

ABGSC Oil & Oil Service Conference

Polarcus

1 March 2018

Duncan Eley, CEO

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Polarcus investment case

Leading marine seismic player with debt service runway to 2022

Leading player in the contract seismic industry

Focused marine acquisition company with strong industry standing

Taking market share in a challenging market

Rigorous focus on building backlog and optimizing fleet utilization

Modern uniform fleet of high-end 3D vessels

Scalable platform delivering innovative geophysical services: XArray™ and Priority Processing™

Lowest OPEX and SG&A costs

Streamlined organization with strong cost focus

Significantly improved liquidity to 2022

Robust financial platform with debt service runway to 2022, in addition to equity injection and increased WCF

Imaging tomorrow's energy™

Diversified revenue streams

Fleet strategically positioned in global spot market underpinned by long term fixed revenue streams

Vessels in global spot market



Polarcus Asima
12 streamer



Polarcus Alima
12 streamer



Polarcus Adira
14 streamer

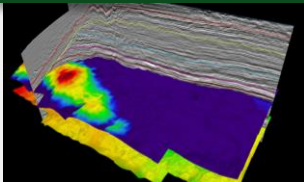


Polarcus Naila
14 streamer

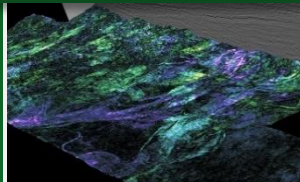


Polarcus Nadia
12 streamer
[Cold stacked]

Geophysical services



Multi-client



Processing

Fixed revenue streams

Vessels on long term bareboat charter



V.Tikhonov
8 streamer



Ivan Gubkin
14 streamer

Long term management contract



Seismic delivery
One-year extension
signed Feb '18

USD > 30m

fixed annual EBITDA
contribution from
long term charter and
mgmt. contract

Strong performance in the Business Essentials

Industry leading operational efficiency, EHSQ performance and cost discipline

Fleet Performance Q4 2017



EHSQ performance

- TRCF = 0.3
- LTIF = 0.0



Technical performance

- 2.7% downtime full year



Operating cost

- Below USD 90k per vessel per day
- Including support vessels, geographical uplifts and onshore support



Total Fleet Emissions

- CO₂ = 3.6 ton/km²
- NO_x = 45.2 kg/km²
- SO_x = 2.8 kg/km²

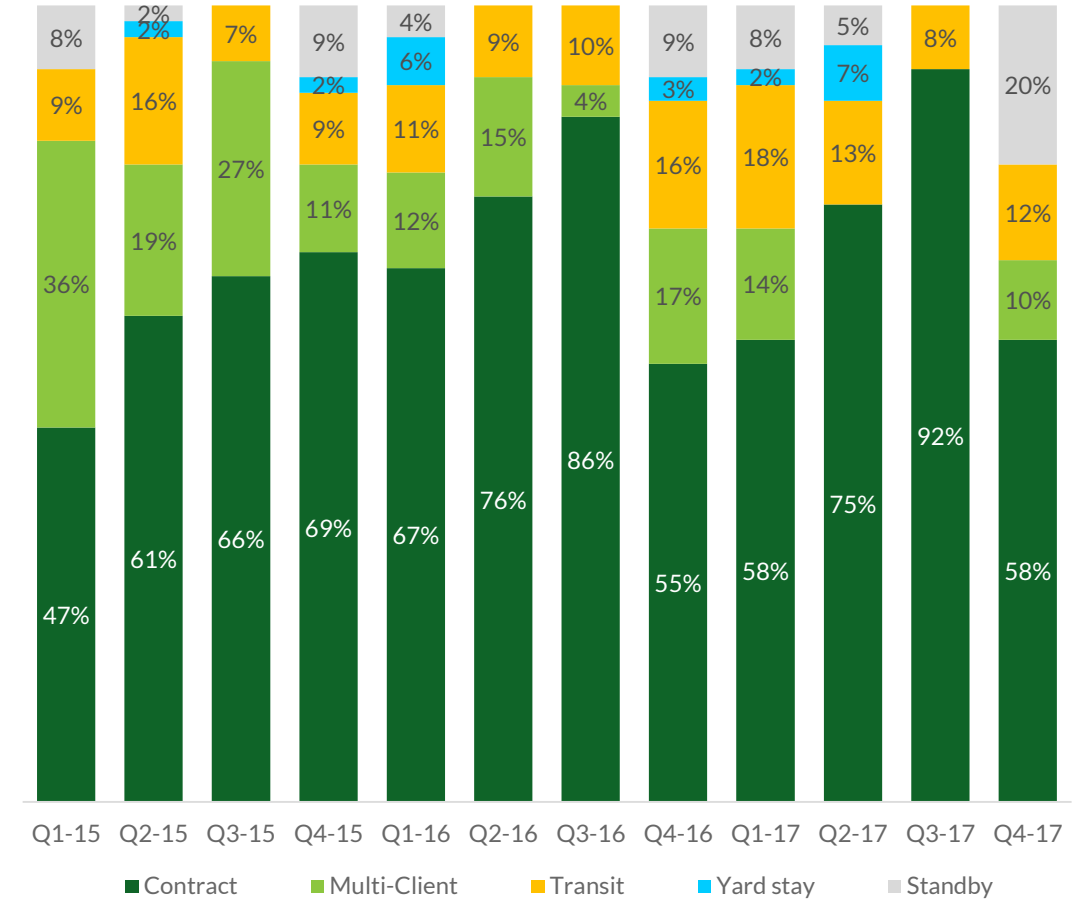
Vessel locations as of February 2018



Challenging winter with improved activity in H1 2018

Continued focus on high contract allocation and disciplined multi-client approach

