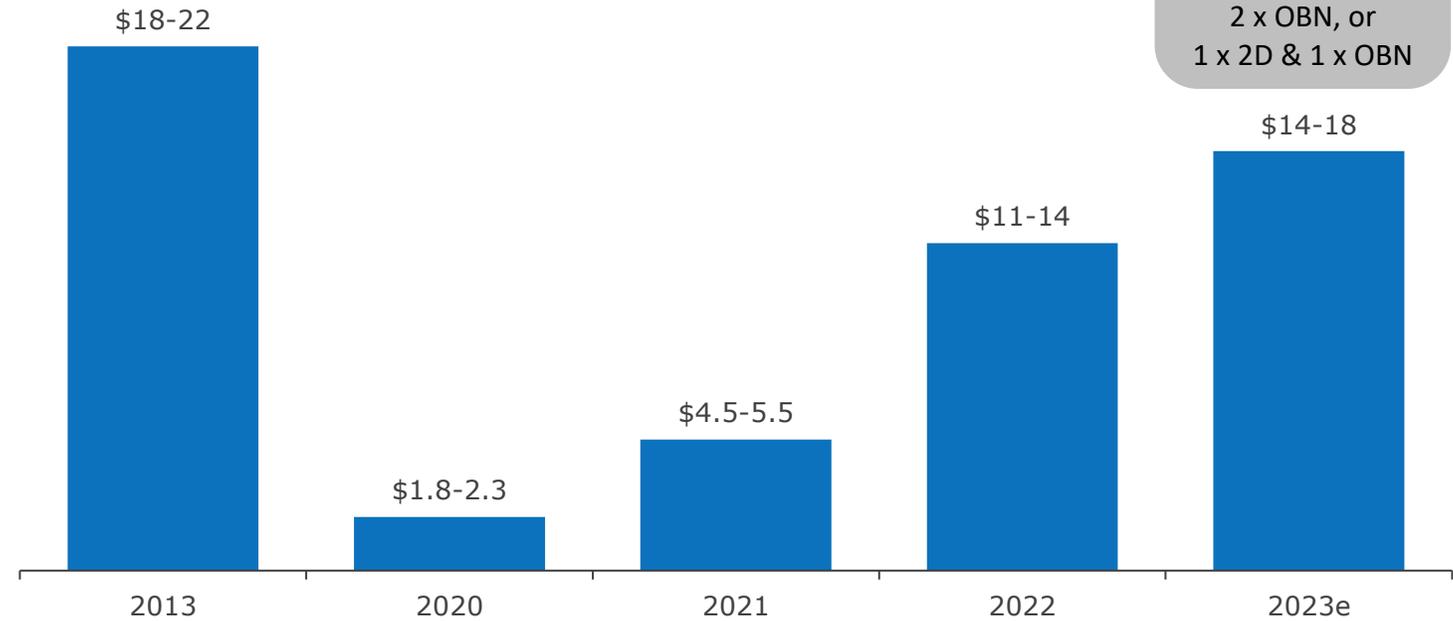
- Current fleet of active source vessels consists of 18 vessels*
- We see a potential of 3-5 vessels that could be reactivated on relatively short notice
- The comparable fleet in 2018/2019 was 35 vessels.
- Active fleet reduced by ~50%

* 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

- Demand for OBN services have increased more than 3x over the last 7 years
- SBX outlook update: dayrates expected to fix above USD 60,000 per day during 2023 on lack of high-end supply
- Historical valuation for asset heavy oil service companies has been 6-8x EBITDA over the cycle
- SBX currently valued at USD 51m on an enterprise value basis

Annual EBITDA generation (USDm)



SBX potential:
 Owned:
 1 x 2D & 1 x OBN
 Flex capacity:
 2 x OBN, or
 1 x 2D & 1 x OBN

