

# Polarcus

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EAGE Investor Presentation

June 2019, London

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Hans-Peter Burlid, CFO*

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# Agenda

- 1 Polarcus - Explore Smarter™
- 2 Industry - Outlook



## Focused marine geophysical service provider

### Global client interfaces



## High-end uniform seismic fleet



**Polarcus Naila**  
14 Streamers



**Polarcus Asima**  
12 Streamers



**Polarcus Alima**  
12 Streamers



**Polarcus Adira**  
14 Streamers



**V. Tikhonov** – Bareboat Charter  
8 Streamers

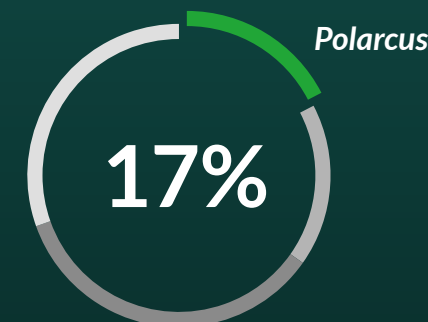


**Ivan Gubkin** – Bareboat Charter  
14 Streamers



**Polarcus Nadia** - Stacked  
12 Streamers

### SHARE OF ACTIVE GLOBAL FLEET\*



\*Source: Polarcus, share of 3D high-end seismic active global fleet (Q2 2019)

# A decade of Explore Green™

*Polarcus entered high-end 3D marine acquisition in 2009*

- Global operations with more than 200 projects competed
- In excess of 500,000 sq.km of data from large scale 3D exploration to complex 4D
- Full range of clients from Majors, NOCs and independent E&P companies

## Global operations

*~500,000 sq.km*



*Largest clients since inception (by spend)*



# Polarcus: streamlining

*Proactive cost management across the business*

## Cost efficiency focus

- Disciplined cost management across the cost base
- Cost of sales reduced by ~50%
- Recognized as the industry benchmark in operational cost and efficiency

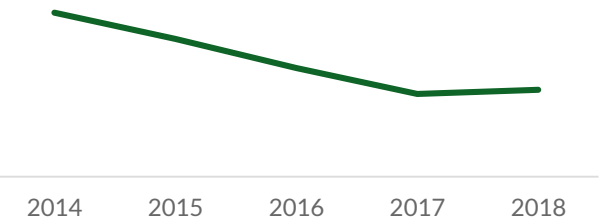
## Streamlined support structure

- On shore organization reduced by ~40%
- Centralized operational, technical and corporate support
- Regionalized client-facing teams since 2014

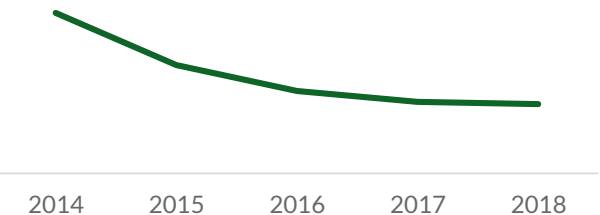
## Capital discipline

- Disciplined and responsible CAPEX management
- Active management of streamer pool
- In-house streamer repair facility ramped up in 2018

