

# SeaBird Exploration Limited

## “SBX”

Third Quarter 2009



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- This presentation must be viewed only in connection with the separately distributed Q3 09 SeaBird Earnings Release.

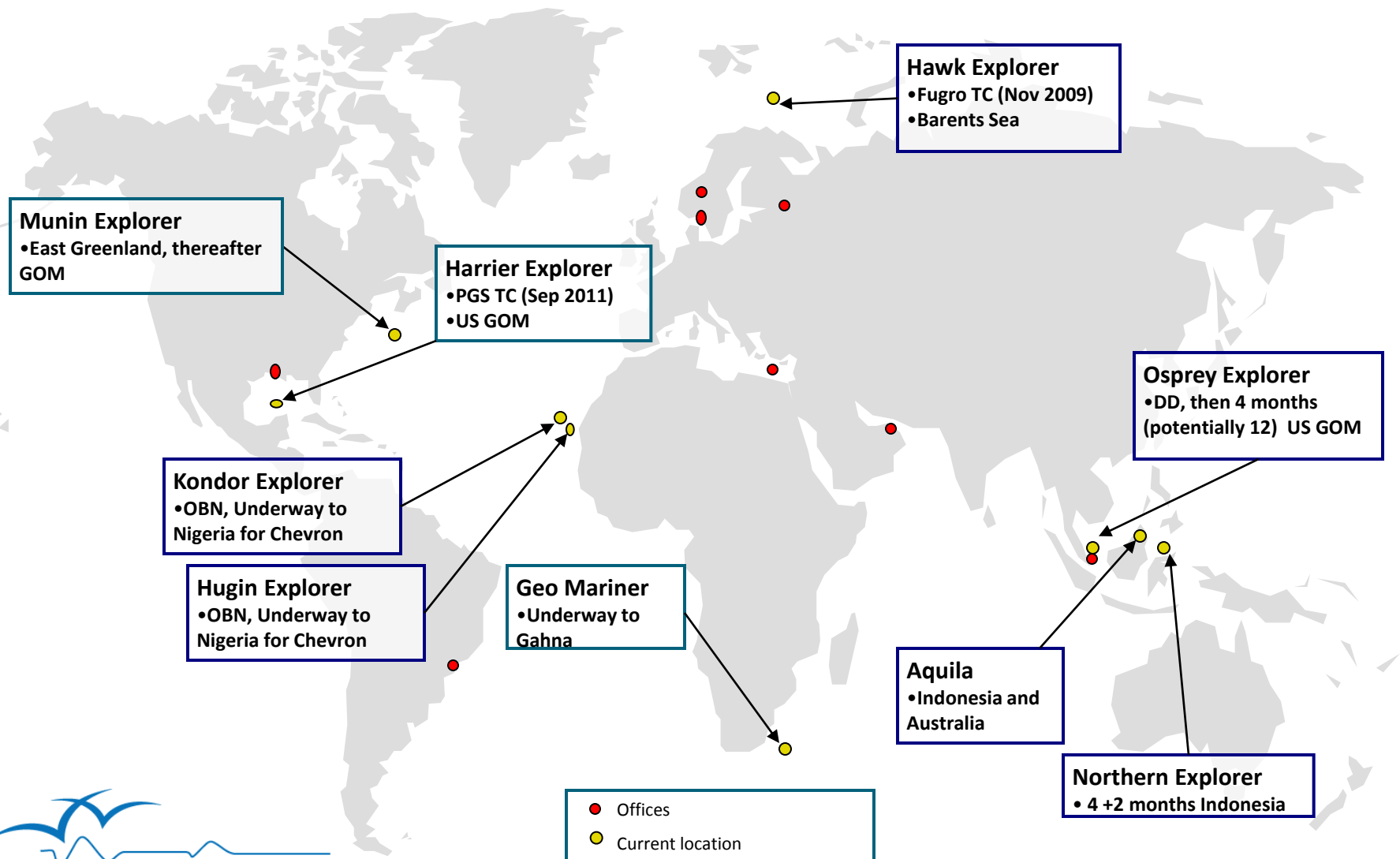
# Highlights Q3 2009

- A full scale test of 42 deep water Ocean Bottom Node (“OBN”) seismic completed mid July in about 2000 m water depth in GOM. Multi-client data from this survey sold to several major oil companies. SeaBird retains ownership to data
- The OBN survey for BP Exploration & Production Inc successfully completed on the Atlantis field, GOM end of July to 21 September with 500 nodes in 1300-2300 m water depth. More than 3 times faster than on the first OBN operation on the Dalia field
- An additionally requested OBN test-survey was completed for BP end of September
- Historic low fleet utilization at 55% during Q3

# Post Q3 developments






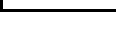
- Several new 2D contracts awarded and all SeaBird's vessels employed on improved contract terms during October with added backlog of USD 40 million to a total of USD 145 million.
- Osprey Explorer is being mobilized from cold stack as from mid October 2009
- SeaBird is in dialog with it's bankers for financing a potential second OBN operation

# Current Operational Positions End October 2009



# Vessel Employment / Backlog

Vessel / Utilisation Q3	Q109	Q209	Q309	Q409	Q110	Q210	Q309	Q410	
Geo Mariner	9 %	DD Mozambique		SC	Gahna	W. Africa			
Northern Explorer	0 %	ONGC / India Survey		Java Indonesia 12700km + 6000km					
Osprey Explorer	0 %	ONGC / India Survey		DD	GOM as Source Vesse	Potential project, no option agreement			
Hawk Explorer	98 %	Fugro			DD				
Aquila Explorer	20 %	DD		Indon.	Indonesia	Australia, Bremer			
Munin Explorer	88 %		Fugro W Ind.	Irel & Greenl	GOM	Mexico Source			
Harrier Explorer	97 %							PGS	To Sept 2011
Hugin Explorer - Nodes	86 %	Dalia for Total, Angola		BP GOM	Chevron, Abgami, Nigeria				
Kondor Explorer -Nodes	97 %			BP GOM	Chevron, Abgami, Nigeria				
Average Utilisation Q3:	55 %								

