

SeaBird Exploration

Q2 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 36m
- NIBD: USD 15m
- Strong backlog and positive market outlook
- Company approaching next phase – capital distribution



Eagle Explorer

2D
OBN Source



Fulmar Explorer

OBN Source



Equipment

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

Key events Q2 2023

Operational

- Utilization of 90 %
- Eagle Explorer
 - Experienced downtime and increased cost during latter part of her 2D contract due to national authority issue. Events outside of Seabirds control.
 - Successfully mobilized and started OBN source contract in South East Asia.
- Fulmar Explorer
 - Performed well during OBN work in the US GoM
- Post quarter end Seabird signed a transformational two-year contract for Fulmar Explorer with a repeat tier 1 client. Will keep the vessel occupied until September 2025.

Financial

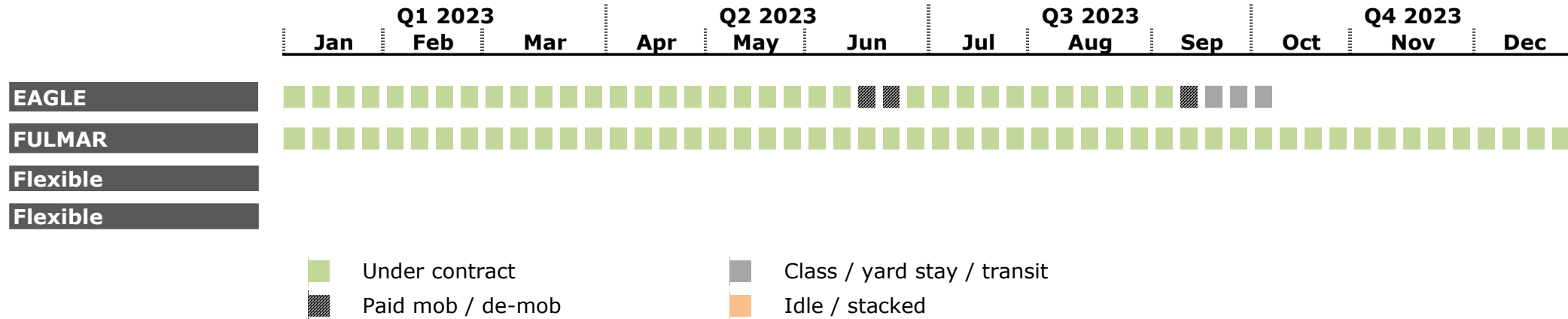
- Revenue: USD 9.7m (Q2 2022: USD 3.5m)
- EBITDA: USD 4.6m (USD -1.2m)
- Net income: USD 2.1m (USD -4.6m),
- Cash: USD 2.2m (USD 2.1m)
- Net interest bearing debt: 15.0m (USD 19.4m)
- Project unwind in Q3 2023: est. abt USD 2m negative adj. related to issues outside the company's control
- Secured new bank financing with maturity in June 2026.
- Significant outstanding revenue receivables mostly related to contract work. Expected to be released during the coming months.

Backlog and new bank financing setting company up for next phase

Contract overview and outlook



Contract coverage



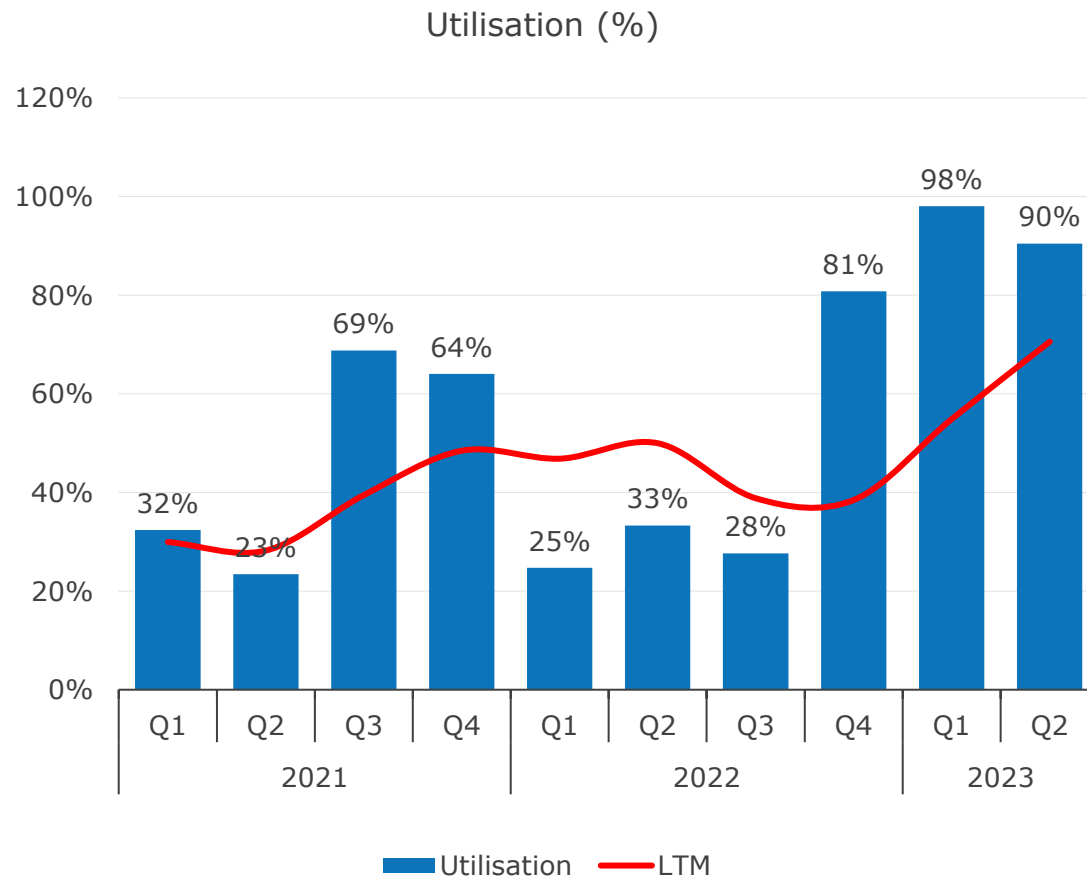
Key highlights:

- “Fulmar Explorer” has been in production throughout the quarter
- “Eagle Explorer” has been in production throughout the quarter.
 - Completed 2D project
 - Commenced OBN source project
 - 5-year classing in September – capex: ~USD 1.5m

Positive outlook:

- A number of new contract opportunities are being evaluated
- Opportunities supporting profitable growth are continuously monitored

Utilisation



- Q2 utilisation was 90%
- Some standby during 2D project due to fishing activity on prospect area
- Utilisation year to date has been 94%

Eagle Explorer

Eagle Explorer: 2D & OBN

Operation Q2 2023:

- Completed large 2D contract
- Under OBN Source project in Malaysia until early September
- Planning Dry-Docking in September

Status in Q3 2023:

- Vessel in production, expect current project to last until start of September

Outlook:

- Vessel is due for 5-year SPS during 2023 and now being planned for end September 2023.
- Several contract opportunities are being evaluated:
 - 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 Source

Operation Q2 2023:

- OBN source contract in US GoM

Status in Q3 2023:

- Strong performance and good feedback from client

Long-term contract secured

- Direct continuation of current contract with expiry in September 2025
- OBN source contract with unusual length with tier 1 counterpart

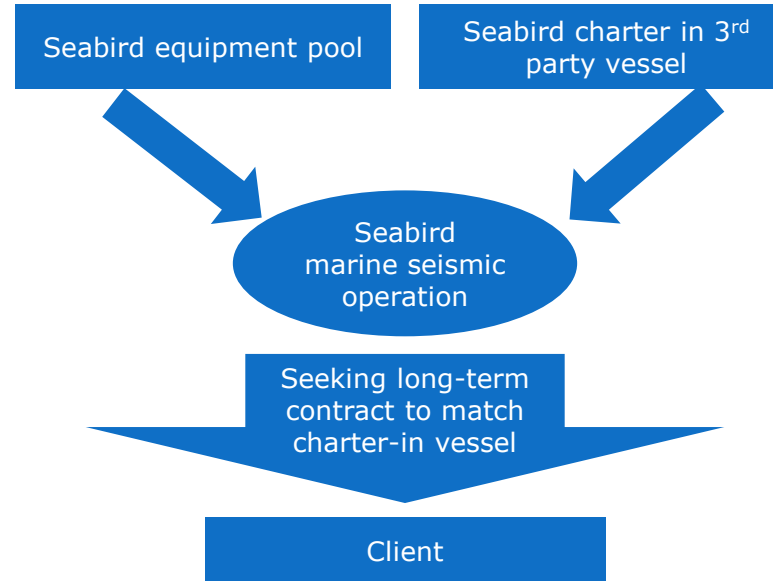


“Flex capacity” - Equipment Pool / Chartered in vessels



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



Third party vessel charter:

- Seabird is exploring options to charter-in third party vessel

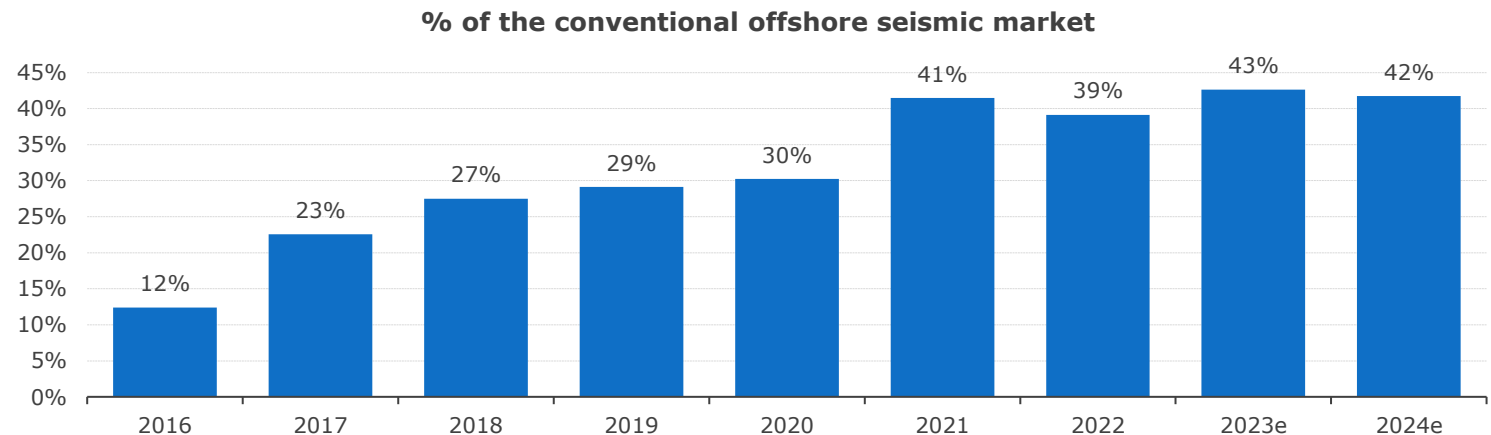
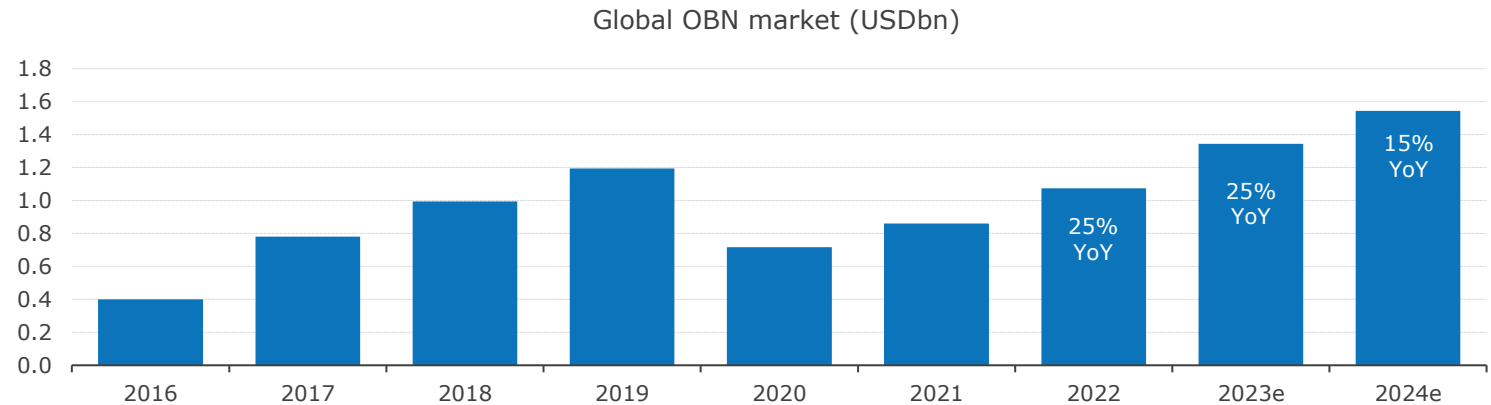
Continue to work with opportunities within its flexible charter strategy, however, the company will keep its prudent and disciplined approach.

Considerations in concluding new business:

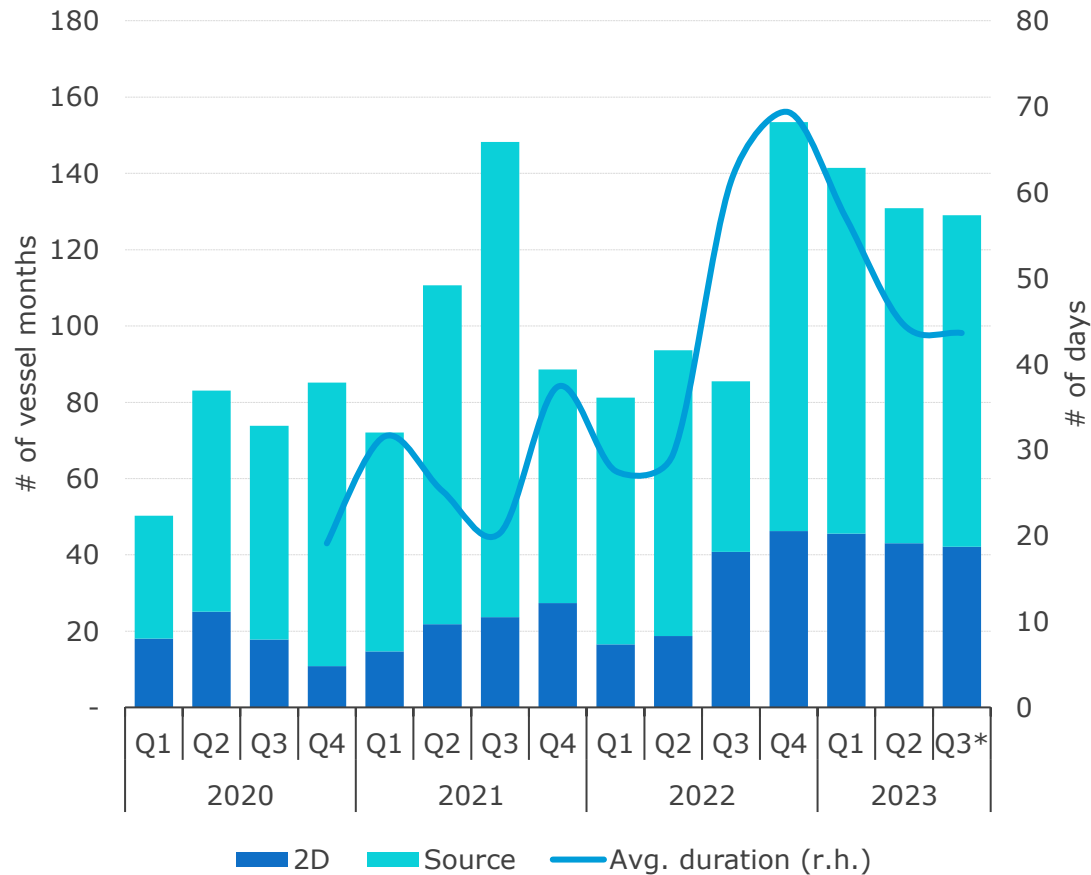
- Will not compromise risk by taking on additional charter without back-to-back contract
- Seismic vessels leaving the industry
- Transactions being done at significantly higher prices than implied through SBX share price

Global OBN market is strengthening

- OBN market has grown 20% annually the last 7 years
- OBN now accounts from ~40% of overall seismic spending
- 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