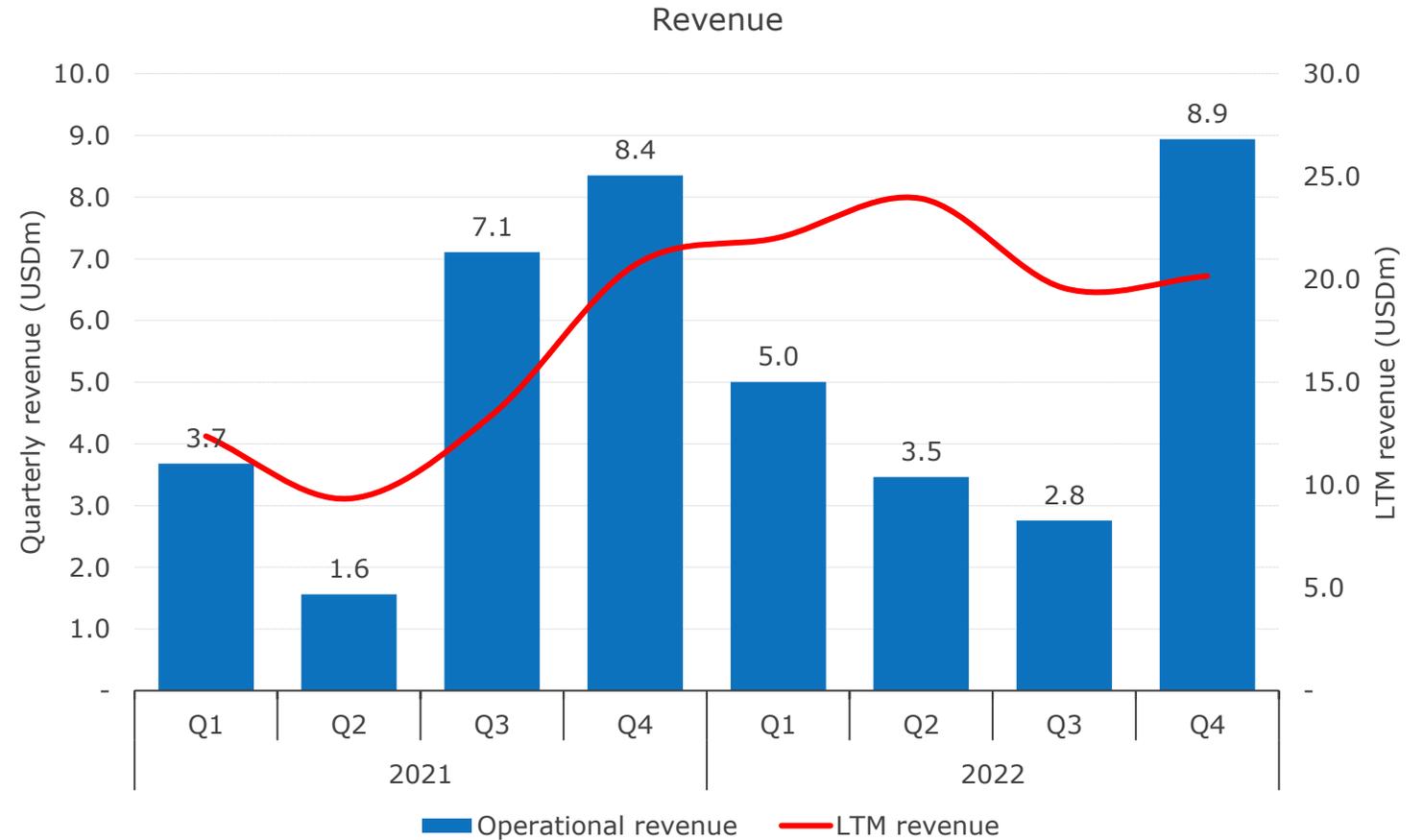
EBITDA potential* – 1x2D					
EBITDA potential* –1xOBN	\$20m	\$6m	\$7m	\$12-15m	\$16-20m
SBX EBITDA potential* – 1x2D + 1xOBN		\$2m	\$5m	\$11-14m	\$14-18m
SBX EBITDA potential* – 1x2D + 3xOBN					\$25-35m
					\$45-55m

