

magseis fairfield

Magseis Fairfield

Global Scale & Reach

12th December 2018



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Our mission

*Coupling industry leading nodes with automated handling systems, flexible deployment systems and next generation source technologies
creating the new future in marine seismic*

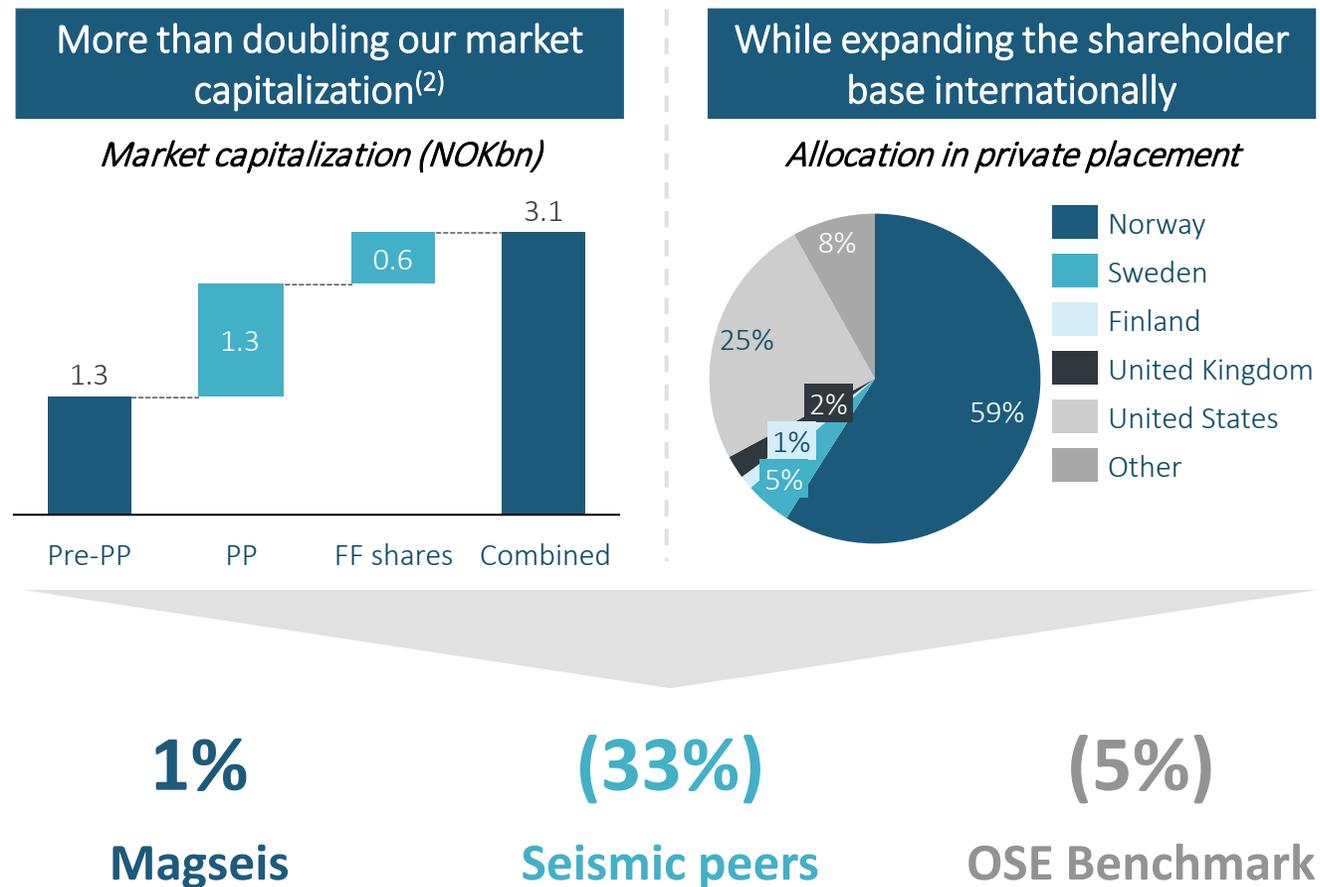
A global, asset light and diversified business model positioned for growth

Acquisition of Fairfield Seismic Technologies – summary and market reaction

Transaction summary

- Acquisition announced on October 30
- USD 150 million private placement announced on November 7
 - Strong demand from existing shareholders and new high-quality institutions
- Competition clearance obtained on December 7
- On track for closing on December 18