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

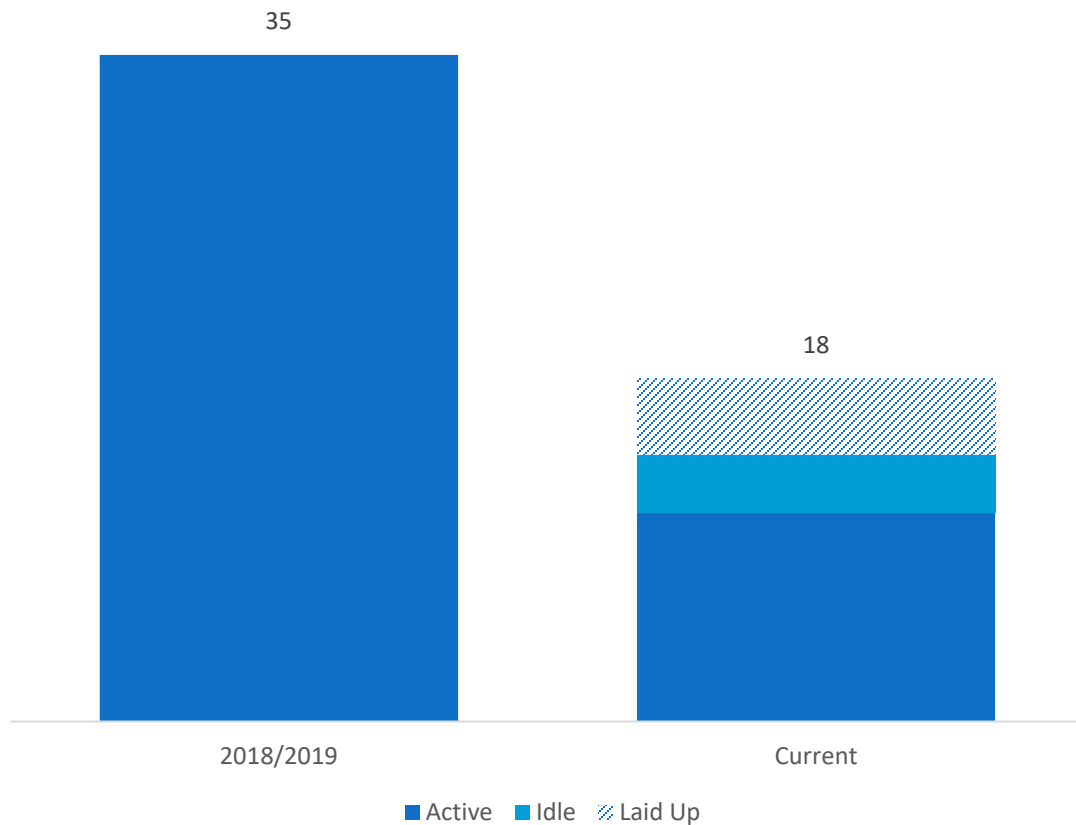
Ocean bottom seismic

- 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
- Laid up fleet
 - 2 of 4 vessels are older than 20 years
- Vessels leaving the industry
- 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

Financials



Financial highlights

Q2 2023

- Revenue of USD 9.7m (Q2 2022: USD 3.5m)
- EBITDA of USD 4.6m (USD -1.2m)
- Net profit of USD 2.1m (USD -4.6m),
- Cash flow from operation of USD 0.9m (USD 0.2m)
- Net interest bearing debt of USD 15.0m (USD 19.4m)
- Equity ratio of 54% (40%)