Financials

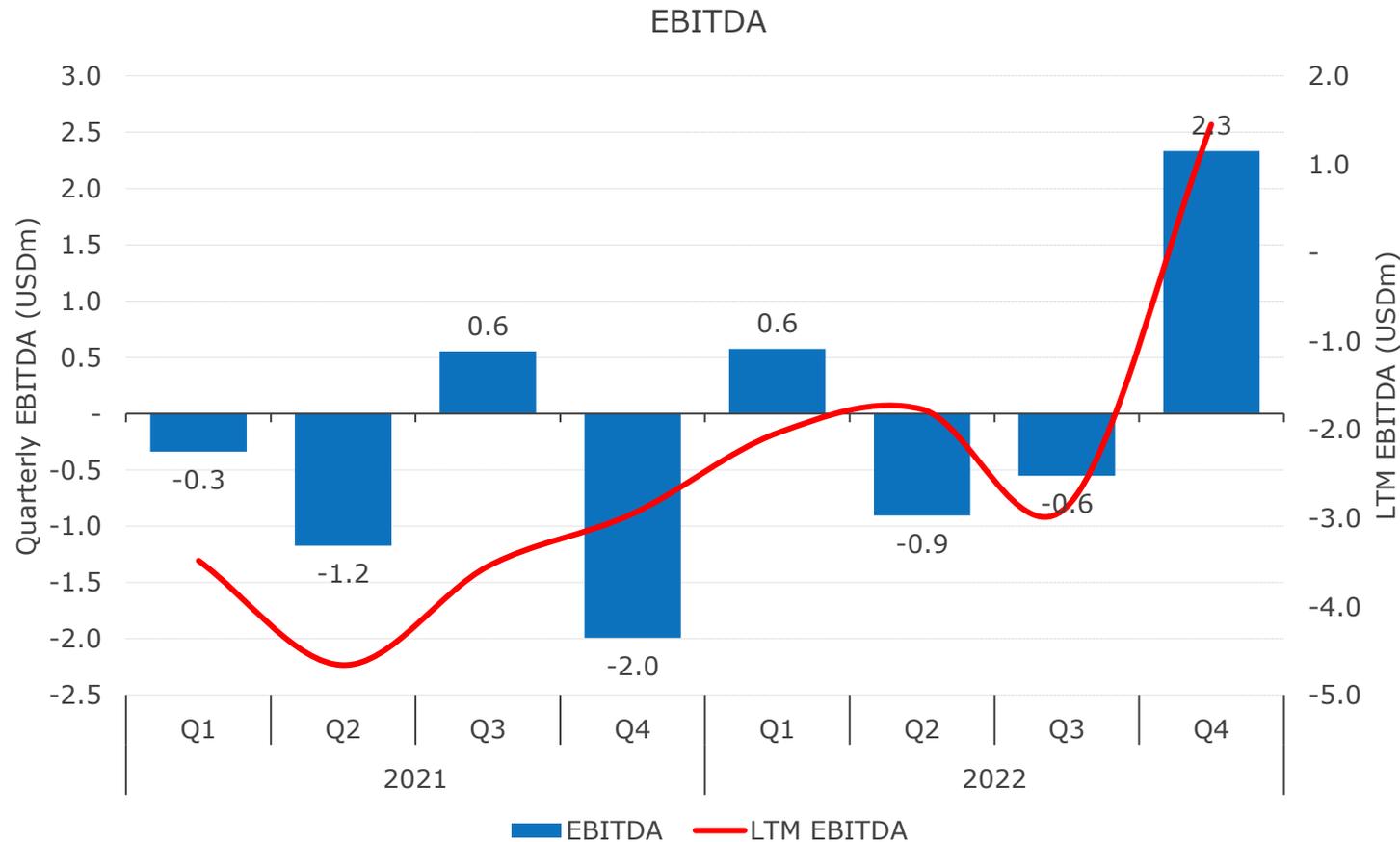


Revenue

- Q4 revenue of USD 8.9m, up from USD 8.4m in Q4 2021
- Q4 2022 utilization was 81%
- Solid revenue contribution from both vessels
- Revenues for 2022 of USD 20.2 million, broadly flat from 2021



