

# SeaBird Exploration

Pareto Energy Conference 2023  
Ståle Rodahl, Executive Chairman



# Forward-looking statements

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# SeaBird Exploration Plc

- **Only pure play OBN source company listed globally**
- Headquartered in Bergen
- Listed in Oslo under ticker SBX NO
- Market Cap.: USD 39m
- NIBD: USD 15m
- **Strong backlog** – recently won a 2-year OBN source contract with a Tier 1 client
- Company approaching next phase – **capital distribution**



**Eagle Explorer**

OBN Source  
2D



**Fulmar Explorer**

OBN Source

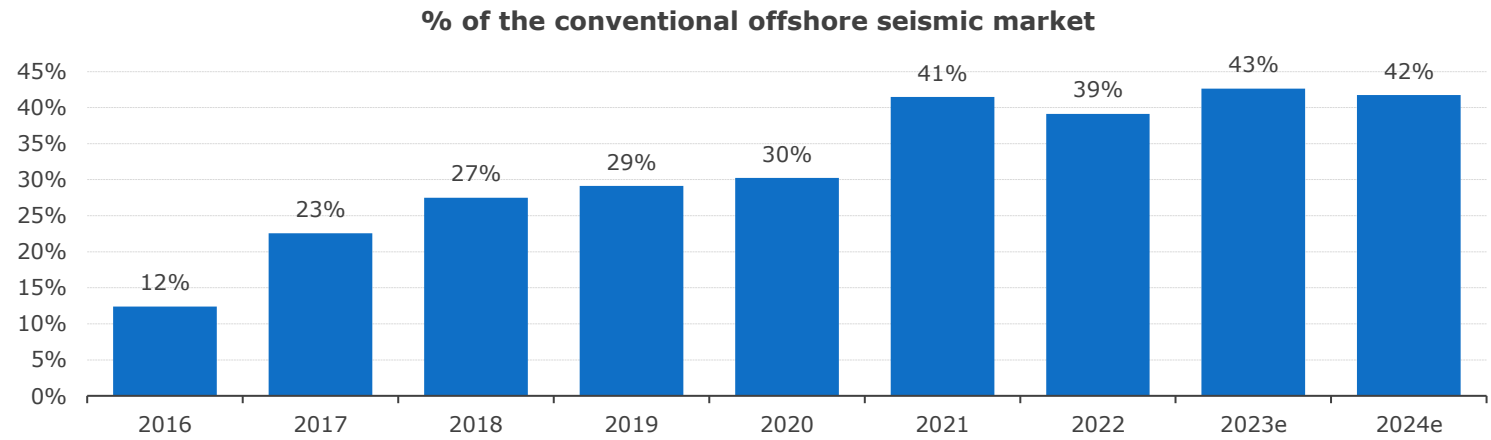
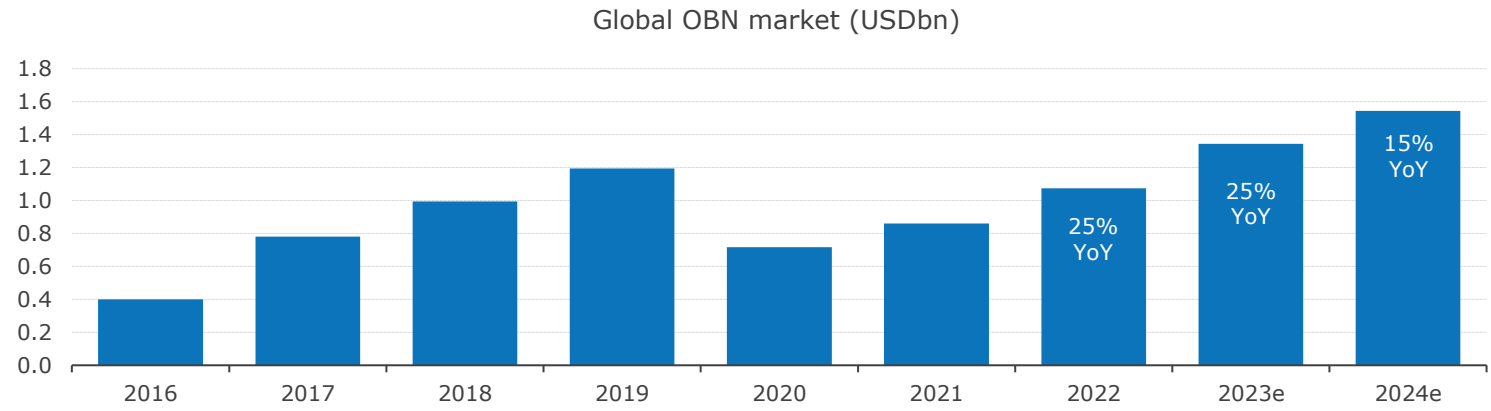