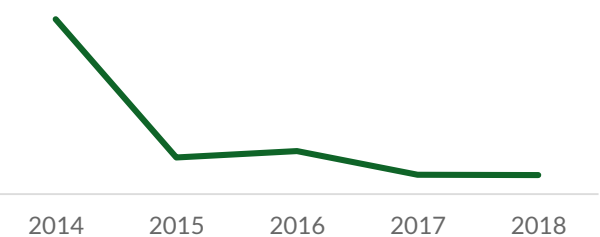
Gross cost of sales



G&A costs



CAPEX spend





# Polarcus: innovating

*Positioning for the future through innovation*

## Marine acquisition services



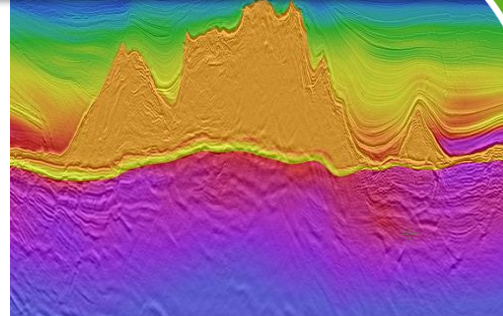
### ACQUISITION EFFICIENCY

Survey design optimization and technical uptime ~ 97%

### PROJECT SUSTAINABILITY

30% less fuel consumed per data point by minimizing towed equipment in water

## Geophysical solutions



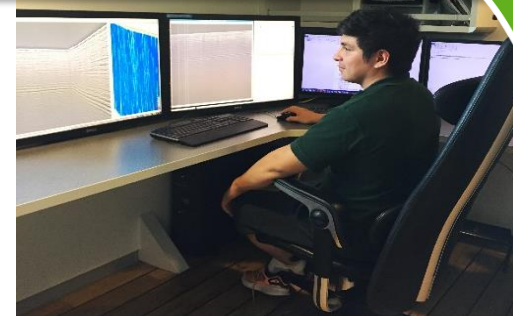
### DATA QUALITY

Improved data quality by increasing signal-to-noise ratio and cross-line sampling - XArray™

### PRODUCTION OPTIMIZATION

Hybrid (towed-streamer and ocean-bottom-node) imaging solutions

## Seismic data management



### DATA DELIVERY

Rapid data transfer of large data volumes to shore in real time

### CLOUD PROCESSING

Increasing flexibility and client interaction, reducing turnaround time

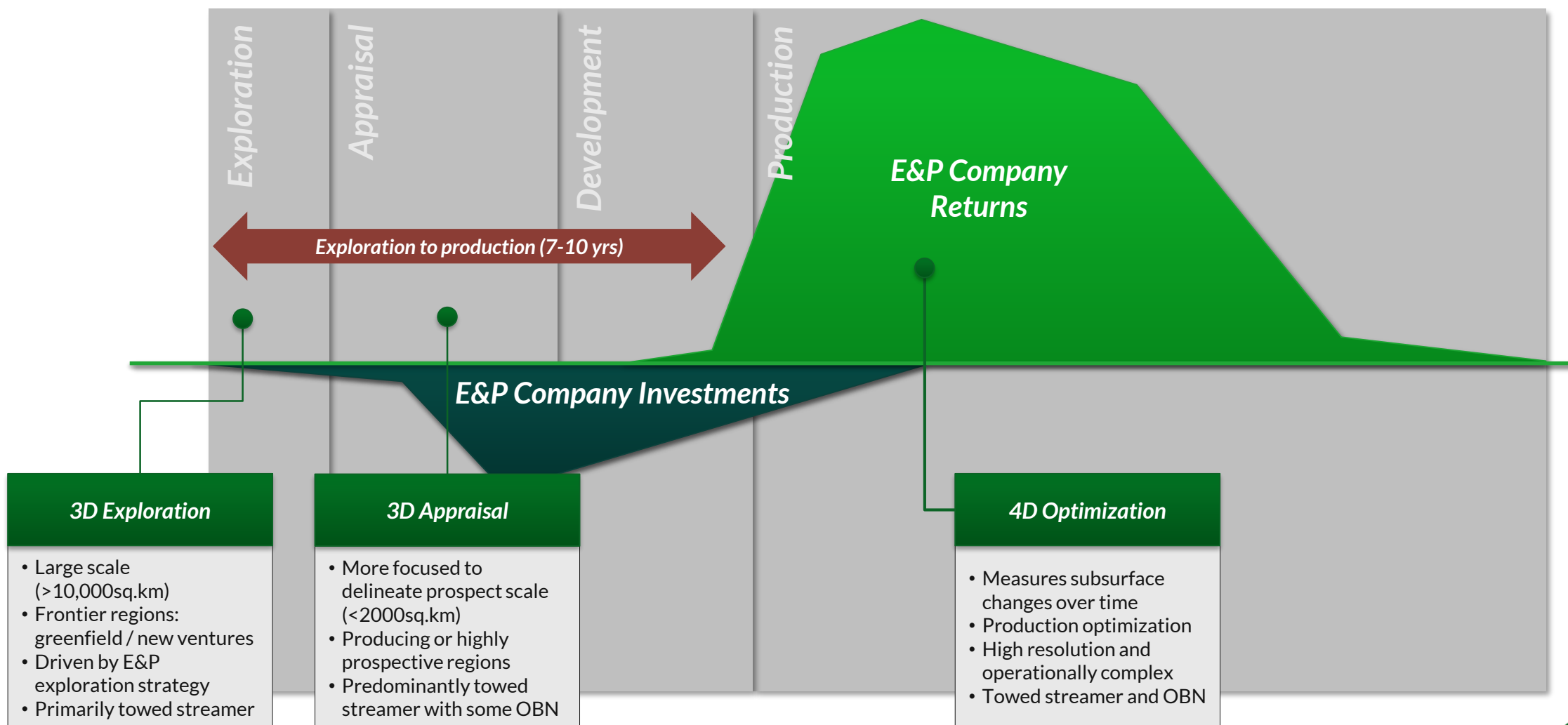
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- 2 Industry - Outlook