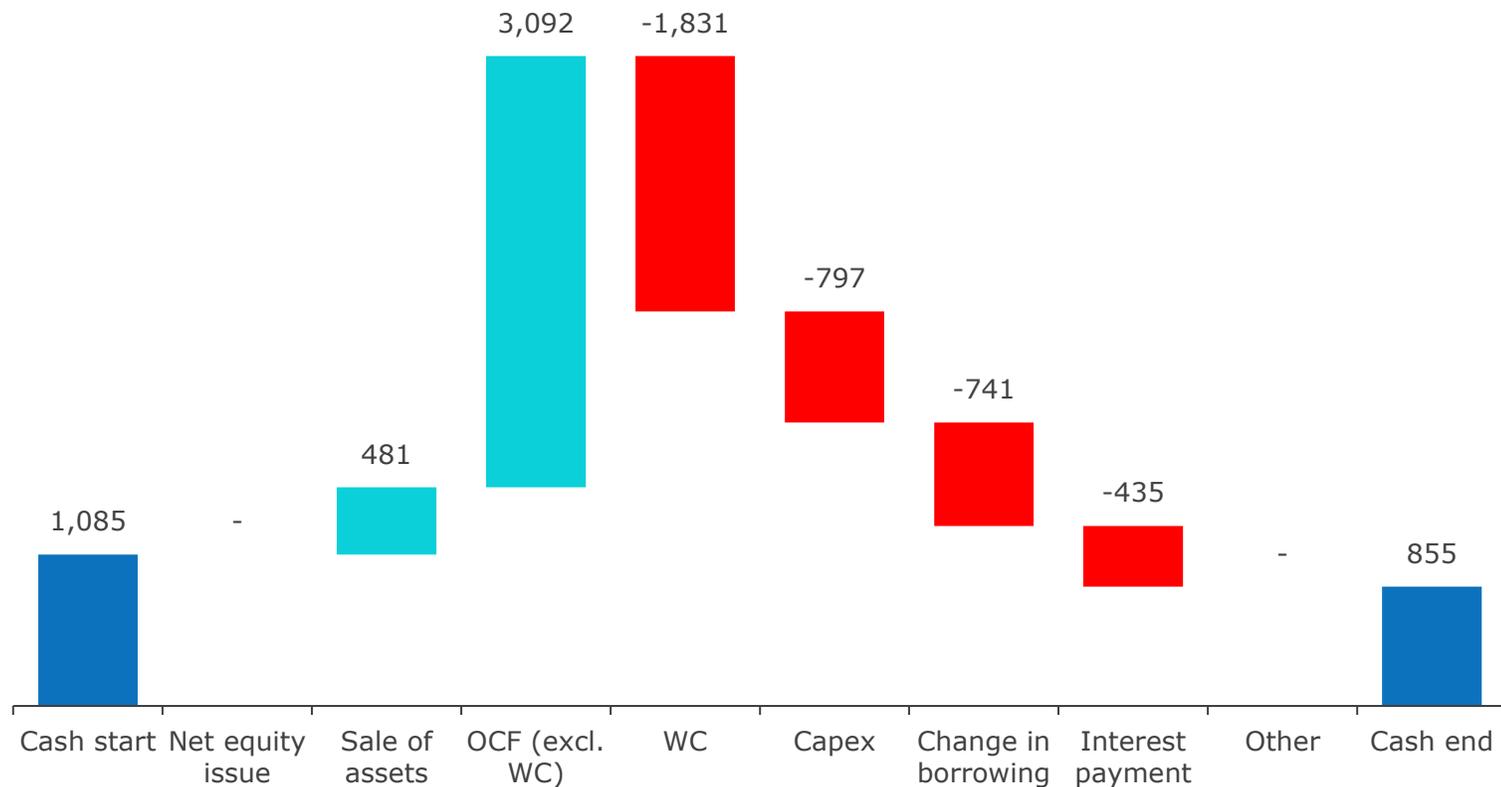
EBITDA



- Q4 EBITDA of USD 2.3m, up from USD -2.0m the prior year quarter
- EBITDA for FY 2022 of USD 1.5m, up from USD -3.0m
- SG&A for Q4 was USD 1.1m and USD 3.9m for FY 2022. This is in line with where we expect it to be going forward
- Q1 2023 EBITDA guidance USD 4-5m