**Equipment**

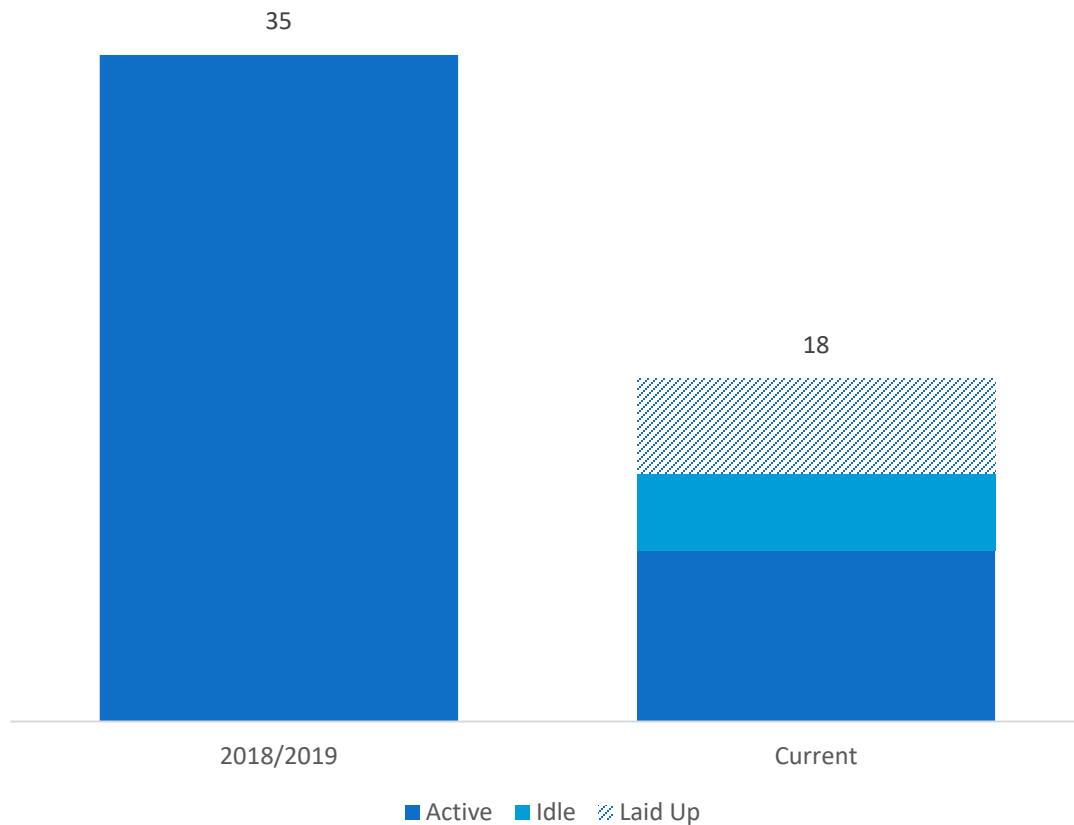
Can equip one 2D and one OBN source, alternatively two OBN source

# Global OBN market sees structural growth

- OBN market has grown 20% p.a the last 7 years, hitting new highs while overall seismic market is down more than 50% over the same period
- OBN now accounts for ~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*



# OBN source supply shrinking



- Current fleet of active source vessels consists of 13 vessels\*
- We see a potential of 2 additional vessels available on relatively short notice
- Laid up fleet total 5 vessels
  - 2 are older than 30 years
  - 3 are 3D streamer vessels → streamer projects
- 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*