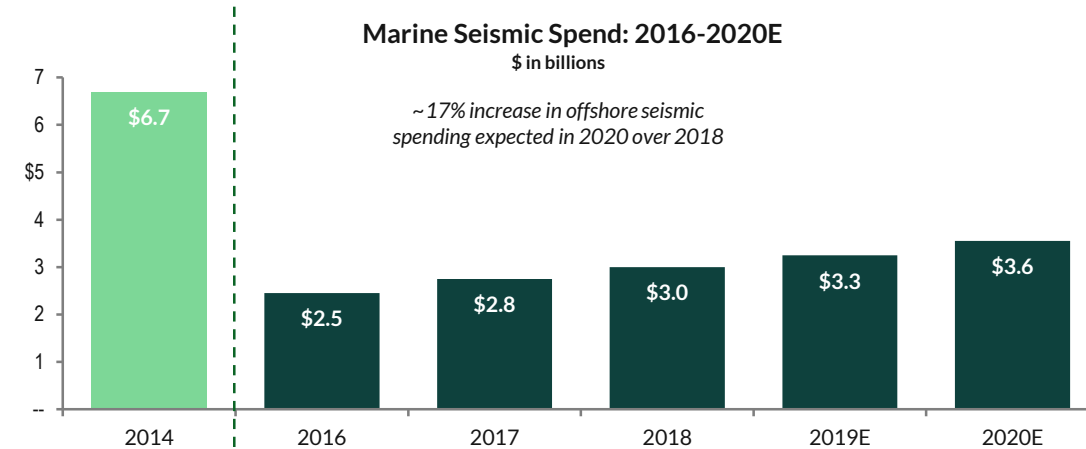
# Seismic adding value across E&P investment / return phases

*Reducing exploration risk, optimizing production and compressing timelines*

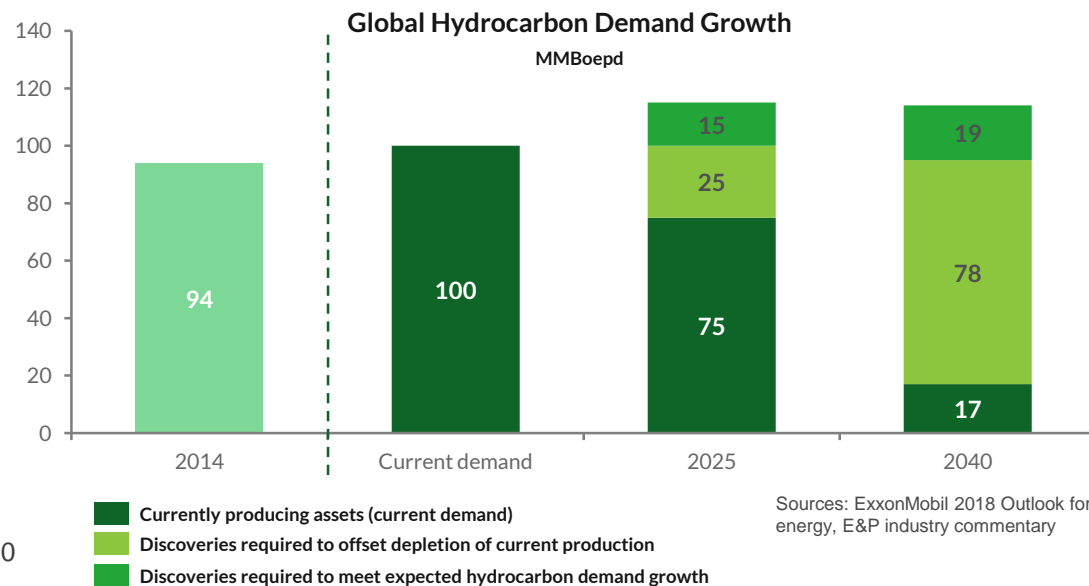


# Underlying fundamentals support growth in marine seismic

*Marine seismic spending growth expected to continue as global hydrocarbon demand increases and existing inventories deplete*