	Oil Company contract firm
	T/C seismic contract firm
	LOI/advanced negotiations/option
	Mobilizing/standby/yard - unpaid
	Mobilizing/standby/paid
	Idle or cold stacked

Backlog as of end October 2009:

Firm 2D (excl. Harrier/PGS): USD 32 million

2D including options: USD 40 million

Overall (incl. Harrier and Nodes): USD 145 million

# Market Outlook 2D

- 2D demand has been on a steady decline from Q4 2008 up until Q3 2009
- Day rates down from USD 70-90 000 last year to +/- 50 000, now increasing
- SeaBird believe in a continued positive improvement from Q4 2009

Based on the following reasons:

- Exploration has to come back due to insufficient replacement of reservoir depletion
- The oil price seems to stabilize above USD 70/bbl, a comfortable level for oil producers
- Number of tenders increased more than 30% for work starting next 6 months, compared to 3 months ago
- Supply side reduced through scrapping, and long term lay-up
- 2D seismic not likely to be influenced by surplus 3D equipped vessels due to their high cost

# Ocean Bottom Nodes update

- All major oil companies have expressed a strong need to monitor deep water field reservoirs over its life, where infrastructure on surface and congested seabed make alternative seismic solutions unattractive or not feasible
- OBN is addressing the oil companies' ambitions of increased oil recovery
  - This demand is largely unaffected by supply and demand of oil and fluctuating oil prices
- SeaBird has proven OBN operations and delivers excellent quality data
- SeaBird offers technical advantages through:
  - Exact positioning of each node on seabed
  - Separate sensor for direct coupling to seabed
  - Communication Node - surface for real-time QC and better flexibility
  - Better seismic: shear waves, mirror imaging, PZ combination, vector fidelity, full azimuth
- Competition is limited and is expected to remain limited for the next 1-2 years
- Following dialog with various international oil majors, SeaBird is considering investments in a second OBN operation with up to 1000 nodes, to be operational in 2010