# OBN Industry Overview

## OBN Acquisition Players



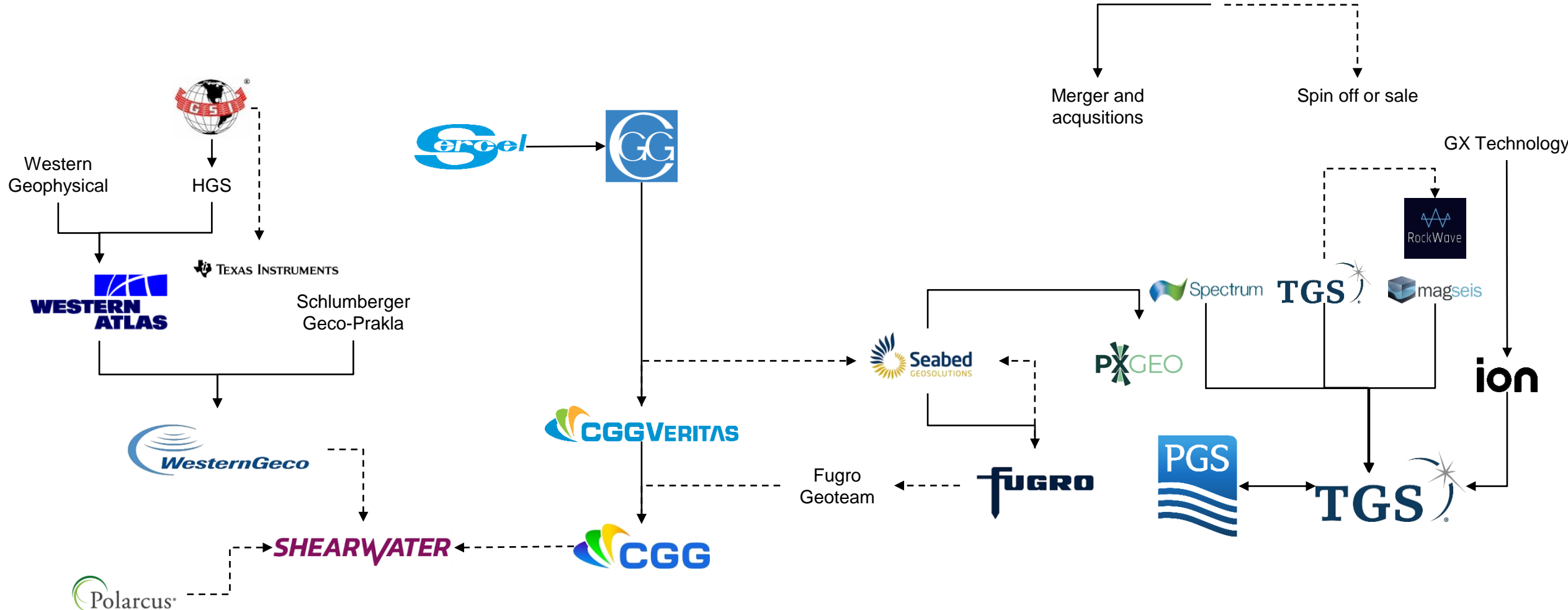
Potential clients who charter in vessel capacity