- Energy gap looming through 2030 based on current projections
  - E&P company immediate focus on building proven hydrocarbon reserves
- Renewed focus in offshore by a number of oil majors
- Supported by discussions with clients on expected 2019-2020 activity levels
- Significant value in minimizing timeline to hydrocarbon production

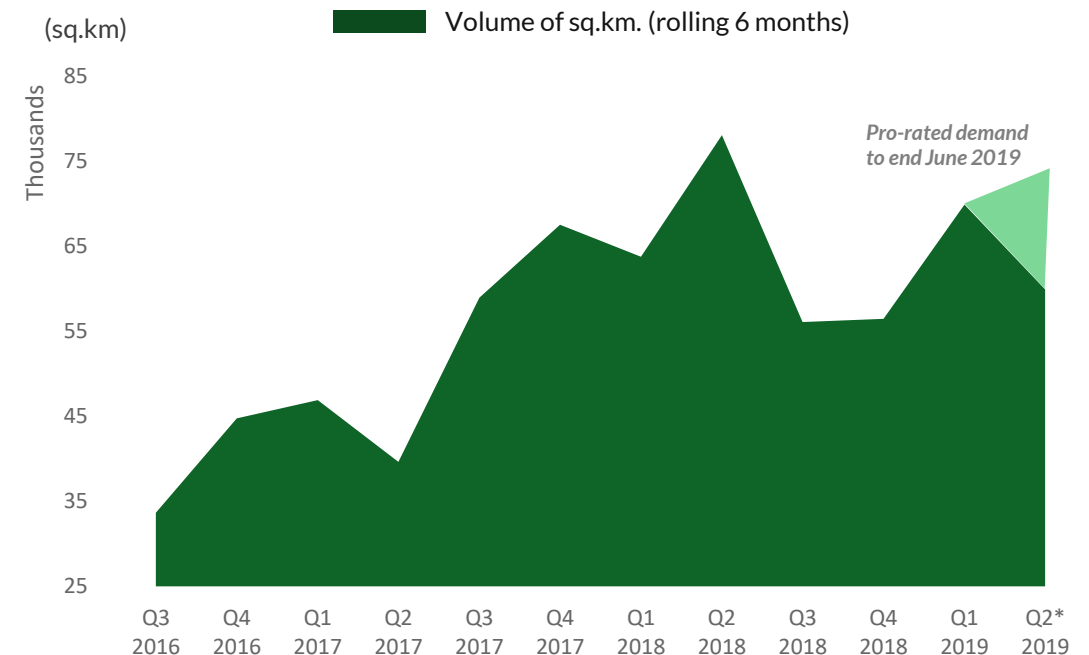


# Marine acquisition demand remains solid into 2019

*Increased demand from both proprietary tenders and multi-client companies*

- Proprietary tender demand remains solid in H1 2019
- Larger exploration surveys driving demand
- Similarly, large scale multi-client programs increasing H2 2019 acquisition activity