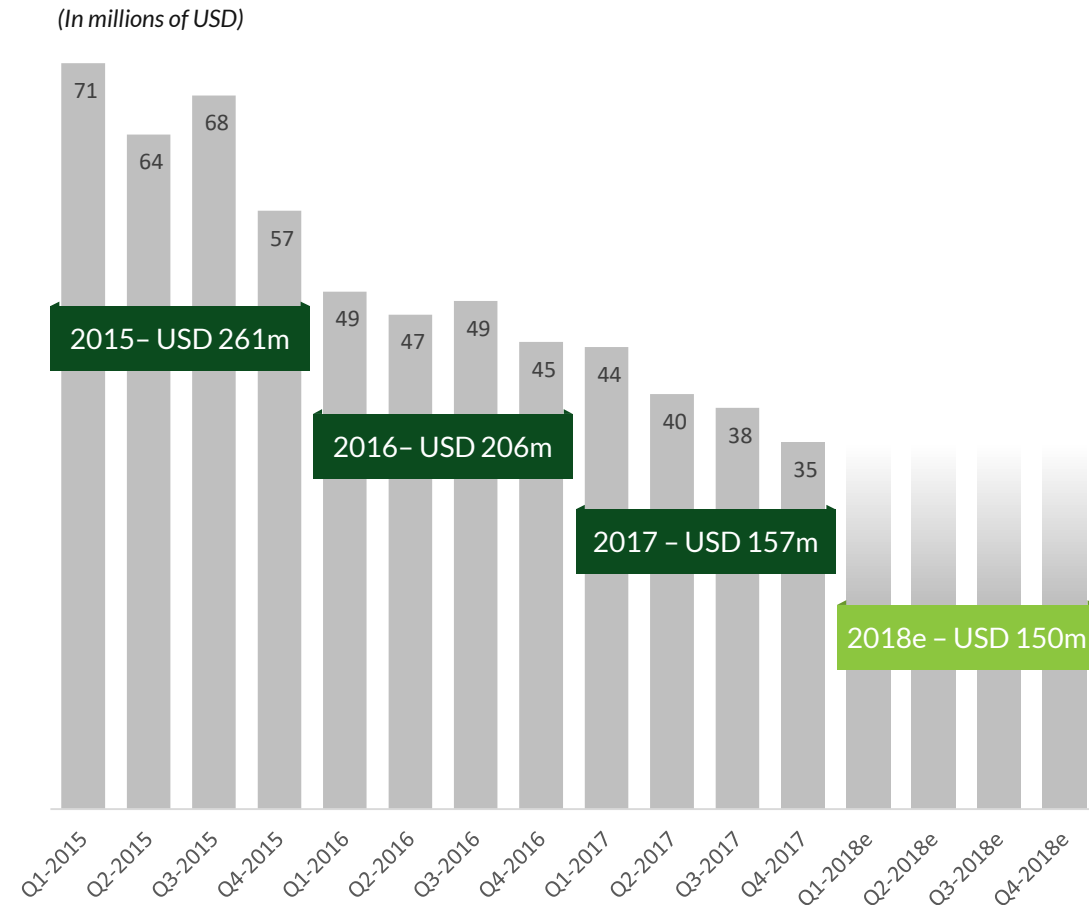
- Q4 2017 utilization negatively impacted by delay of project awards and permits
- Polarcus Asima commenced production early February following standby in Q4 2017
- Active fleet fully booked in Q1 2018 and 85% booked in Q2 2018
 - H1 2018 utilization estimated at 80%



* Polarcus Nadia cold stacked in NW Europe from Q2 2015

Continued delivery of cost leadership

Cost base established at industry leading level



- Q4 2017 gross cost of sales at all time low
- 2017 gross cost of sales down 24% from 2016 and 40% from 2015
- 2018 gross cost of sales estimated to be USD 150 million
 - On back of organization reshape in Q4 2017