Have sufficient vessel capacity

## Source Vessel Players

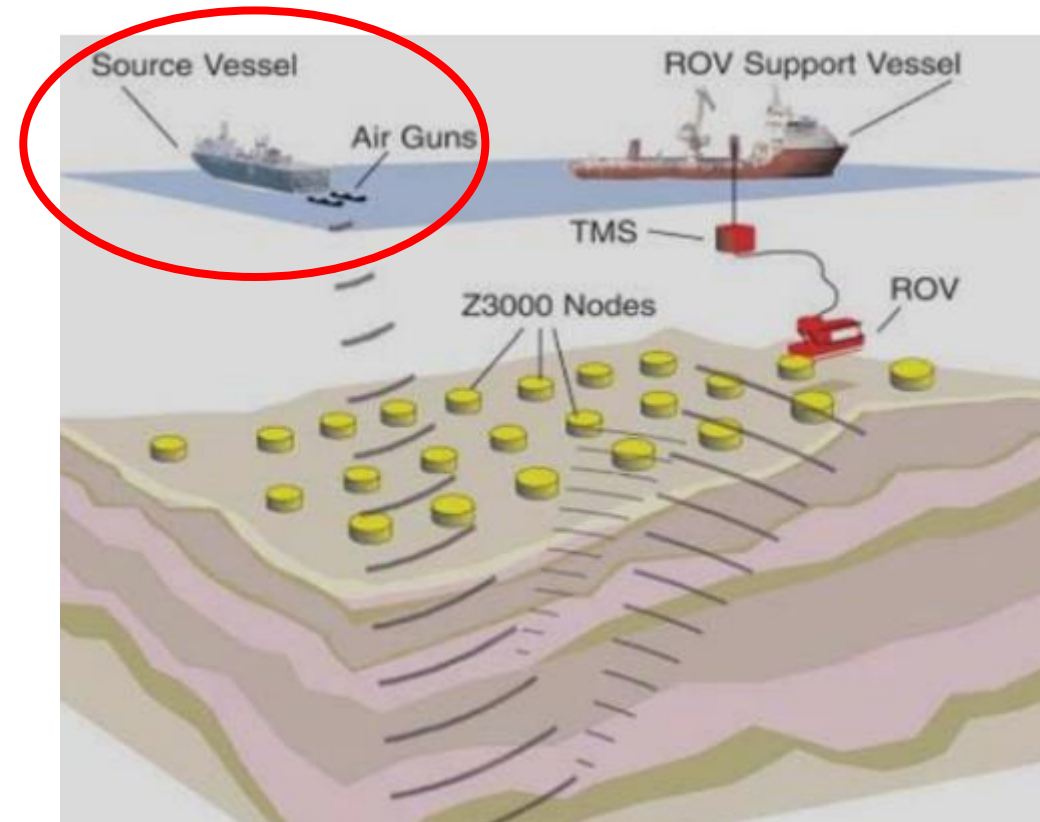


# An industry characterized by M&A



# Seabird's place in the OBN value chain

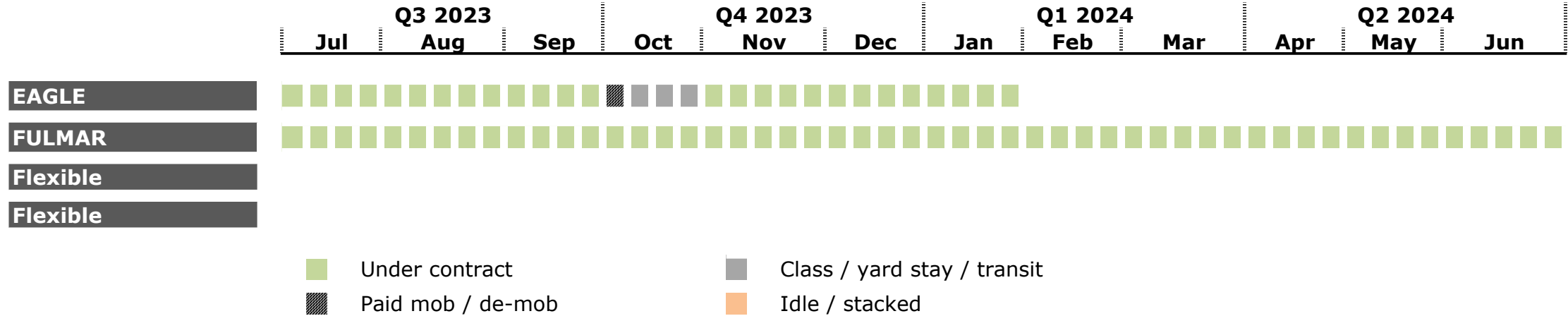
- Seabird does not:
  - Build nodes
  - Deploy/recover nodes
  - Provide integrated OBN projects to the clients
- Seabird provide source vessels for the OBN operation
- OBN source vessels key features
  - Redundant propulsion to allow operations close to existing infrastructure
  - Flexible source arrangement to allow configuration for various projects
  - Age restrictions in certain jurisdictions



Source: [State of the Market: Seismic | Atlas Professionals](#)