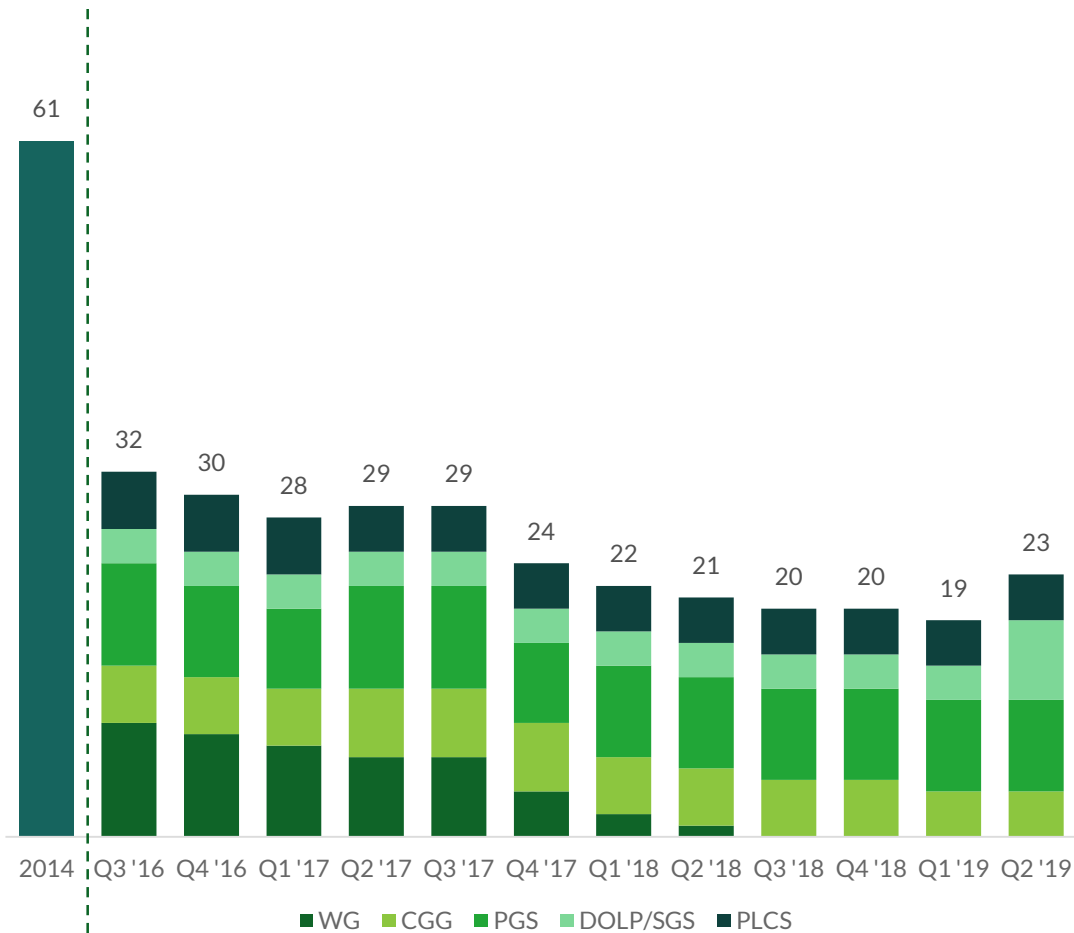
## Proprietary invitation to tenders only