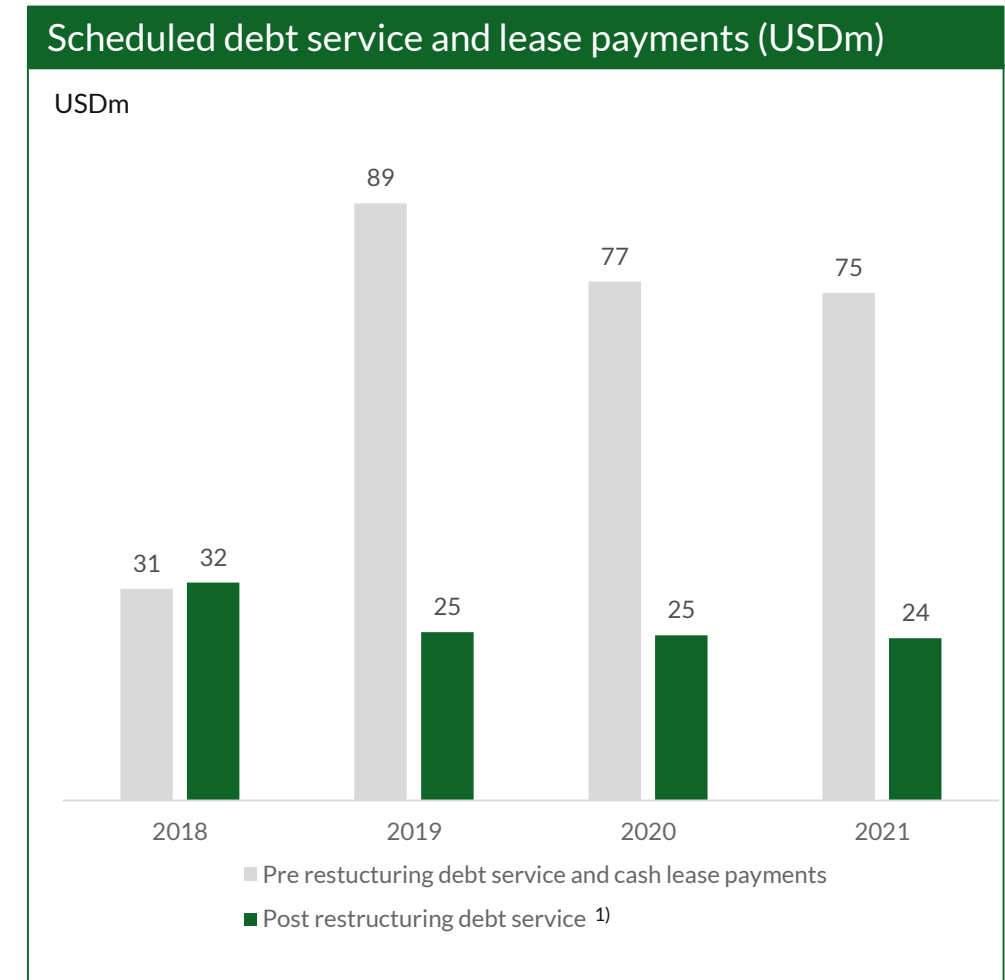
- Polarcus Nadia cold-stacked since 01 April 2015

- *Adjusted for USD 4 million operating lease expense per quarter in 2016 and USD 2 million from Q1 2017. N-Class vessel operating lease terminated during Q1 2018

Restructuring creates a robust platform

Debt service runway to 2022

- Improved liquidity ~USD 220m to 2022
 - USD 166m cash debt service
 - USD 40m new equity
 - USD 15m increased WCF
- Remaining unsecured bonds of ~USD 20m
 - After reduction of par value and partial conversion to equity
 - No cash interest
- USD 75m new debt facility replacing ~USD 90m lease commitment (Nadia and Naila)
 - No fixed amortization to 2022



