
SeaBird Exploration Limited “SBX”

Second Quarter 2006

21 August 2006



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- 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 separately distributed Q2 06 SeaBird Earnings Release.



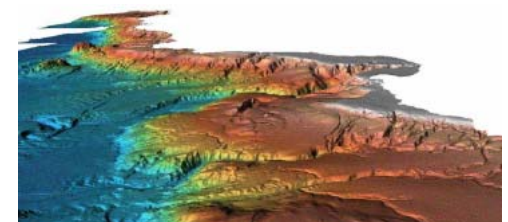
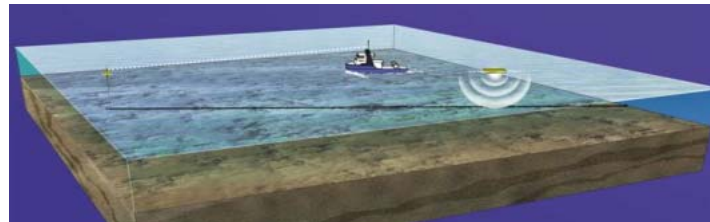
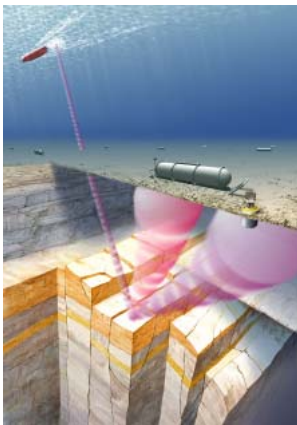
Q2 2006 -SBX On track

- **Successful Listing at the Oslo Stock Exchange on April 11th. Positive development of the shareprice.**
- **Revenues up more than 65% YTD vs 2005**
- **Operating profit for Q2 up 110% vs Q2 2005**
- **Total assets on the balance increase from USD 17.8 million in Q2 2005 to USD 139 million**
- **Completed acquisition of SeaBed Geophysical**
- **Continue fleet expansion program**
- **Markets continue to improve**



Business objectives

- Professional supplier of 2D, source and shallow water 2D/3D and 4C/4D services to oil companies and contractors
- Maintain position as market leader in shallow water and source market
- Entered the Ocean bottom seismic market through the acquisition of SeaBed Geophysical AS
- Maintain a healthy balance between more stable margin, longer term business and "super-profit" possibilities
- Continued growth through co-operation, acquisitions, alliances and possible mergers



Quality Health Safety & Environment (QHSE)

- There have been no major accidents or lost time incidents during the first 6 months of 2006.
- 19 incidents have been in Q1 and Q2 from operational vessels. In addition 11 incidents have been submitted from the Hawk and Osprey while at the shipyard in Poland.
 - Four of the reported incidents have resulted in internal investigations and changes have been made to routines and systems
 - two Medivac situations have been successfully carried out. Both evacuated patients suffered from *non occupational illness*
 - Six Learning events and Fleet Memos have been produced as a result of reported incidents
- Monthly QHSE awards for best vessel have been presented five out of the first six months
- QHSE training and documentation of training will be given priority for shore and offshore managers throughout out the year



SeaBed Geophysical AS

- Acquired M/V Sentinel for conversion to Ocean Bottom Seismic vessel
- Expected completion in early 2007
- A one vessel operation will boost SeaBed's margins
- Awarded USD 200.000 FEED study as lead contractor from ONGC
- Pre-qualified and bidding several projects
- Initiated project to build 500 CASE Abyss deepwater nodes
- Combining our existing business with a new market will substantially reduce risk and improve on profitability.
 - Downside further reduced by the increased rates in the source vessel market
- It appears we have been too conservative in our rate expectations for SeaBed



Fleet - seismic vessels

M/v Geo Mariner



Building year: 1978
Converted for seismic operation in: 1997
Upgraded: 2001/2004
Seismic: 2D/3D Shallow Water Vessel
Ownership: Owned by SeaBird
Contract: 60 day Shallow water 3D for Indago Oman

M/v Northern Explorer



Building year: 1987
Converted for seismic operation in: 1998
Upgraded: 2005
Seismic: 2D
Ownership: Bareboat with Purchase option. Option exercised.
Contracts: TGS until end October 2006. Oil company work thereafter

M/v Hawk Explorer



Building year: 1984
Converted for seismic operation in: Q2 2006
Upgraded: -
Seismic: 2D
Ownership: Bareboat with purchase option
Contract: Fugro from delivery to October 2008 with a 1 year option



Fleet - source vessels

M/v Kondor Explorer



Building year: 1984
Converted for seismic operation in: 1997
Seismic: Source
Ownership: Bareboat (right of first refusal)
Contracts: Veritas DGC to May 2007 plus a 6 month option

M/v Osprey Explorer



Building year: 1985
Converted for seismic operation in: July 2006
Seismic: Source
Ownership: Bareboat w/purchase option. Option declared and sale approved
Contracts: Veritas DGC to January 2007 plus a 6 month option

M/v Sentinel



Building year: 1979
Converted for seismic operation in: January 2007
Seismic: SeaBed/Source
Ownership: SeaBird



Fleet - source vessels cont'd

M/v Aquila Explorer



Building year: 1982

**Converted for seismic
operation in:** 2007

Seismic: Source/2D

Ownership: SeaBird

Contract: PGS to July 2007 plus
2x 6 months options.