# Financials Q3 2009

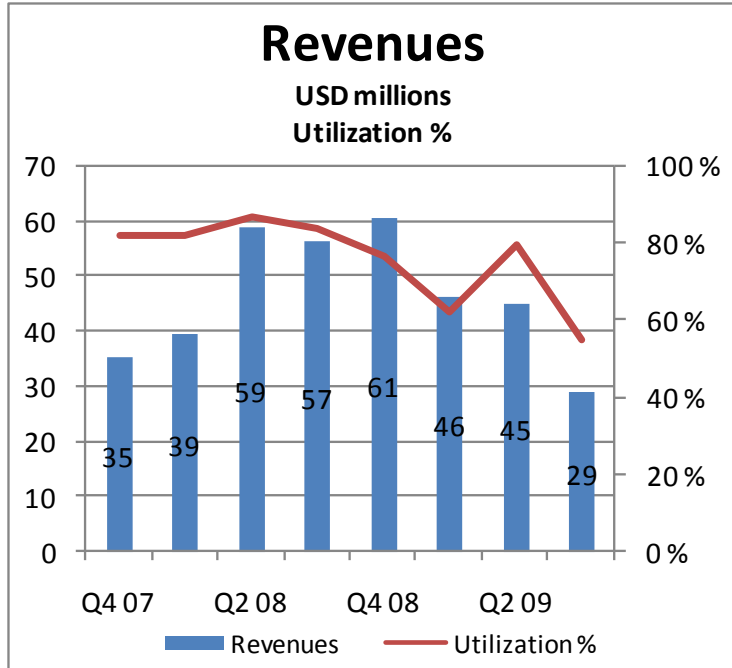


# Consolidated Income Statement

## 3rd Quarter 2009

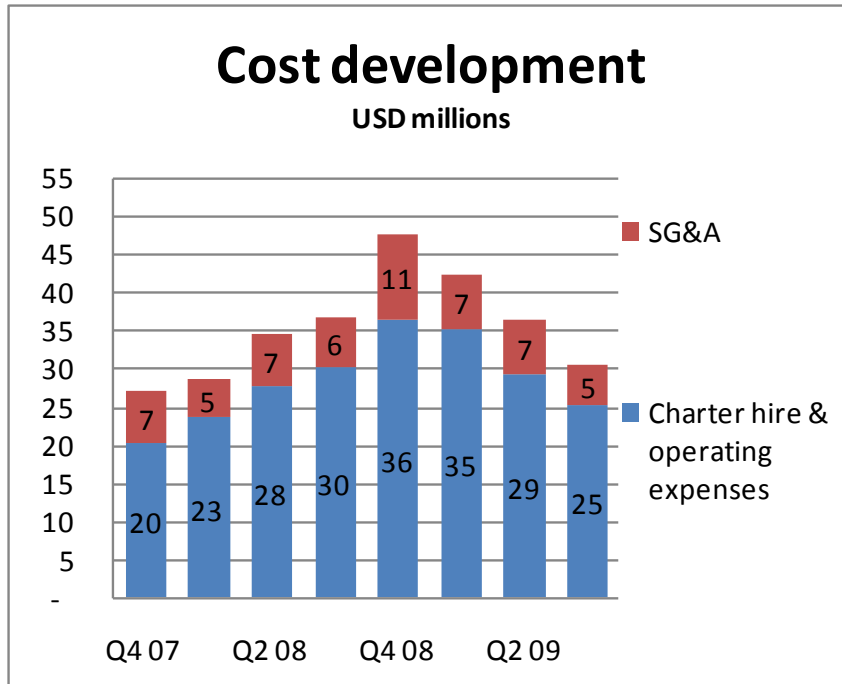
	Quarter ended 30 Sep		Nine months ended 30 Sep		Year end 31 Dec
<i>All figures in USD 1,000</i>	2009	2008	2009	2008	2008
Revenue	28 901	56 526	120 509	154 938	215 786
Charter hire and operating expenses	(25 153)	(30 274)	(89 628)	(81 405)	(117 654)
Selling, general and admin expenses	(5 312)	(6 355)	(19 452)	(18 104)	(29 522)
Other income (expenses), net	393	(119)	570	649	855
<b>EBITDA</b>	<b>(1 170)</b>	<b>19 779</b>	<b>11 999</b>	<b>56 078</b>	<b>69 465</b>
Depreciation and Amortization	(10 754)	(10 595)	(32 933)	(24 621)	(35 946)
Impairment			-		(15 899)
<b>EBIT</b>	<b>(11 924)</b>	<b>9 183</b>	<b>(20 935)</b>	<b>31 457</b>	<b>17 620</b>
Interest expense	(2 947)	(4 766)	(10 813)	(12 421)	(16 779)
Other financial items, net	(8 811)	13 260	(7 679)	6 564	20 036
<b>Profit (loss) before income tax</b>	<b>(23 682)</b>	<b>17 677</b>	<b>(39 427)</b>	<b>25 600</b>	<b>20 877</b>
Income tax	(1 065)	(180)	(5 477)	(4 725)	(717)
<b>Profit (loss)</b>	<b>(24 747)</b>	<b>17 497</b>	<b>(44 904)</b>	<b>20 875</b>	<b>20 160</b>