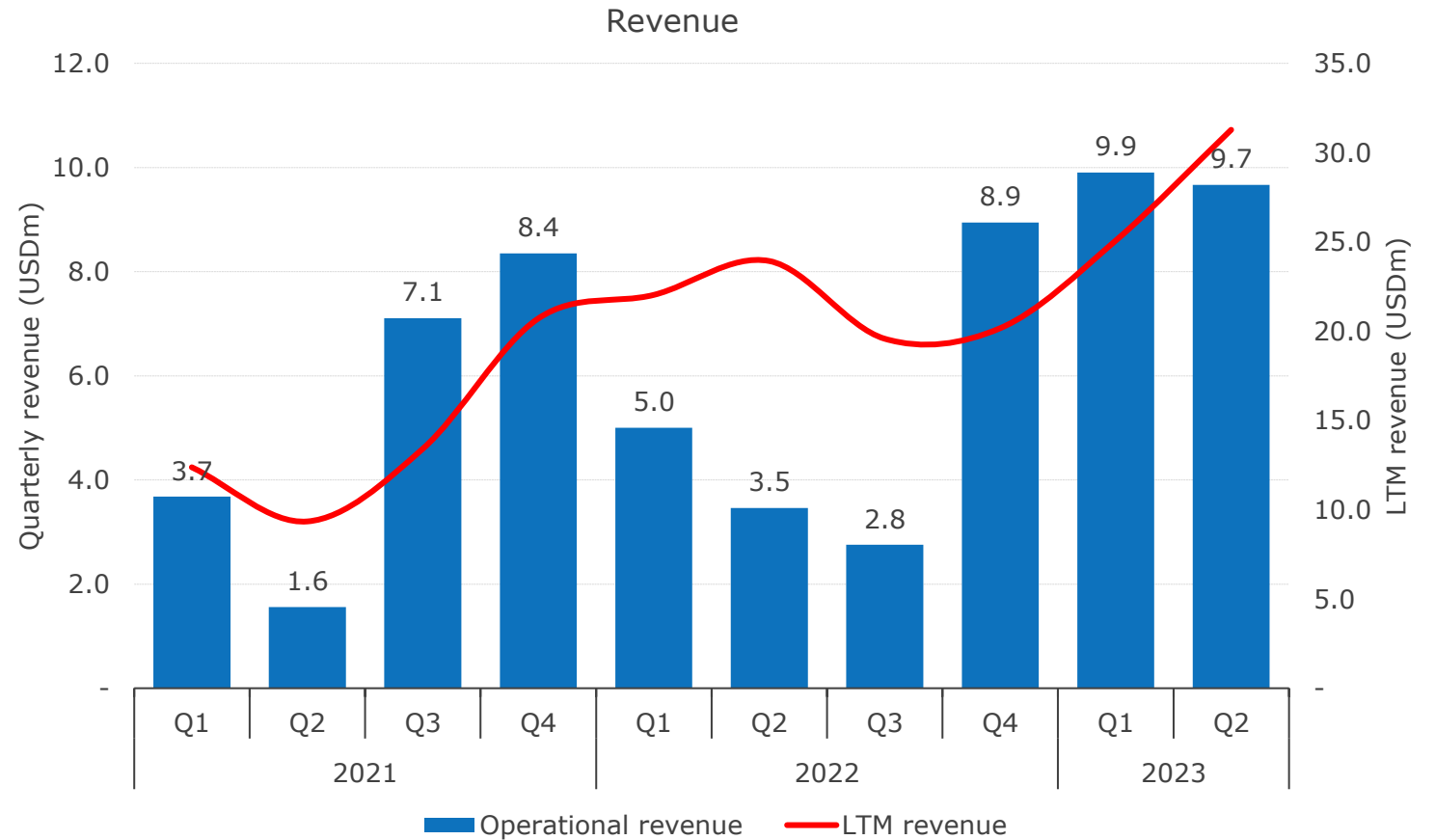
Guidance

- Due to a national authority issue related to foreign fishing activity, a non-cash charge of about USD 2m when project winds down in Q3 2023 is expected
- 2023 SG&A: kept at approximately USD 4 million
- Significant working capital release over the next few months
- Further; underlying cash conversion set to improve next few quarters due to project characteristics
- Increased cash flow visibility will enable shareholder distributions

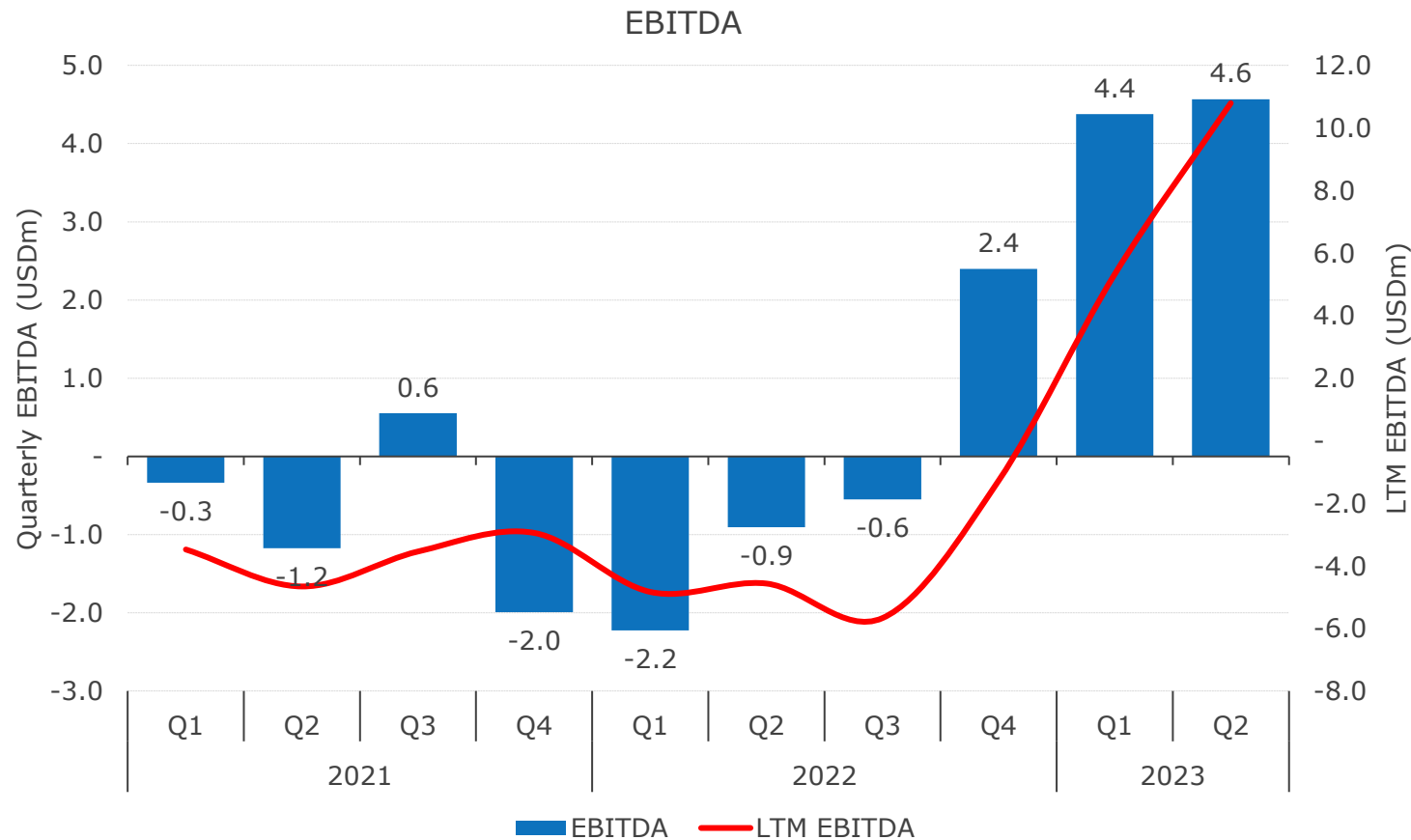
Key figures						
All figures in USD '000 (except EPS and equity ratio)	Quarters*		6 months ending*		Full year*	
	Q2 2023	Q2 2022	30.06.23	30.06.22	2022	2021
Revenues	9,667	3,461	19,573	8,463	20,164	20,705
EBITDA	4,567	-1,172	8,943	-1,066	-1,275	-4,185
EBIT	3,145	-4,112	5,996	-5,478	-9,617	-11,779
Profit/(loss) for the period	2,113	-4,558	9,043	-6,500	-12,861	-11,425
Earnings per share	0.03	-0.09	0.11	-0.13	-0.21	-0.35
Cash flow operating activities	870	201	3,644	-9,338	-16,459	6,526
Total assets	58,481	65,437			0	0
Net interest bearing debt	14,951	19,361			15,435	13,015
Equity ratio	54%	40%			45%	41%