\*Q2-19: April and May to date

# Marine acquisition supply has reduced significantly

*High-end marine acquisition vessels currently in the global market*

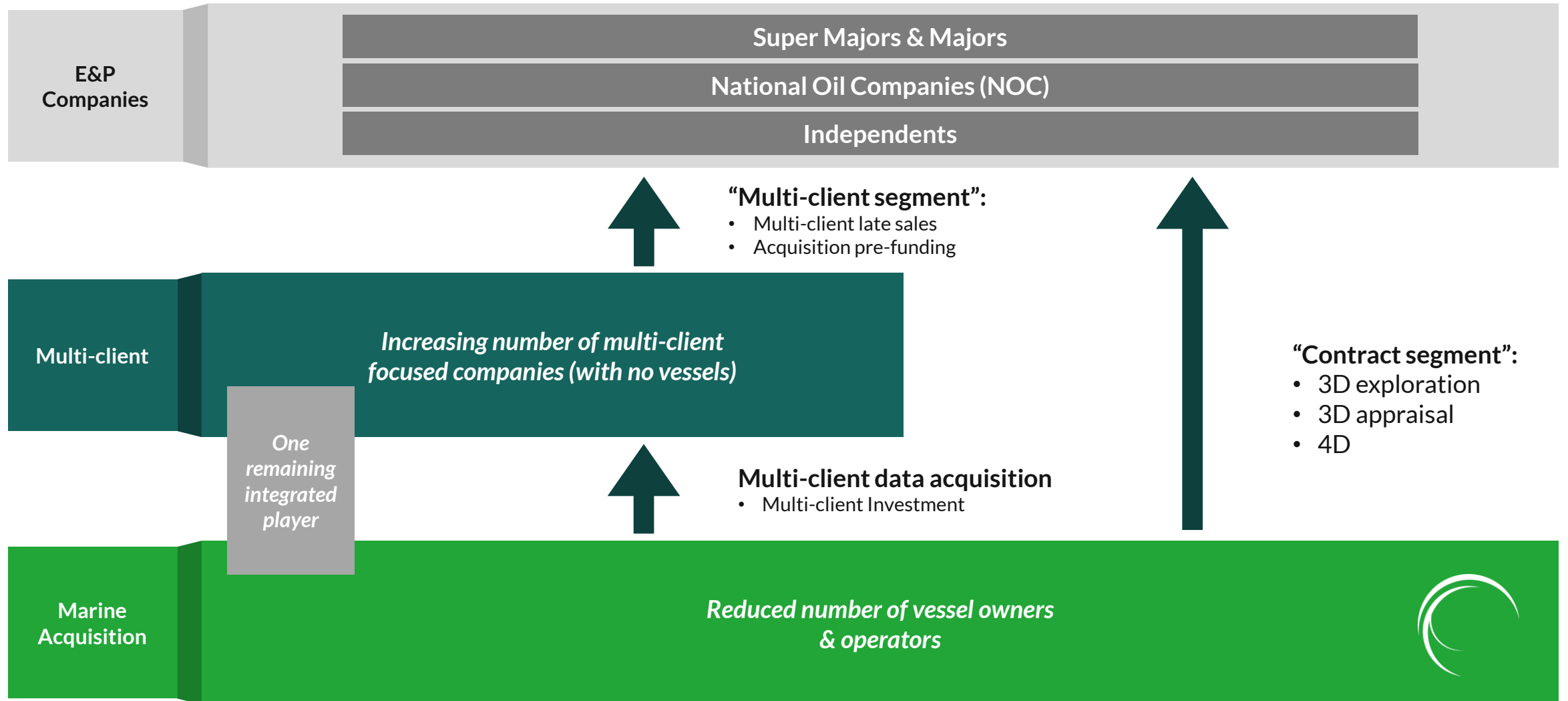


- Reactivation of up to 3 vessels in Q2 2019
- Demand over summer months expected to absorb this capacity
- Continued pricing improvements remains dependent on supply discipline

*Source: Polarcus analysis (excludes 3 active Russian and Chinese operated vessels operating in certain areas)*

# Polarcus: focusing

*Bifurcation of the marine seismic industry. Polarcus is focused on the provision of marine acquisition services to a growing client base*



# Strong backlog

*Improved backlog targeting profitable and strategically significant projects*

- Currently mobilizing for 6 month, multi-vessel 4D project in the APAC region
- Recently secured wide-azimuth project in the Americas
  - Multiple vessels: Adira & Naila
  - 8 vessel months acquisition
  - Commencing early August 2019
- Significantly improved backlog year-on-year in terms of volume and unit pricing

## Booked Capacity



# Marine seismic industry poised for rebound

*Polarcus: a clean fit with the evolving industry landscape*

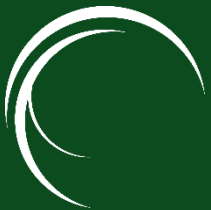


Fundamentals  
improving

E&P spend  
increasing

Industry  
consolidating

Client base  
growing



- Energy gap projected through 2030
- Hydrocarbons will play a key role
- E&P company focus on hydrocarbon reserve replenishment

- Oil price stabilized \$55-\$75
- E&P clients' tender activity increasing
- Focus on offshore exploration investment
- Multi-client company activity growing

- Reduced marine acquisition competitors
- Market share re-distribution
- Re-shaping of the industry ongoing

- More multi-client companies (with no vessels)
- Polarcus focus on marine acquisition excellence
- Targeting collaboration and partnerships