Private placement and share performance since acquisition⁽¹⁾



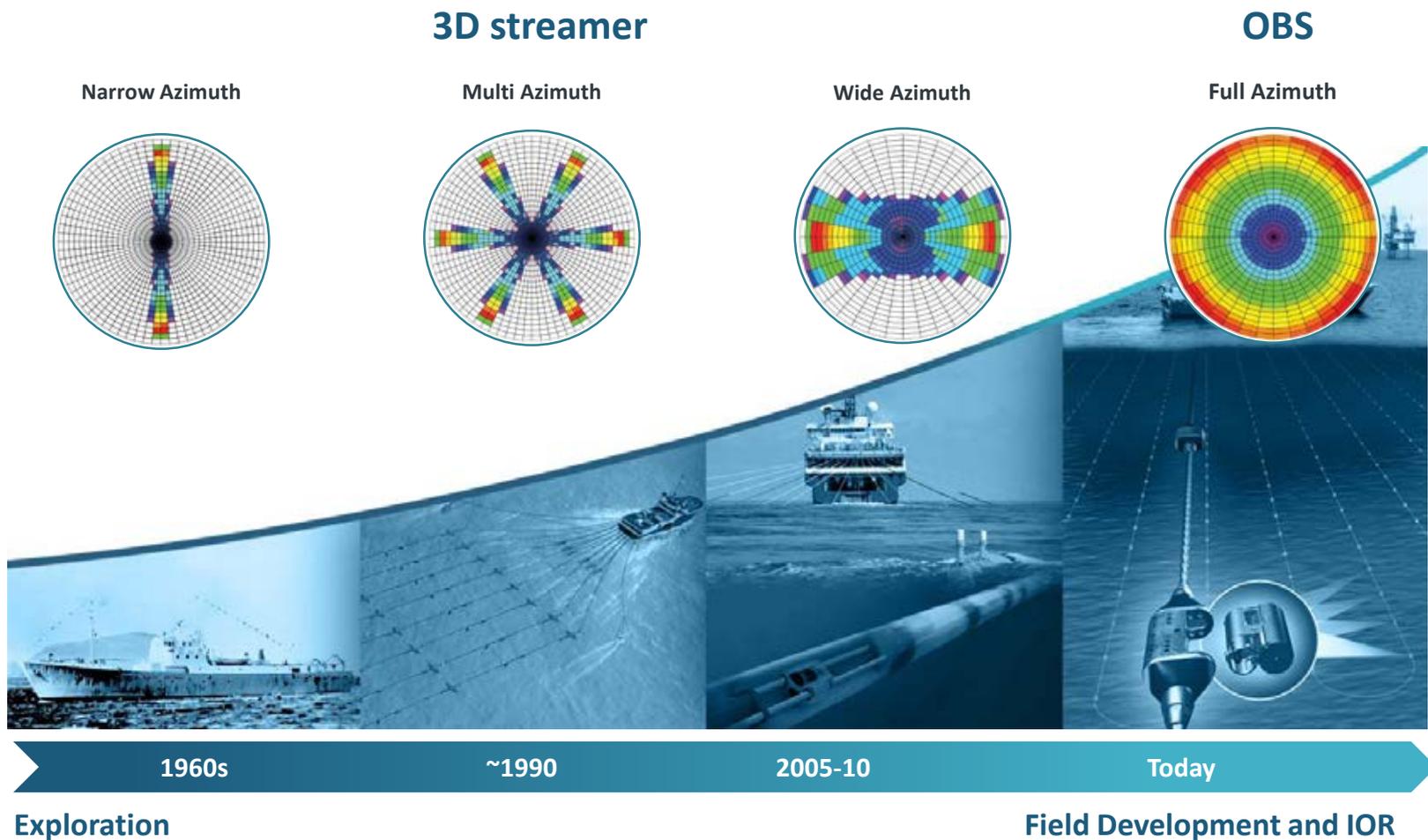
(1) Source: FactSet as of December 10, 2018. Seismic peers include PGS, TGS, CGG, Polarcus and Spectrum

(2) For illustrative purposes. Assumes share price of NOK 16.95 (same as last close before private placement and offering price)