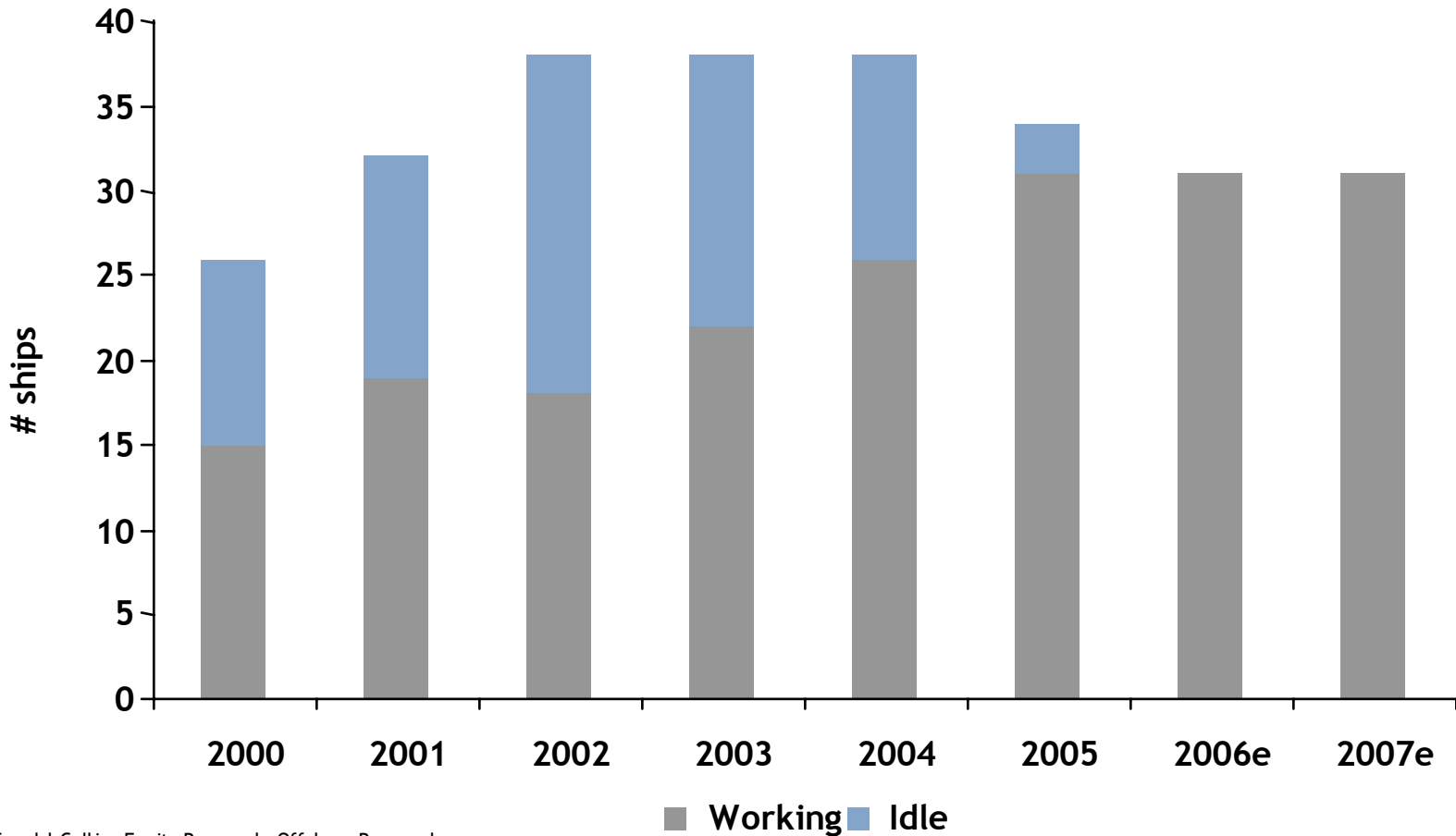


Vessel update

- Northern Explorer will join Geo Mariner in the oil company contract market upon completion of her charter with TGS Nopec
- SeaBird acquired the remaining 50% ownership in the Joint Venture entity Sana Navigation Company Limited ('Sana') which charters the M/V Northern Explorer from Russian owners on a long term bareboat charter Purchase option has been exercised
- Hawk Explorer is delayed at the shipyard and will be completed on the 24th of August
- Osprey Explorer will depart around the end of August
- Delays at the shipyard are a result of shortage of qualified yard workers in Poland
- Highland Patriot TBN Aquila Explorer will be delivered January 2007 and will enter a 6 month contract with 2x6 months options with Petroleum Geo-Services
- Sentinel will be converted to a SeaBed/Source vessel and will be operational early 2007