1) Based on lowest interest in the margin grid and no cash sweep

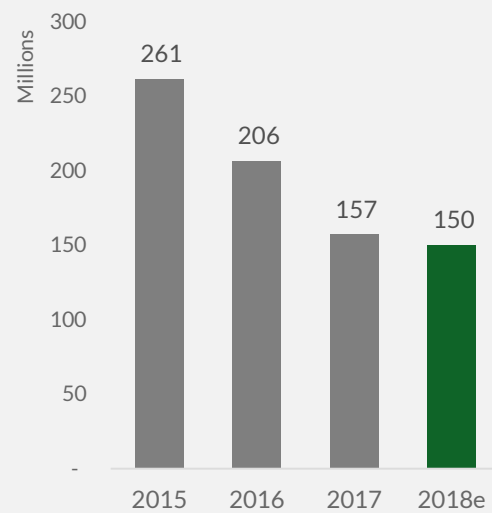
2018 guidance

Continued focus on delivering the industry's leading cost base

Gross cost of sales¹

2018 Gross cost of sales estimated to be USD 150 million

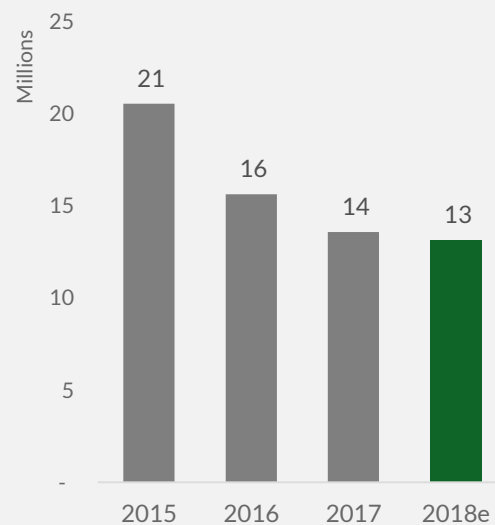
USD 150m



G&A cost²

2018 G&A expense estimated to be USD 13 million

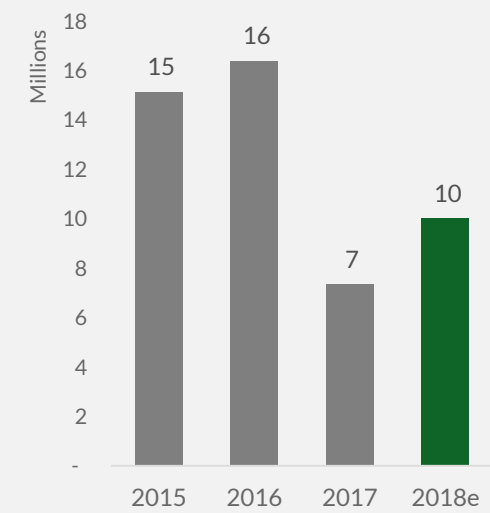
USD 13m



Capital expenditures

2018 CAPEX cash investment estimated to be USD 10 million

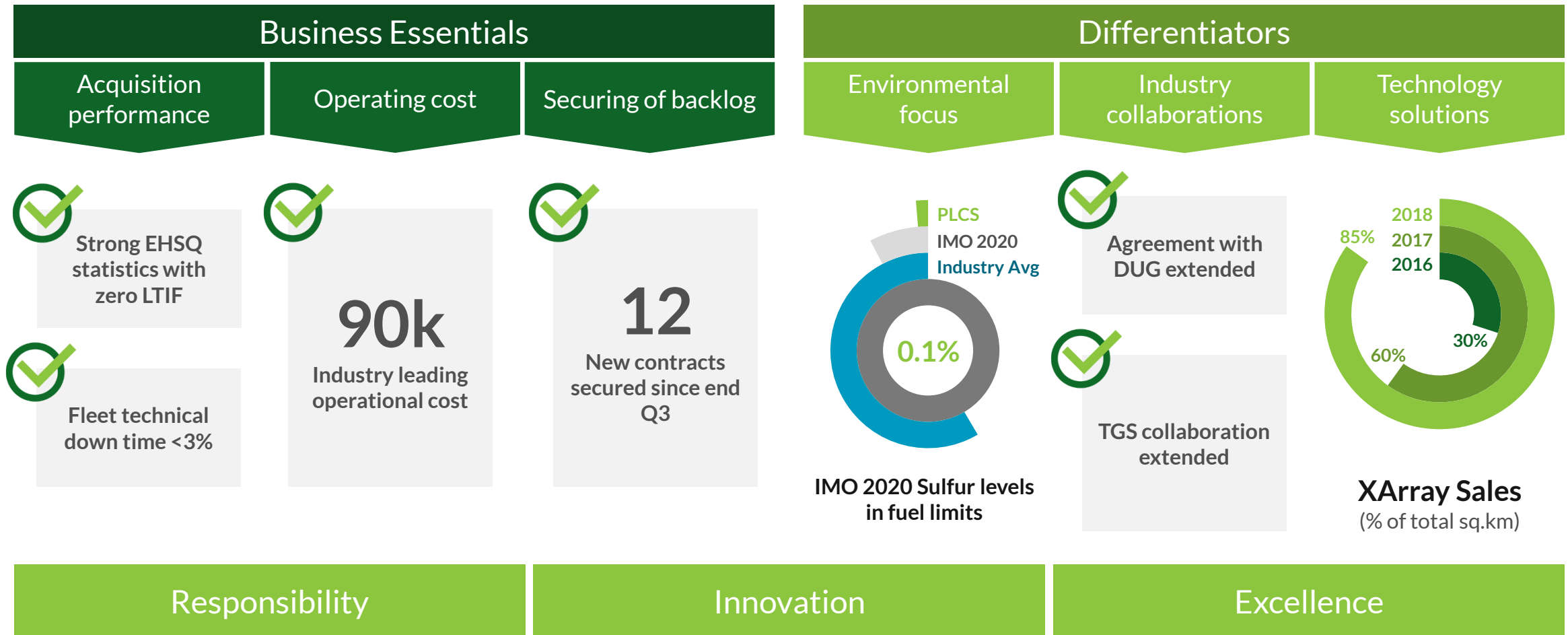
USD 10m



- ¹Adjusted for USD 4 million operating lease expense per quarter in 2016 and USD 2 million from Q1 2017. N-Class vessel operating lease terminated during Q1 2018
- ²G&A cost excludes restructuring costs arising from personnel reorganizations and financial restructuring