Magseis Fairfield's competitive edge



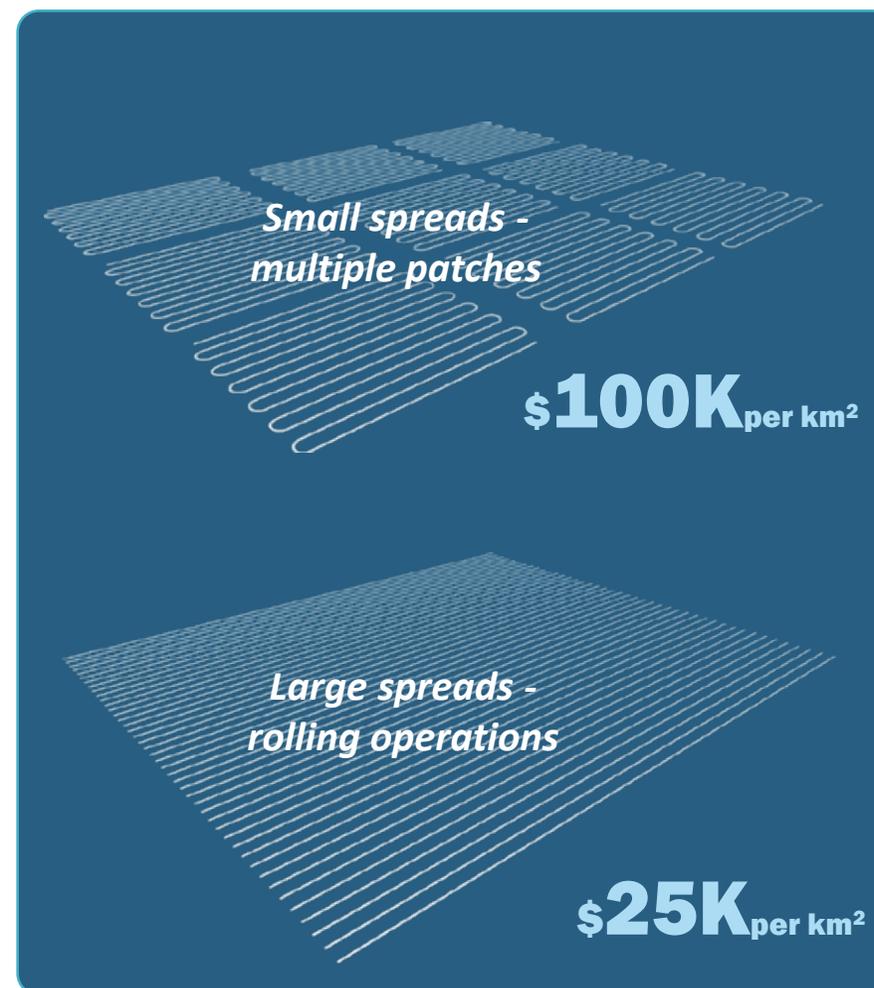
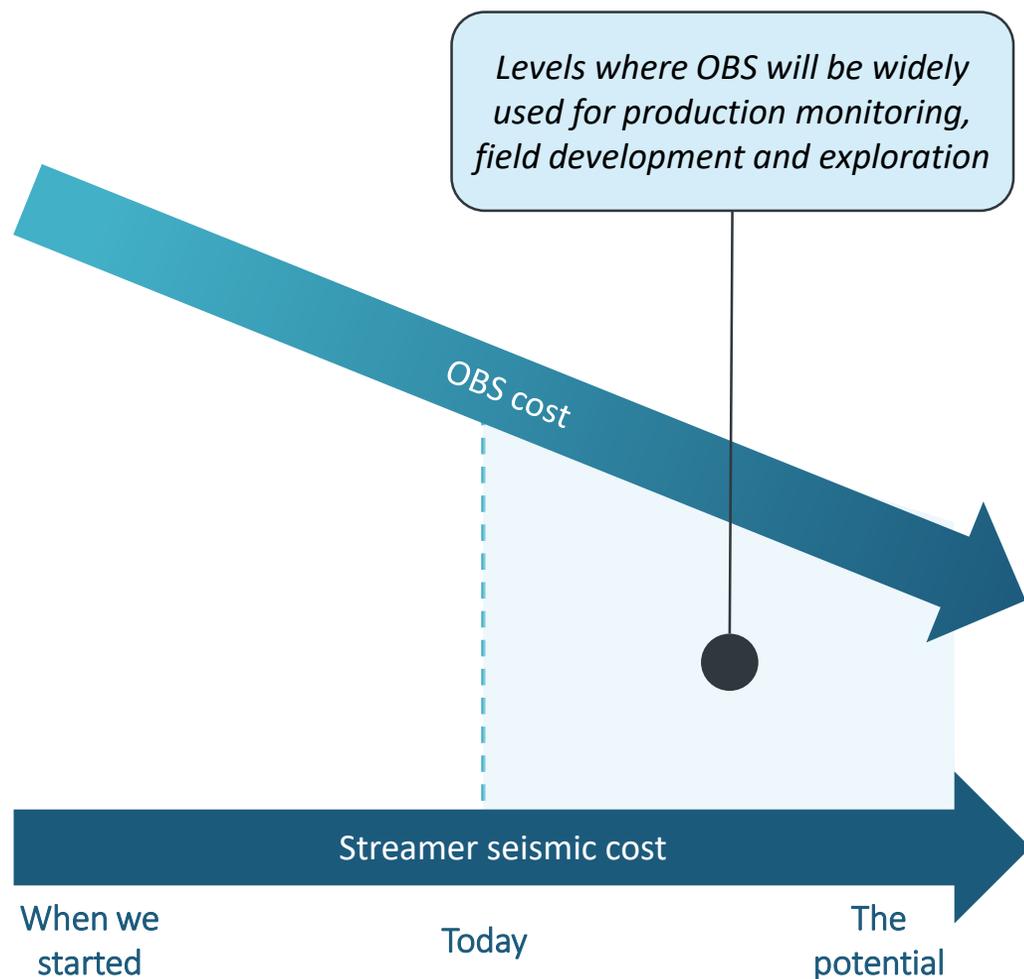
Continued shift towards high quality OBS data