Revenue

- Q2 revenue of USD 9.7m, up from USD 3.5m in Q2 2022
- Q2 2023 utilization was 90%
- Solid revenue contribution from both vessels
- Revenues for last twelve months were USD 31.3 million



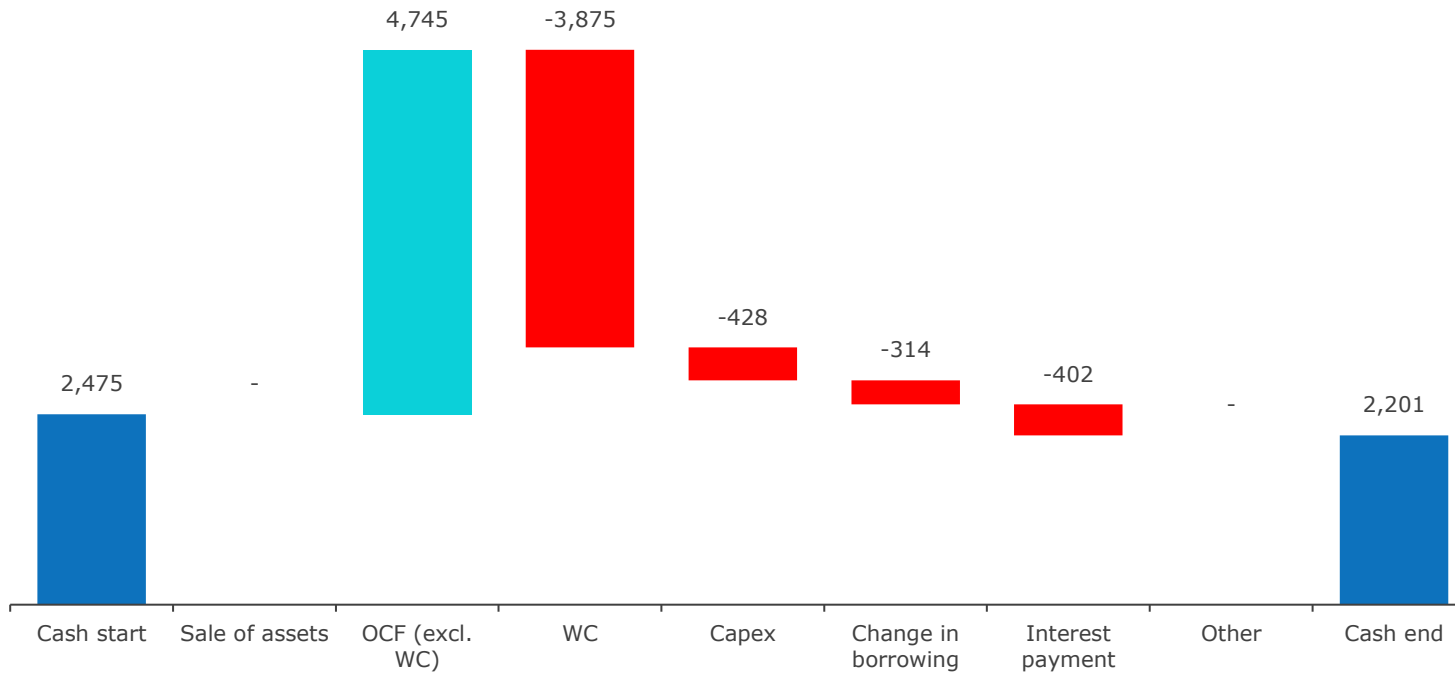
EBITDA



- Q2 EBITDA of USD 4.6m, up from USD -0.9m the prior year quarter
- EBITDA the last twelve months of USD 10.8m
- SG&A was USD 0.7m. We continue to see SG&A around USD 4.0m for the year