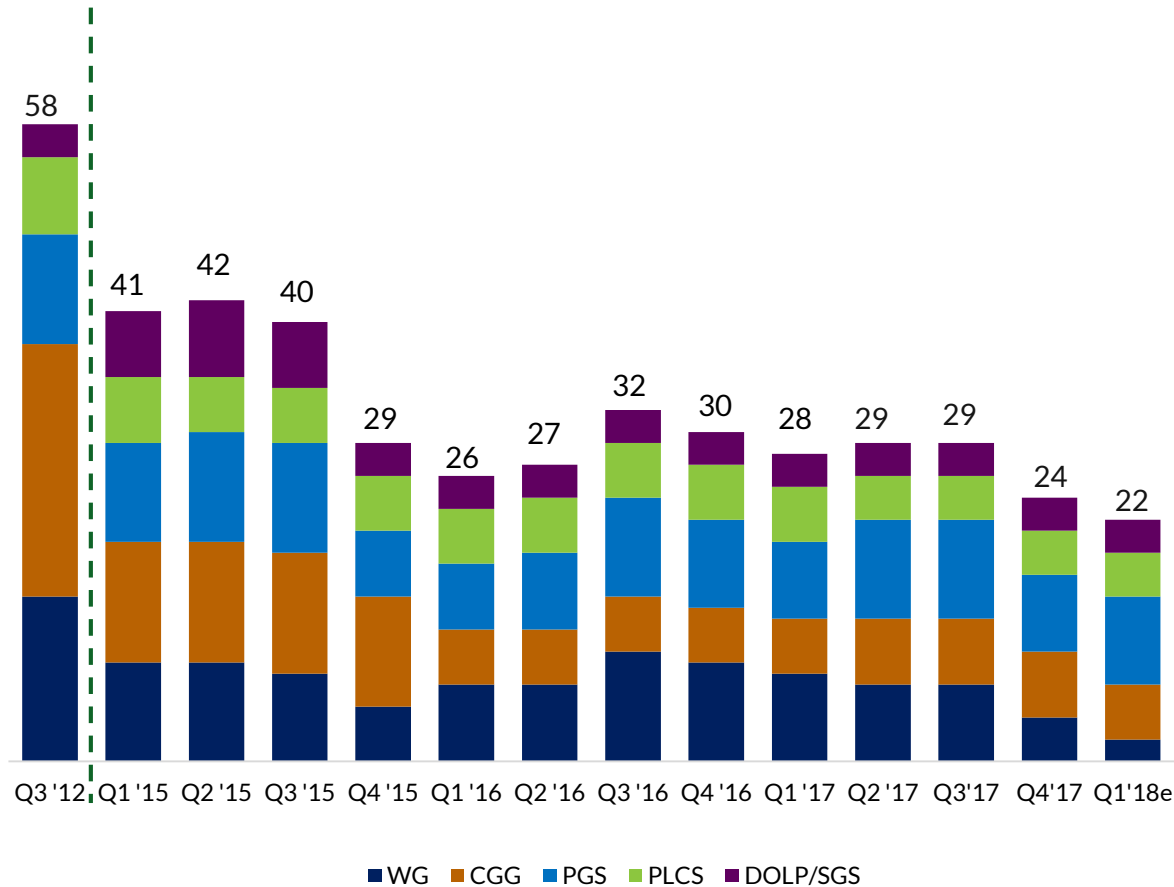
Delivering strong underlying fundamentals