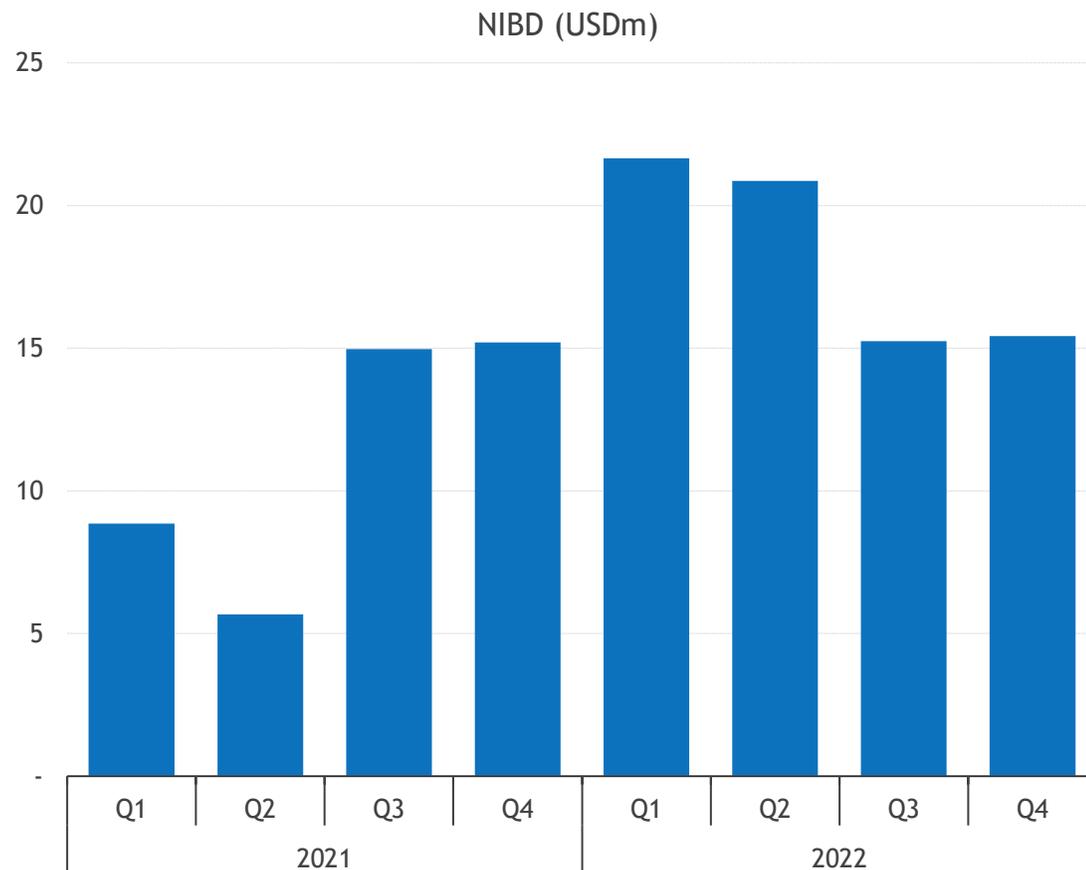
Cash flow bridge

Quarterly cash flow (USDk)



- Cash flow from operation excluding working capital was USD 3.1 million
- Working capital was USD -1.8m for the quarter, mainly related to the Indian operation
- USD 0.8m capex relates to Fulmar docking
- USD 0.7m debt repaid
- Net cash flow for the quarter was USD -0.2m

Net interest-bearing debt



- Net interest-bearing debt has been reduced from USD 20m from the start of the year to USD 15.4m as of end of year 2022
- Gross debt is USD 16.3m, where USD 15.7m is the bank facility with SpareBank 1 SMN maturing in June 2023
- The company is in compliance with all active bank covenants
- Release of cash is expected during the coming quarters

Summary



Summary - from restructuring to cash generation

Results

- A quarter marked by start-up costs
- Strong operating metrics achieved
- Strong market outlook, OBN sees structural growth
- Several new contract opportunities in GOM, Brazil, North Sea, India, West Africa and SE Asia are being evaluated
- Opportunities supporting profitable growth are continuously monitored
- Profitability expected to continue to improve significantly the coming quarters, repayment of debt a key priority
- EBITDA guidance Q1 2023: USD 4-5m