# Contract coverage



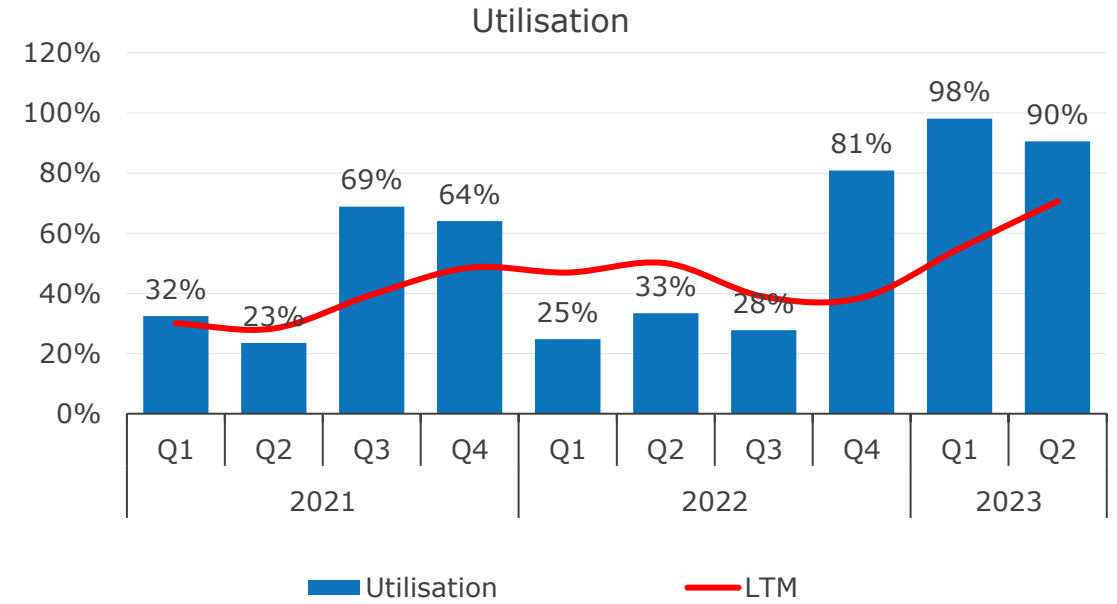
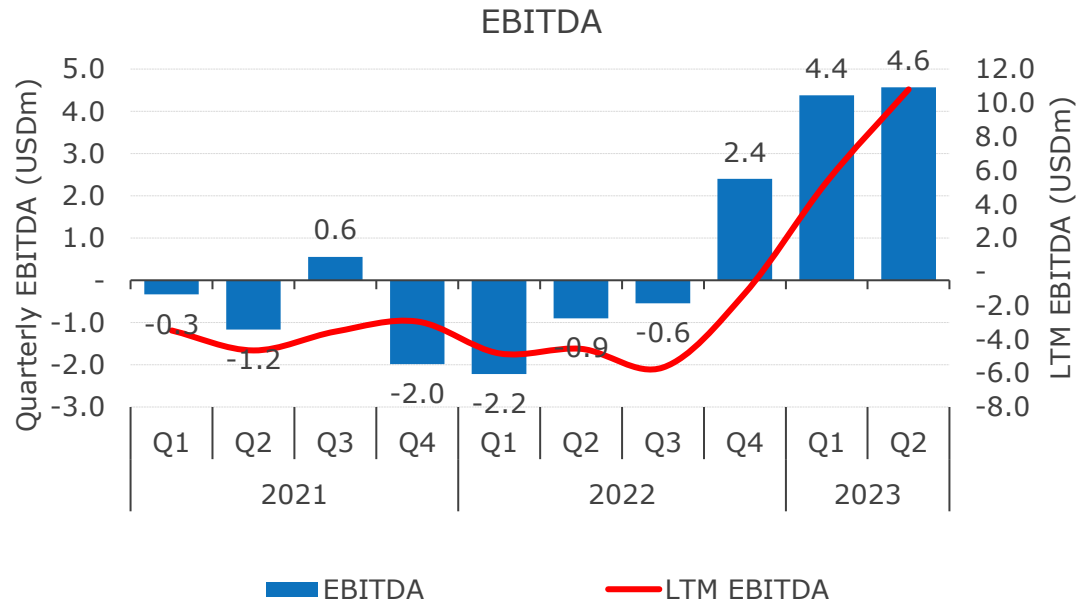
## Key highlights:

- **“Fulmar Explorer”**
  - In production
  - Fully booked until September 2025
- **“Eagle Explorer”**
  - In production
  - Currently executing an OBN source contract
  - SPS in October – capex: ~USD 1.5m
  - Recent LOA for a 2D project commencing in November