Business Essentials and Differentiators underpinned by Polarcus Core Values



Seismic vessel supply continues to reduce in Q1 2018

High-end 3D vessels currently in the global market



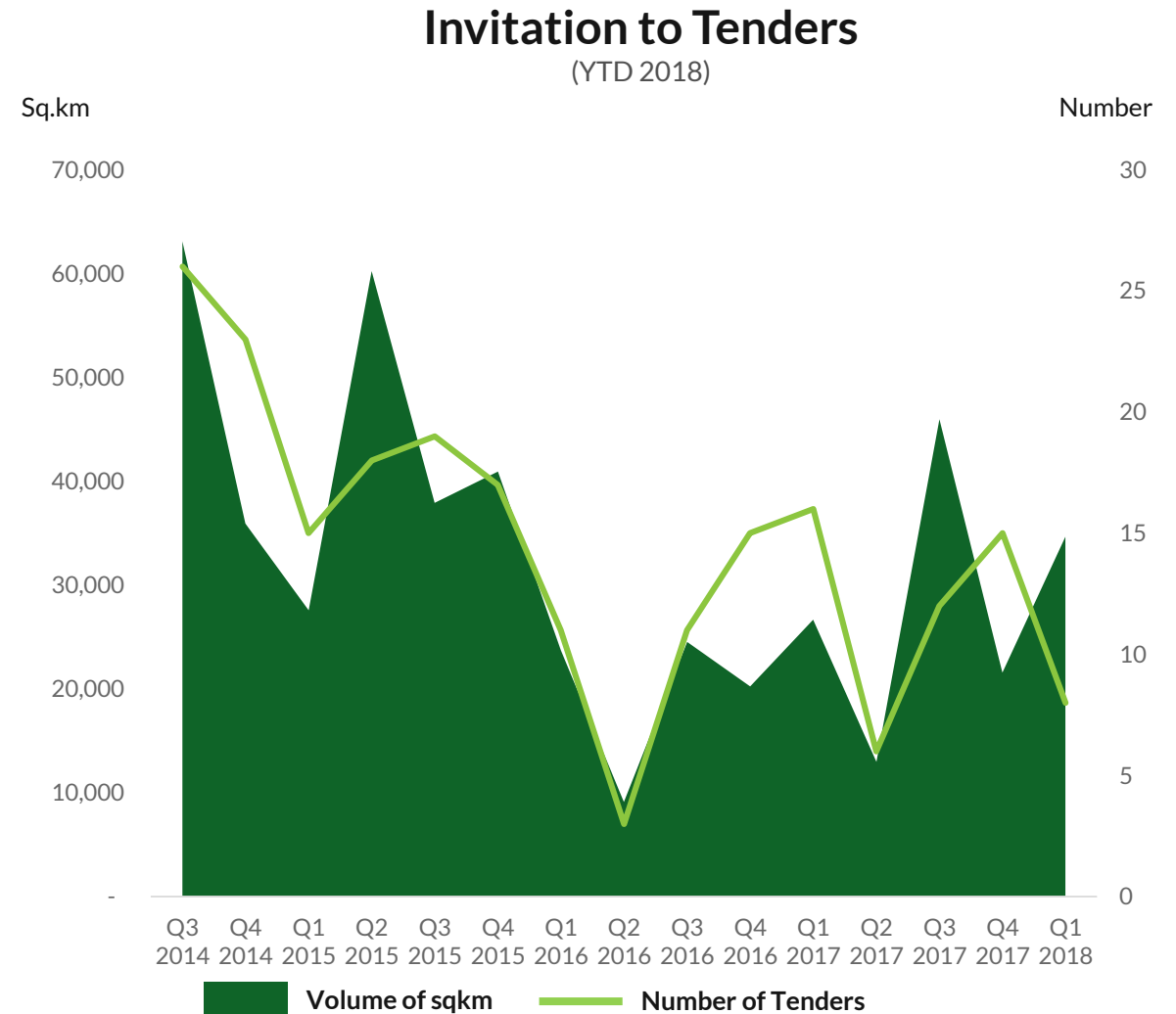
Source: Polarcus analysis

- Global fleet halved since Q1 2015
- WG announced exit from seismic vessel market in Q1 2018
 - Not participating in ongoing tenders
 - Cold stacking vessels after project completion
- Of the 22 active vessels in the global fleet, 20 are in operation as of mid Q1 2018

Immediate market outlook

Increase in global fleet activity observed in H1 2018 after a lull in Q4 2017

- Exploration spending remains somewhat cautious
 - Super majors maintaining activity levels
 - Smaller independents showing signs of increased activity
- Activity returning to new & dormant basins
 - Increased West African tender activity
- Underlying positive developments
 - Increased number of tenders year on year
 - 35% increase in sq.km for 2017 vs 2016
 - Increasing demand observed during Q1 2018



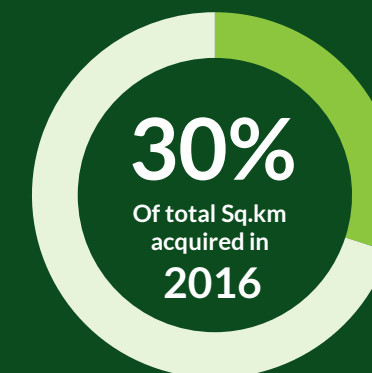
Excluding Multi-client and direct awards.