Sound platform for profitability and consolidation in place

Q&A



Appendix



Eagle Explorer

Eagle Explorer: 2D & OBN

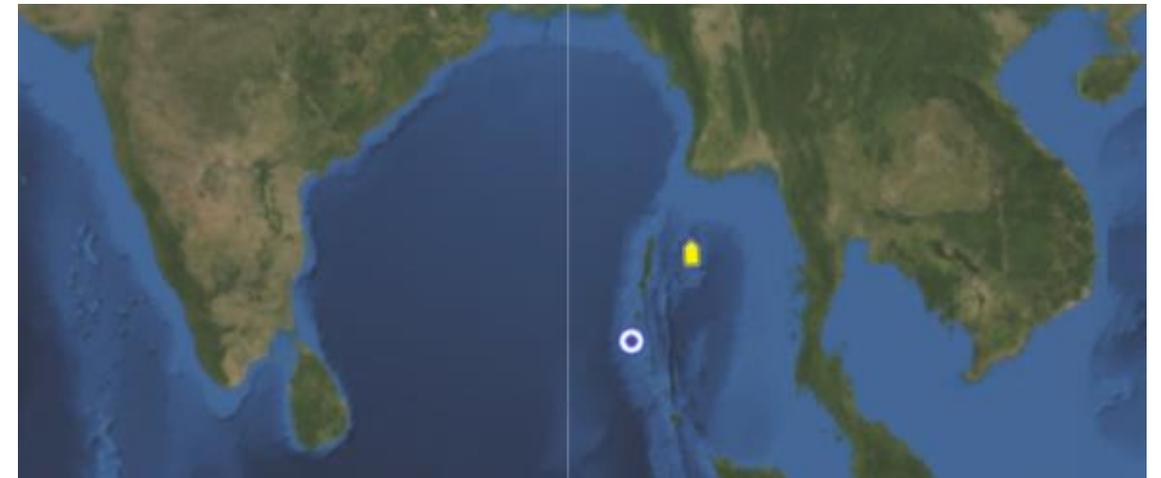
- Acquired summer 2018 at market trough @ USD 15m
- Started first SBX operated project December 2018 and has been in operation as both source and 2D since
- Outfitted with Sercel 428 Sentinel streamers + Source

Contract status

- Commenced 2D contract in India in November 2022
- Awarded additional scope early 2023, equivalent to approx. 20% of original contract scope
- Estimated project completion May 2023

Vessel specification:

- LOA: 93.96m
- B: 19.00 / 25.70m
- POB: 69
- Built: 2009
- Next main Class / Drydock: 12/2023
- Estimated newbuild price USD 120 million



Fulmar Explorer

Fulmar Explorer (former BOA Galatea): OBN

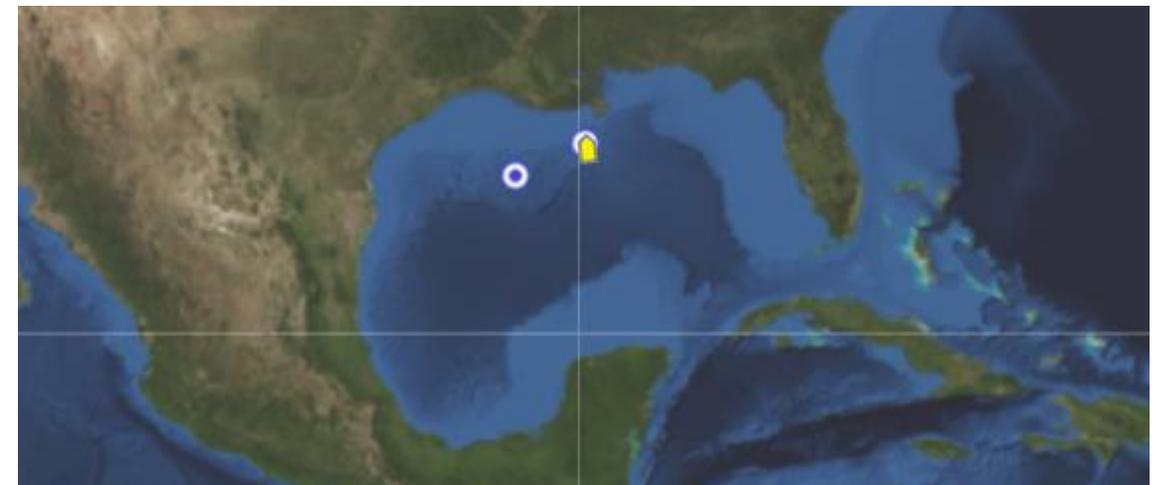
- Acquired summer 2019 at market trough @USD 11m
- Completed outfitting as a high-end source vessel in Q4 2021, CapEx of approximately USD 16m

Contract status

- Commenced a OBN source contract in GoM in August 2022

Vessel specification:

- Loa: 80.35m
- B: 16.4 / 21.20m (max)
- POB: 54
- Built: 2008
- Upgraded: 2021 (~USD 16m)
- Next main Class / Drydock: 11/2026
- Estimated newbuild cost USD 75 million



Equipment Pool / Chartered in vessels

Capabilities

- Equipment to outfit:
 - 2x OBN vessels, or
 - 1x 2D vessel + 1x OBN vessel
- Limited capital cost to outfit a third-party vessel
- Time frame to equip an additional vessel will depend on the vessel and its current status, however we estimate abt. 4 weeks