# Sequential Development



- ✓ Utilization reduced from Q2: 80%, to Q3: 55%
- ✓ Reduced revenue correspondingly from Q2 to Q3
- ✓ While a major part of revenue first half 2009 was contributed by Osprey Explorer and Northern Explorer working for ONGC/India, the 2D fleet utilization in Q3 was only 51%
- ✓ Contribution from Ocean Bottom Node seismic on Hugin Explorer has increased

# Opex development



✓SG&A includes provision for bad debt for:

Q4 2008	USD 4.1m
Q1 2009	USD 0.7m
Q2 2009	USD 1.4m
Q3 2009	USD 0.0m

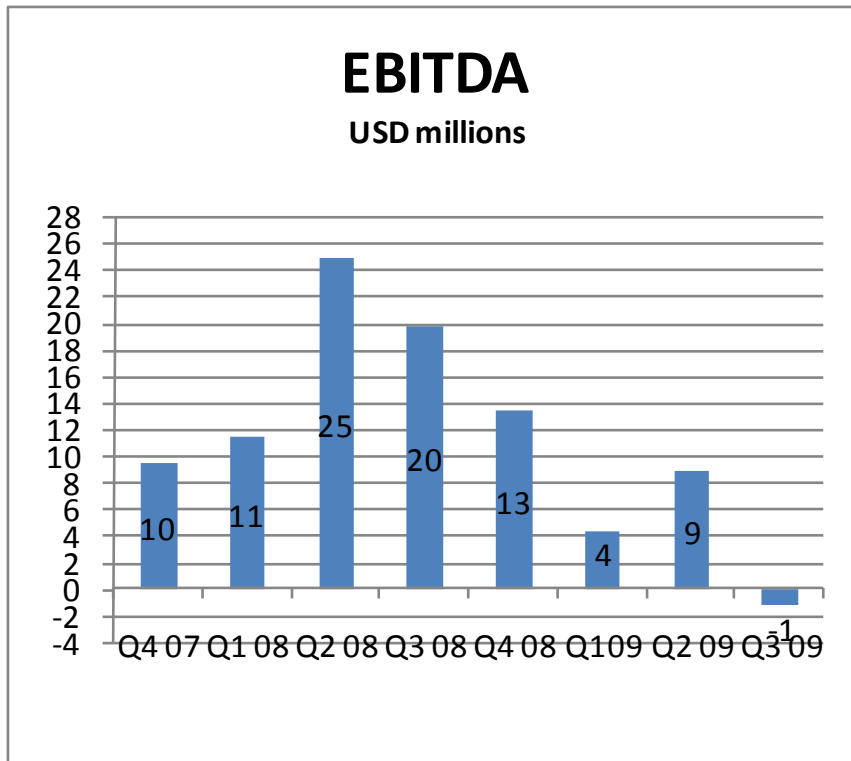
✓Bareboat Charter Hire & Operating Expenses reduced in Q2 due to:

- maintenance & fuel consumption in idle periods
- reduced manning for idle vessels
- reduced pension contribution & other crew cost
- reversed excess crew taxes for vessels India
- reduced data processing cost (& related income)
- General cost savings implemented

✓Further cost saving actions was implemented Q3

- cold stacking one vessel from mid June 09
- Utilize surplus spares and equipment
- further reductions in manning levels incl. admin

# Sequential Development



Improved EBITDA in Q2 caused by reduced operating expenses.

EBITDA level Q3 is a result of low utilisation and 2d vessels in idle or colds stacked mode. Major positive contribution from Node operation on Hugin.

Base on the current order backlog and expectations of improved utilisation, SeaBird anticipate an improved EBITDA contribution in Q4 2009

# Consolidated Balance Sheet

All figures in USD 1,000	As of 30 Sep 2009	As of 31 Dec 2008
Non-current Tangible assets	337 933	344 068
Non-current Intangible assets	27 054	24 800
Other current assets	39 812	57 617
Cash and Cash Equivalents	7 646	14 883
<b>Total Assets</b>	<b>412 445</b>	<b>441 368</b>
Equity	187 786	217 131
Non-current liabilities	153 893	123 578
Current portion of long-term liabilities	33 410	64 855
Other current liabilities	37 356	35 804
<b>Total equity and liabilities</b>	<b>412 445</b>	<b>441 368</b>