# Appendices





# Better Data Faster

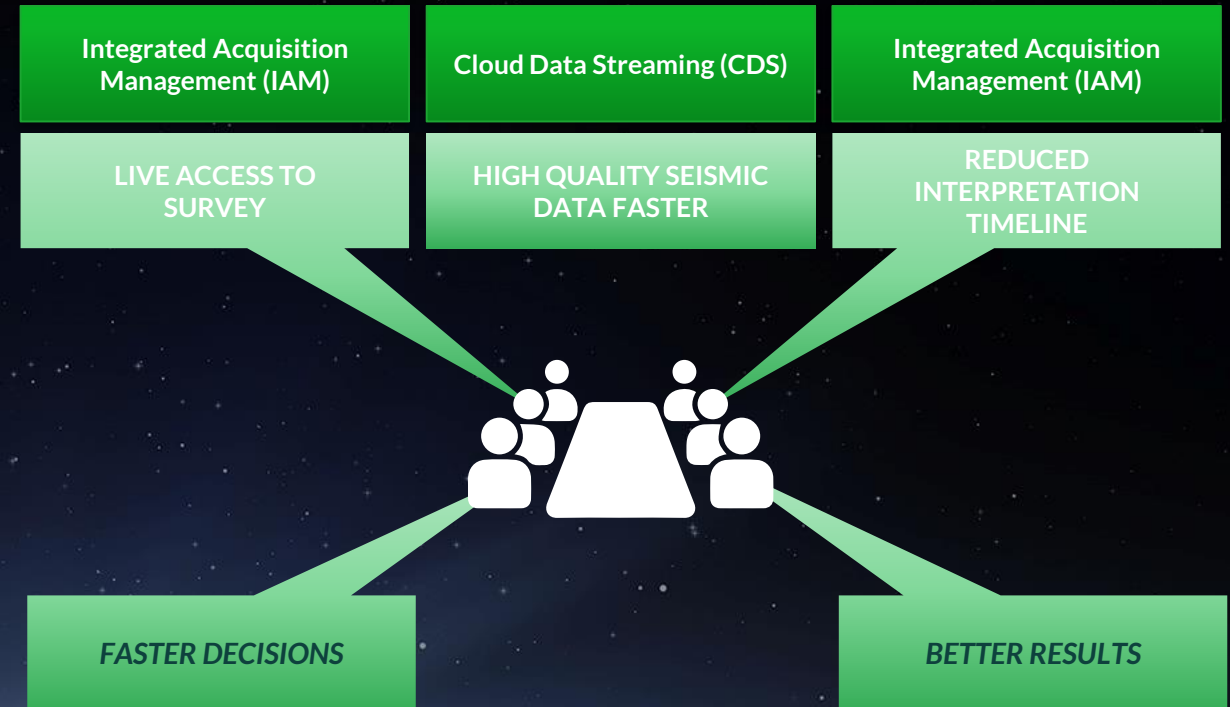
Explore live with Polarcus CIRRUS

**Polarcus CIRRUS provides real-time access to seismic survey data during the acquisition project.**

- Onshore overview of quality control
- Access to full fidelity seismic data
- Enabling project decisions to be made real time

**CIRRUS shortens the exploration cycle by bringing the client closer to seismic data and enabling optimal exploration decisions to be made faster.**

Polarcus successfully transferred **1.5TB** of seismic data from vessel to the cloud in less than **2 days**



# Explore more

*Polarcus Hybrid projects optimizing producing fields*

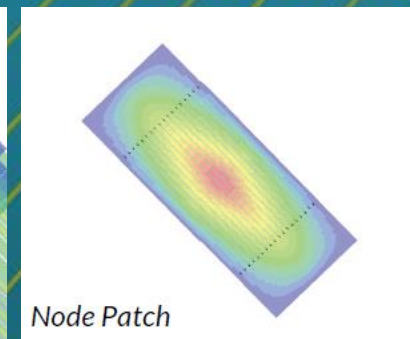
Maximize the value of seismic surveys through **Polarcus Hybrid** solutions that combine streamer and nodes to deliver the best value possible.

Polarcus market-leading productivity and vessel efficiency provides a cost and time effective hybrid-seismic solution to E&P challenges.

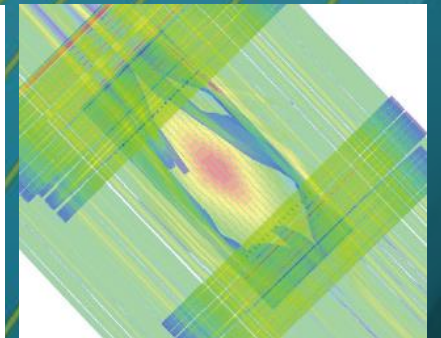


Polarcus' first hybrid, streamer + node project was completed earlier this year in the Middle East. The survey was carried out in a challenging project environment, comprising shallow water areas, five active fields and over 70 platforms.