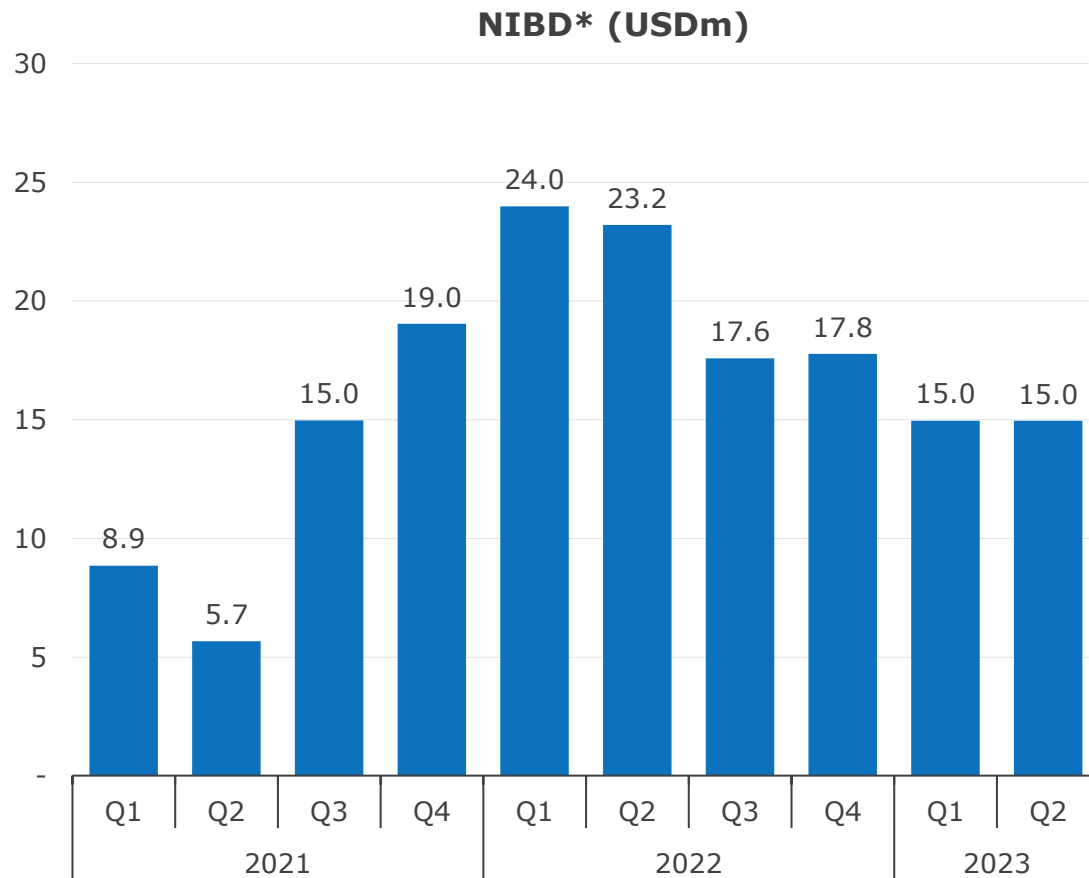
Cash flow bridge

Quarterly cash flow (USDk)



- Cash flow from operation excluding working capital was USD 4.7 million
- Working capital contributed negatively of USD 3.9m
- Working capital to be released next few months
- USD 0.3m debt repaid
- Net cash flow for the quarter was USD -0.3 m

Net interest-bearing debt



- Net interest-bearing debt has been reduced from USD 21.7m from the start of 2022 to USD 15.0m as of Q1 2023
 - Bank financing: USD 14.6m
 - Equipment financing: USD 2.5m (see below)
 - Cash: USD 2.2m
- Reduced NIBD by USD 9.0m (~40%) since Q1 2022
- The refinancing of the bank facilities was finalized in July 2023
- The company is in compliance with all bank covenants
- The Equipment financing relates to a purchase of equipment during the upgrade of Fulmar in 2021/2022
 - It has been included on the balance sheet from Q4/21 under other payables
 - The purchase agreement was effectuated as an interest bearing debt facility during H1 2023
 - Loan carries fixed interest with a voluntary repayment profile

* The equipment financing facility has been included in the historical data for comparable reasons

Summary



Strategy

- Strong operational performance
- Secure attractive contracts
- Focus on cash flow
- Actively monitor value accretive opportunities
- Long term contract for the “Fulmar Explorer” and debt refinancing sets the Company up for the next phase – capital distribution
 - Capital will be returned through dividends and/or share buy-backs. General preference towards dividends, but at current share price and outlook buy-backs will be considered
 - Targeting end 2023/early 2024 for first distribution
 - Company will in due time return with specifics



Sound platform for profitability and consolidation in place

Q&A