Global 2D seismic fleet utilization



Source: ABG Sundal Collier Equity Research, Off shore Research



The market

Strong demand

- The seismic market is at an all time high
- Several surveys are already being pushed into 2008
- Northern Explorer and Geo Mariner have Lol's totaling a contract backlog of USD 19 million in addition to their current contracts

Supply constraints

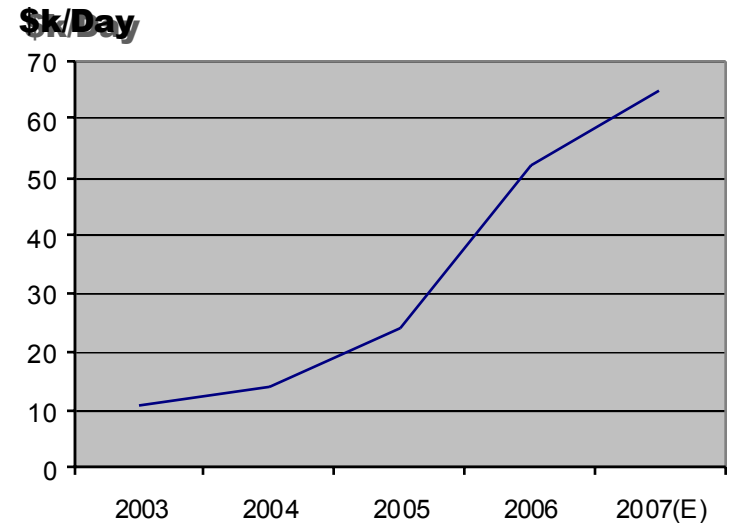
- Significant cost increase and availability constraints on seismic vessels and seismic equipment
- Shortage of Seismic crew

New markets

- Increased focus on 4D and ocean bottom seismic
- Oil companies are forced to consider Ocean Bottom Seismic in shallow water due to lack of shallow water vessel capacity.

Source vessel market

- **The number of upcoming requirements by far exceed vessel capacity**
 - More Wide Azimuth surveys require 2 source vessels each
 - High activity on Long Offset surveys
 - Ocean Bottom Seismic market continues to improve
 - High activity on undershooting
- **Longer contracts**
 - The tight market push players to award longer contracts in order to ensure source vessel capacity
- **Some industry players are considering converting additional vessels. However, there are constraints on key long lead items.**
- **The market will be able to absorb several additional vessels**



Consolidated Income Statement

All figures in USD	Quarter ended		Half year ended		Year ended
	June 30		June 30		December 31
	2006	2005	2006	2005	2005
Revenue	8,297,366	5,407,521	15,641,543	9,457,745	21,965,400
Charter hire and operating expenses	(2,635,871)	(1,780,168)	(5,288,575)	(2,830,036)	(9,166,084)
Depreciation	(678,099)	(368,096)	(1,210,985)	(662,639)	(1,328,496)
Gross profit	4,983,396	3,259,257	9,141,983	5,965,070	11,470,820
Administration and general expenses	(3,213,415)	(2,540,857)	(5,543,054)	(3,925,312)	(8,392,332)
Other income	1,320,969	730,090	2,021,353	1,164,882	3,909,714
Other expenses	-	-	-	-	(89,387)
Other (losses)/gains - net	-	-	(75,882)	-	93,845
Operating profit	3,090,950	1,448,490	5,544,400	3,204,640	6,992,660
Finance cost	(55,840)	(583)	(214,677)	(10,352)	(120,167)
Share of (loss)/profit from associates	-	-	-	-	(335,869)
Profit for the year	3,035,110	1,447,907	5,329,724	3,194,288	6,536,624
Attributable to equity shareholders	3,035,110	1,447,907	5,329,724	3,194,288	6,536,624
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in \$ per share)					
- basic	0.04	28.96	0.08	63.89	0.21
- diluted	0.04	28.96	0.08	63.89	0.21
weighted average number of shares	68,358,224	50,000	68,358,224	50,000	31,215,500