- 1,200 sq.km of UHD XArray™ Penta source data
- 45 sq.km of node data
- Total of five vessels in operation



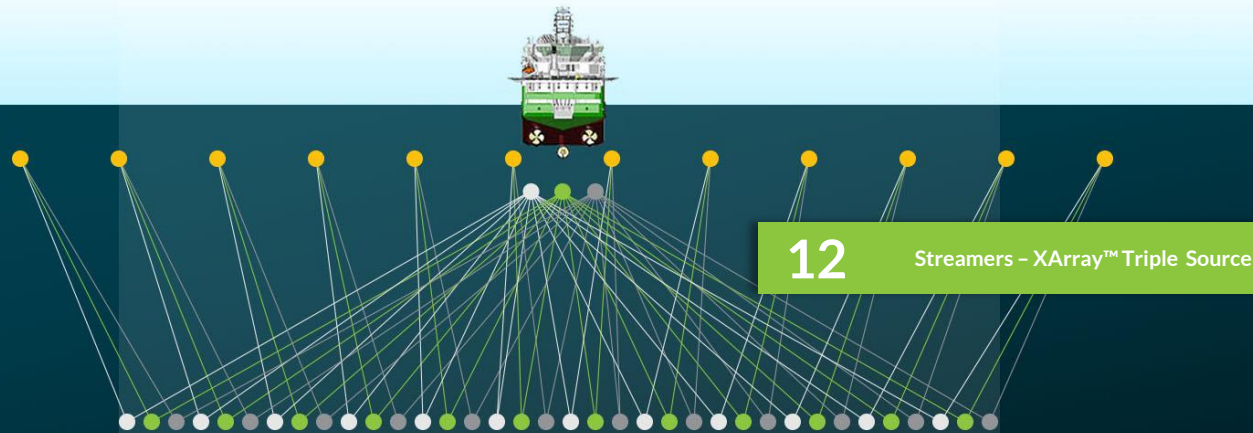
Node Patch





# More Real Data

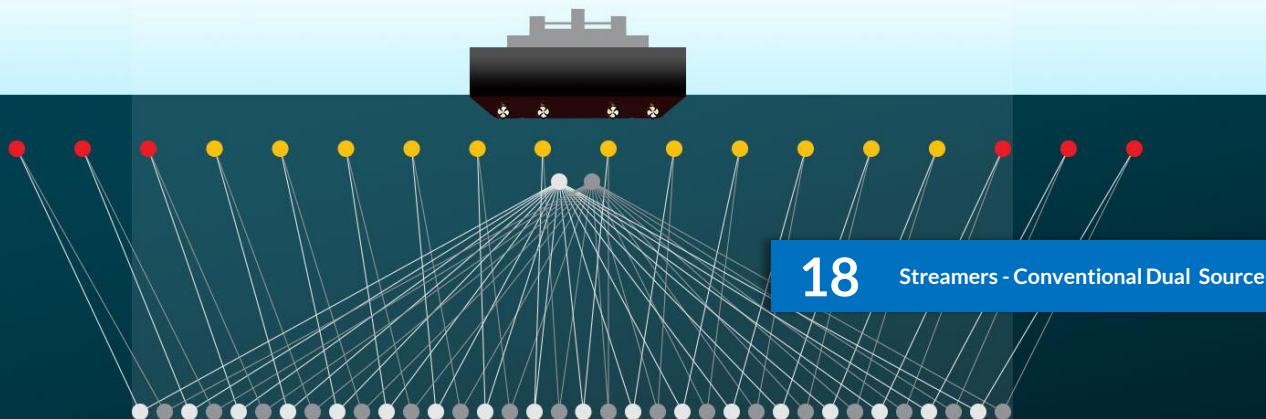
*XArray™ methodology has disrupted the acquisition industry since 2016*



Data quality optimization

Improved efficiency

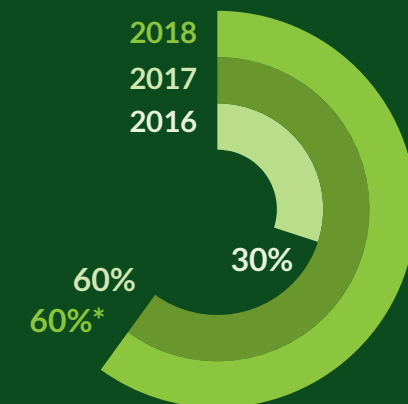
Reduced in-sea equipment



XArray configurations provide both improved in-line shot intervals and cross-line bin density on any streamer separation and can therefore tailor acquisition to provide higher fold data, increase cross line sampling and/or improve acquisition efficiency.

Each project-specific solution is developed by the survey design team in response to environmental, geophysical and operational constraints providing *More Real Data*.

## XArray™ Sales development (% of total sq.km acquired)



*\*Acquired and secured backlog YTD*