Net interest bearing debt

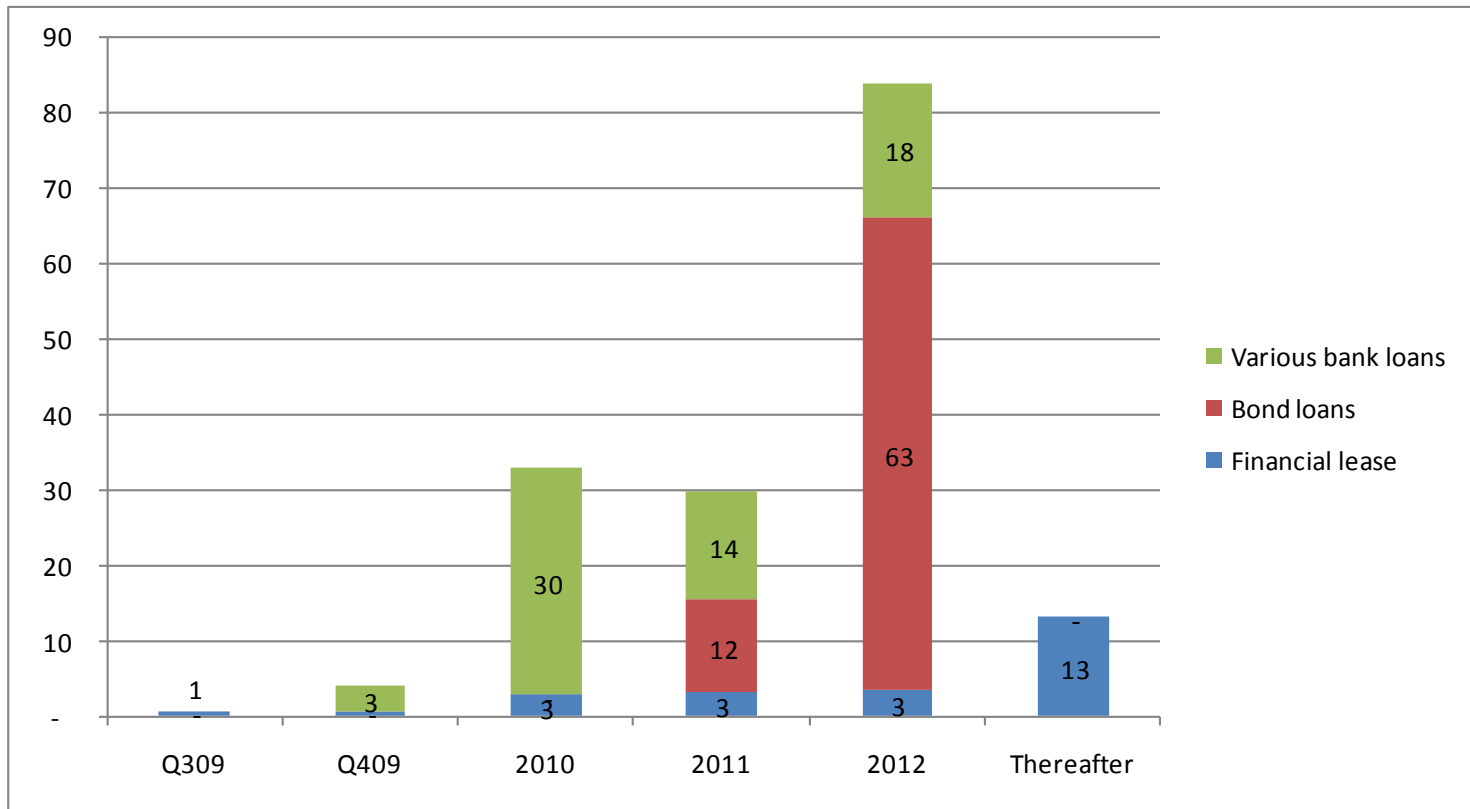
179 069

172 658

# Consolidated Cash Flow

All figures in USD 1,000	Quarter ended 30 Sep		Nine months ended 30 Sep		Year ended ended 31 Dec
	2009	2008	2009	2008	2008
Net cash from operating activities	3 786	9 114	18 862	49 669	57 642
Capital Expenditures	(9 053)	(7 694)	(24 623)	(58 519)	(60 164)
Acquisition of int. assets and deferred taxes	-	-	-	-	-
Net cash from other investing activities	-	-	-	-	623
Proceeds from issuance of shares	-	-	9 030	22 342	22 342
Borrowings	(700)	1 365	(16 369)	(8 112)	(10 292)
Net cash from other financing activities	3 026	(1 612)	5 863	(6 925)	(6 884)
<b>Net increase in cash and cash equivalents</b>	<b>(2 941)</b>	<b>1 173</b>	<b>(7 237)</b>	<b>(1 545)</b>	<b>3 267</b>
<b>Cash and cash equivalents - beginning</b>	<b>10 587</b>	<b>8 898</b>	<b>14 883</b>	<b>11 616</b>	<b>11 616</b>
<b>Cash and cash equivalents - end</b>	<b>7 646</b>	<b>10 071</b>	<b>7 646</b>	<b>10 071</b>	<b>14 883</b>

# Maturity of borrowings



# Outlook



# Outlook

- Potential for Ocean Bottom Node (OBN) seismic looks very promising with several major oil companies considering SeaBird's OBN technology as a preferred solution
- A second OBN operation is under consideration
- Fleet utilisation expected to rebound to normalised levels at 80-90% in Q4 2009
- SeaBird anticipate an improved EBITDA contribution in Q4 2009
- Increased demand for source vessels expected due to more Ocean Bottom seismic and more wide azimuth demand following more 3D/4D surface seismic
- SeaBird has adjusted revenue rate expectations:
  - ✓ 2D & Geo Mariner (3D SW) contracts USD 60-70 000/day
  - ✓ Source contracts USD 50-60 000/day (less operating cost than 2D)
  - ✓ OBN operations USD 300-350 000/day pending operating efficiency
- SeaBird will aggressively pursue further tenders due in Q4 and next year in the 2D and 3DSW seismic market

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