Consolidated Balance Sheet 1 of 2

All figures in USD	As at 30 June		As at 31 December
	2006	2005	2005
ASSETS			
Non current assets			
Property, plant and equipment	52,478,437	10,155,204	20,616,060
Goodwill	7,229,066	-	-
Capital work in progress	47,611,812	-	7,637,384
Patent technology	4,421,222	-	-
Deferred tax asset	4,994,958	-	-
	116,735,495	10,155,204	28,253,444
Current assets			
Inventories	235,880	-	162,606
Trade and other receivables	10,934,797	4,287,648	6,910,367
Due from related parties	29,109	1,197,644	559,196
Available for sale financial assets	3,475,824	-	449,000
Investments - held for trading	-	233,710	200,000
Bank balances and cash	7,911,153	1,954,918	21,957,347
	22,586,763	7,673,920	30,238,516
Total assets	139,322,258	17,829,124	58,491,960



Consolidated Balance Sheet 2 of 2

EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	75,581	50,000	62,381
Revaluation Reserve	25,310,712		
Other reserves	68,723,288	9,168,126	38,393,399
Share options granted	6,172,969	-	-
Retained earnings	10,158,597	1,756,308	4,871,389
	110,441,147	10,974,434	43,327,169
LIABILITIES			
Non current liabilities			
Borrowings	4,101,619	16,263	7,132,127
Provision for end of service gratuities	26,894	6,460	13,027
	4,128,513	22,723	7,145,154
Current liabilities			
Trade and other payables	12,880,152	4,837,871	5,255,620
Due to related parties	748,436	777,443	325,783
Loan from related party	10,000,000	-	-
Loans - current portion	1,124,010	1,216,653	2,438,234
	24,752,598	6,831,967	8,019,637
Total liabilities	28,881,111	6,854,690	15,164,791
Total equity and liabilities	139,322,258	17,829,124	58,491,960



Consolidated statement of cash flows

for the quarter ended June 30, 2006 (1 of 2)

All figures in USD	Year ended		
	December 31		
	2006	2005	2005
Cash flows from operating activities			
Net profit for the period/year	3,035,110	1,447,907	6,536,624
Adjustments for :			
Depreciation	678,099	368,096	1,682,479
Interest expense	55,840	9,769	120,167
Provision for employees end of service gratuities	6,679	6,460	13,027
Operating profit before working capital changes	3,775,728	1,832,232	8,352,297
Increase in inventories	(112,410)	-	(162,606)
Increase in trade and other receivables	(3,039,551)	(936,579)	(3,706,593)
Decrease in due from related parties	482,119	6,559,568	7,277,519
Increase/(decrease) in trade and other payables	4,308,423	494,324	(383,750)
Increase in due to related parties	338,558	777,443	325,783
Decrease/(increase) in margin deposits under lien	-	-	374,124
Increase in investment in shares	(3,175,824)	-	(457,686)
Increase/(decrease) in loan from related party	10,000,000	(7,331,004)	(56,328)
Cash generated from operations	12,577,043	1,395,984	11,562,760
Interest paid	(55,840)	(9,769)	(120,167)
<i>Net cash from/(used in) operating activities</i>	12,521,203	1,386,215	11,442,593



Consolidated statement of cash flows

for the quarter ended June 30, 2006 (2 of 2)

Cash flows from investing activities				
Movements in property, plant and equipment	(1,198,146)	(582,926)	(12,900,819)	
Purchase of patent technology on acquisition	(4,421,220)			
Addition of assets on acquisitions	(8,744,033)		-	
Net payment on acquisitions	(18,741,570)			
(Increase)/decrease in capital work in progress	(21,832,431)	78,994	-	
Increase in deferred taxes	(4,994,958)	-	-	
<i>Net cash used in investing activities</i>	(59,932,358)	(503,932)	(12,900,819)	
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	45,167,391	-	23,754,842	
Proceeds from borrowings	-	338,941	7,790,194	
Increase/(decrease) in borrowings	3,485,575	(547,251)	-	
Decrease in borrowings on acquisition	(8,048,908)	-	-	
Dividends paid to Company shareholder's	-	-	(8,504,101)	
Movement in reserves	(40,302)	433,896	-	
Share option granted to employees	2,103,833			
Share option granted on acquisition	4,069,136	-	-	
Loss on investments available for sale	(823,475)	-	-	
Net movements in currency translation reserve	(208,469)	-	225,580	
<i>Net cash from/(used in) financing activities</i>	45,704,781	225,586	23,266,515	
Net (decrease)/increase in cash and cash equivalents	(1,706,374)	1,107,869	21,808,289	
Cash and cash equivalents at beginning of the quarter	9,617,527	847,049	149,057	
Cash and cash equivalents at end of the quarter	7,911,153	1,954,918	21,957,346	

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