Strong increase in 2018 booked capacity

Contract awards secured and announcements from end Q3 2017

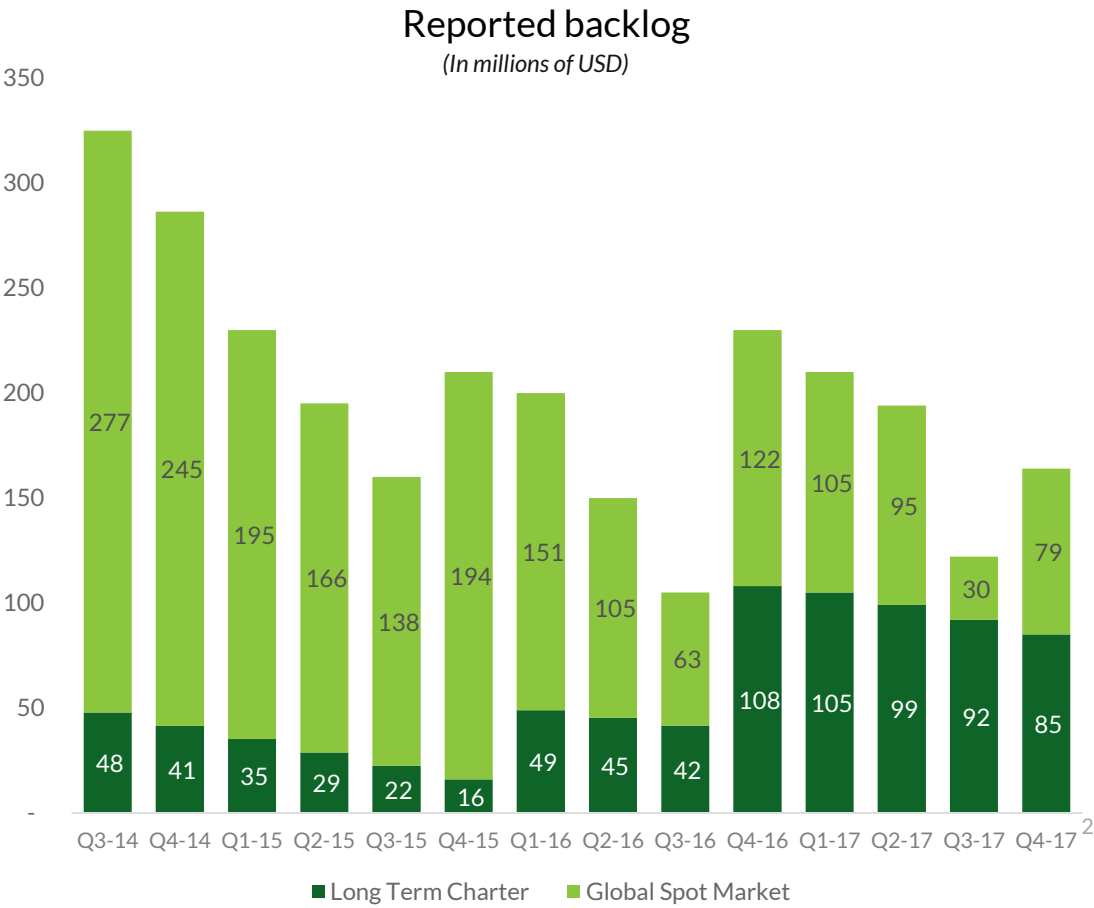
27 Oct 2017	XArray™ project in the Middle East
27 Oct 2017	Broadband 3D project in South America
9 Nov 2017	Broadband 3D project in Australia
17 Nov 2017	XArray™ 3D project in Australia ('Zenaide')
8 Dec 2017	XArray™ project in Australia
18 Dec 2017	XArray™ project in the Caribbean
21 Dec 2017	XArray™ project in the Gulf of Mexico (TGS)
5 Jan 2018	Extension of TGS multi-client collaboration and vessel agreement
12 Jan 2018	3D project in South America
24 Jan 2018	4D project in Asia Pacific
14 Feb 2018	4D project in West Africa
27 Feb 2018	3D project in Central America

XArray Sales (as % total sq.km)



Fleet >90% booked in H1 2018

Global spot market backlog increased significantly in Q4 2017 & Q1 2018



1) Includes the two vessels on long term charters at a 100%, please also note that Booked Capacity is not directly comparable with utilization as it includes time spent on transit.
2) Includes awards received in January 2018 and to date in February 2018

Booked Capacity¹



2020 Strategy back on track



Well positioned in a stabilizing market

Polarcus well positioned & focused

Robust financial platform with
debt service runway to 2022

Diversified revenue streams

Global reach with strong client relationships

Industry leading cost base

Strong operational fundamentals

Stabilizing market conditions?

Oil price ~\$65 per barrel in Q1 2018

E&P companies consistently cash positive

RRR coming back into focus

Seismic vessel supply further reduced

Tender activity increasing year-on-year



Q&A



Appendices



Income statement

(In thousands of USD)	Quarter ended		Year ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Revenues				
Contract revenue	28,411	36,024	146,925	185,095
Multi-client revenue	6,018	11,224	27,707	56,569
Other income	2,773	-	4,351	1,752
Total Revenues	37,202	47,248	178,983	243,416
Operating expenses				
Cost of sales	(33,866)	(45,625)	(148,769)	(176,850)
General and administrative costs	(3,639)	(4,247)	(15,947)	(19,359)
Onerous contracts	27,027	(26,356)	27,027	(46,356)
Depreciation and amortization	(10,928)	(11,255)	(45,018)	(48,672)
Multi-client amortization	(10,502)	(21,000)	(42,108)	(56,807)
Impairments	(89,785)	(24,774)	(91,178)	(26,658)
Total Operating expenses	(121,694)	(133,256)	(315,993)	(374,702)
Operating profit/(loss)	(84,492)	(86,008)	(137,011)	(131,286)
Profit/(loss) from joint ventures	-	-	-	(1,220)
Finance costs	(12,501)	(8,548)	(44,392)	(37,041)
Finance income	1,515	780	2,449	1,961
Changes in fair value of financial instruments	4,077	(1,569)	6,632	13,315
Gain on financial restructuring	-	-	-	177,787
	(6,908)	(9,338)	(35,311)	154,803
Profit/(loss) before tax	(91,400)	(95,346)	(172,322)	23,517
Income tax expense	(280)	(1,650)	(131)	(3,243)
Net profit/(loss) and total comprehensive income/(loss)	(91,680)	(96,995)	(172,453)	20,274