## Positive outlook:

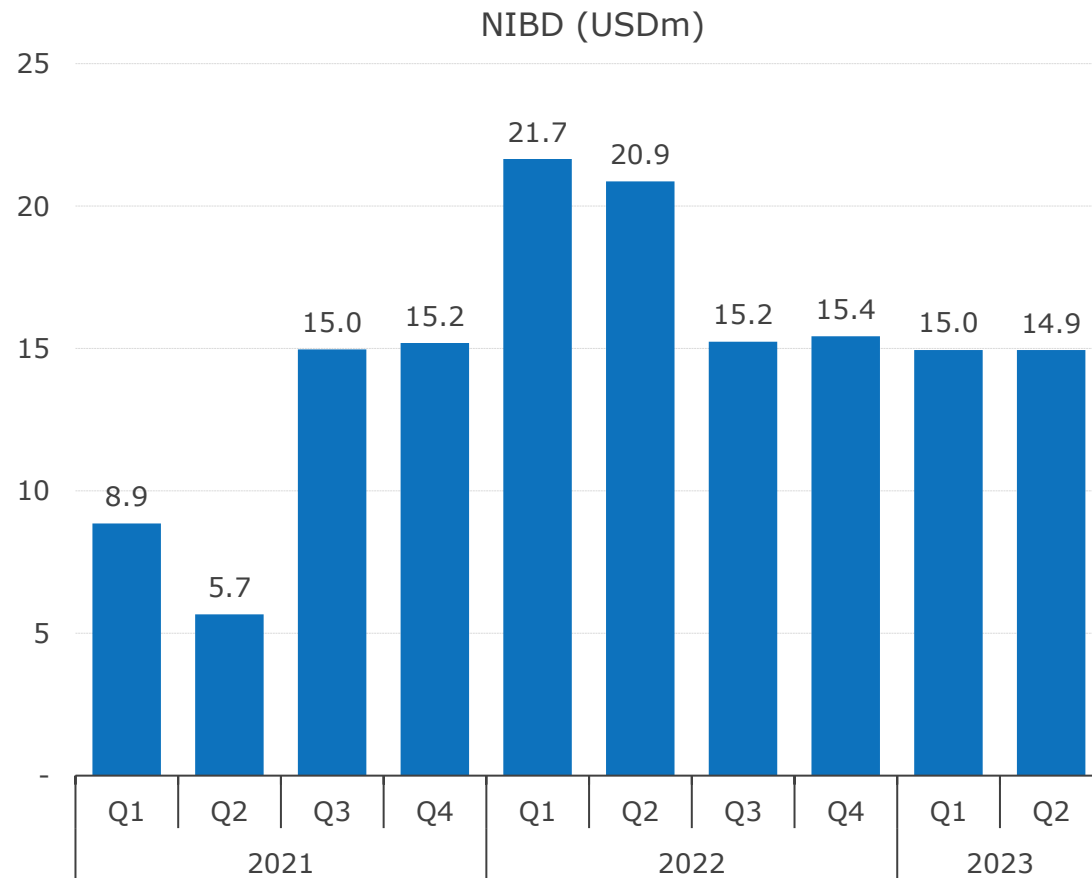
- A number of new contract opportunities are being evaluated
- Opportunities supporting profitable growth are continuously monitored

# EBITDA improvements underpinned by strong utilisation



- 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
- Utilization averaged 94% in 1H 2023

# Net interest-bearing debt



- Net interest-bearing debt has been reduced from USD 21.7m from the start of 2022 to USD 14.9m as of Q2 2023
  - Bank financing: USD 14.6m
  - Equipment financing: USD 2.5m
  - Cash: USD 2.2m
- The refinancing of the bank facilities was finalized in July 2023
- The company is in compliance with all active bank covenants
- **Together with cashflow from existing contracts, the refinancing of bank debt and a significant working capital release over the next few months sets the company up for the next phase – distribution of capital**

# Illustrative annual EBITDA potential

Market condition as in:	2013	2020	2021	2022	Current market
<b>Vessel</b>					
2D	25	6	7	12-15	15-22
OBN source	20	2	5	11-14	12-16
SG&A	-4	-4	-4	-4	-4
Debt service					- 4.5
Capex					- 1.5
FCF to Equity ex flex capacity					17-28
<b>FCF to Equity per share (NOK)</b>					<b>2.3-3.7</b>
<i>EBITDA from 1x OBN flex capacity</i>					8-13

## Bank debt

- Maturity in June 2026
- Gross USD 14.6m end Q2 2023
- USD 4-5m in annual debt service

## Capital Expenditure

- SPS Eagle in Q4 '23 – USD 1,5m
- SPS Fulmar in 2026
- Est. annual CapEx without SPS of USD 1.5m per annum

## Working capital

- Significant build last few qtrs
- Significant release expected next few months, underpinning shareholder distributions

- 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
- “Flex capacity” not included in FCF to Equity

# Strategy

- Strong operational performance
- Backlog length and quality improving
- Focus on free cash flow to equity
- Actively monitor value accretive opportunities
- Backlog quality 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**