Balance Sheet

(In thousands of USD)	31-Dec-17	31-Dec-16
Non-current Assets		
Property, plant and equipment	324,122	443,377
Multi-client project library	10,406	45,107
Intangible assets	-	-
Total Non-current Assets	334,528	488,484
Current Assets		
Receivable from customers	19,766	47,595
Other current assets	14,930	21,337
Restricted cash	7,818	731
Cash and bank	25,846	13,731
Total Current Assets	68,361	83,394
Total Assets	402,888	571,878
Equity		
Issued share capital	15,344	5,305
Share premium	614,192	586,401
Other reserves	24,411	29,865
Retained earnings/(loss)	(609,228)	(442,764)
Total Equity	44,719	178,807
Non-current Liabilities		
Bond loans	-	34,582
Other interest bearing debt	-	858
Long-term provisions	-	37,320
Other financial liabilities	8,624	10,511
Total Non-current Liabilities	8,624	83,271
Current Liabilities		
Bond loans	48,647	-
Other interest bearing debt	245,646	249,649
Provisions	5,489	6,820
Accounts payable	13,351	18,929
Other accruals and payables	36,412	34,401
Total Current Liabilities	349,545	309,800

Cash flow

(In thousands of USD)	Quarter ended		Year ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Cash flows from operating activities				
Profit/(loss) for the period	(91,680)	(96,995)	(172,453)	20,274
Adjustment for:				
Depreciation and amortization	10,928	11,255	45,018	48,672
Multi-client amortization	10,502	21,000	42,108	56,807
Impairments	89,785	24,774	91,178	26,658
Changes in fair value of financial instruments	(4,077)	1,569	(6,632)	(13,315)
Employee share option expenses	128	141	534	581
Interest expense	10,728	8,825	39,742	32,659
Interest income	(66)	(17)	(223)	(93)
Gain on financial restructuring	-	-	-	(177,787)
Effect of currency (gain)/loss	(66)	(3,136)	1,200	(620)
Net movements in provisions	(31,811)	26,356	(35,731)	30,553
Loss from joint ventures	-	-	-	1,220
Working capital movements	24,104	3,647	29,323	22,472
Net cash flows from operating activities	18,476	(2,582)	34,064	48,082
Cash flows from investing activities				
Payments for property, plant and equipment	(1,748)	(965)	(7,340)	(16,387)
Payments for multi-client project library	(6,928)	(12,580)	(20,631)	(44,649)
Payments for intangible assets	-	-	-	(7)
Net cash flows used in investing activities	(8,676)	(13,545)	(27,972)	(61,042)
Cash flows from financing activities				
Proceeds from the issue of ordinary shares	-	-	39,003	-
Transaction costs on issue of shares	-	-	(1,173)	-
Net receipt from bank loans	-	-	-	7,900
Repayment of other interest bearing debt	(2,222)	(2,303)	(6,893)	(14,386)
Interest paid	(3,940)	(4,250)	(18,618)	(24,413)
Financial restructuring fees paid	-	-	-	(6,231)
Other finance costs paid	(361)	(397)	(859)	(959)
Decrease/(Increase) in restricted cash	(1,064)	30	(7,087)	13,788
Security deposit related to currency swaps	(1,370)	(1,630)	1,750	4,280
Paid towards liability under currency swaps	-	-	-	(8,228)
Interest received	66	17	223	93
Net cash flows used in financing activities	(8,892)	(8,534)	6,346	(28,156)
Effect of foreign currency revaluation on cash	66	1,168	(324)	872
Net increase in cash and cash equivalents	974	(23,493)	12,115	(40,245)
Cash and cash equivalents at the beginning of the period	24,872	37,224	13,731	53,976
Cash and cash equivalents at the end of the period	25,846	13,731	25,846	13,731

Experienced Board and Management

Board of directors



Peter Rigg

25 years experience
in investment banking



Nicholas Smith

7 years as Chairman
of Ophir Energy plc



Peter Zickerman

20 years experience in
the seismic industry



Tom Henning Slethei

20 years experience as an
investor in the stock and
bond market



Karen El-Tawil

30 years of experience in
the seismic industry



Erik M Mathiesen

Extensive experience in
Investment and asset
management in the energy sector

Executive management



Duncan Eley

18 years of experience in the
seismic industry



Hans-Peter Burlid

13 years of experience in the
seismic industry



Caleb Raywood

20 years of commercial law
experience



Tamzin Steel

15 years' experience working in
global multinational companies
in the oil & gas industry.