OBS industry drivers

- ✓ IOR focus
- ✓ Complex geology
- ✓ Technology development
- ✓ Customer confidence and adoption

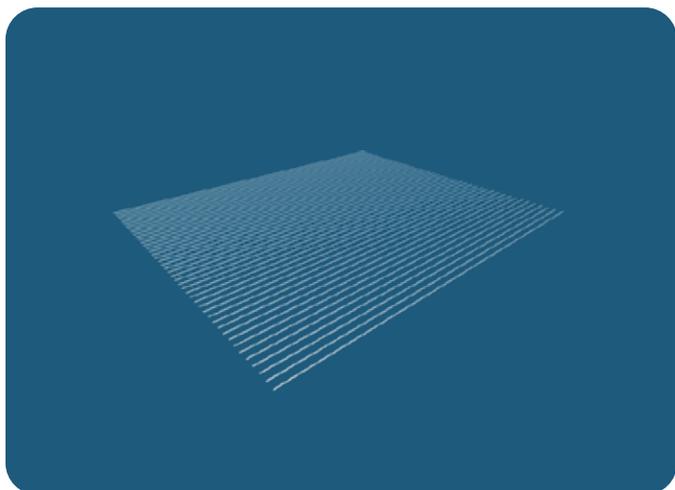
Significant efficiency and cost gains but more to come



Building our business

KEY GOALS

- Increase addressable market, efficiencies & operational excellence
- Technology champion
 - Recording nodes
 - Handling systems
 - Deployment systems
 - Source technology



BUSINESS MODEL

- Asset light and modular business model
- Focus on total system efficiency
- Robotics and automation
- Deployment via cable, rope and ROV
- Diversified revenue model



BY 2020

- 6-8 parallel operations
- 3 -4 regional operational hubs
- Contract acquisition, multi client and reservoir monitoring
- Automated containerised handling and deployment systems
- Leading edge modular source technology
- Equipment lease and sales



Focus areas for growth and operational efficiency

Data acquisition

- Continuously advance technology pool and leverage IP portfolio
- Full system development to further drive efficiency
- Leverage new operating platform to increase utilisation



Technology sales

- Sale and rental of nodes for use in shallow / transition zone
- Ability to capitalise on previous generations of technology at attractive margins
- Optimise deployment of node pool by assessing technology vs. acquisition opportunities



Multi-client projects

- New business unit focusing on multi-client business development
- E&P companies are showing increased interest in the benefits of nodal seismic data
- Several partnerships announced recently



Semi-permanent reservoir monitoring

- Drive down the high costs associated with the current reservoir monitoring systems
- Introduce a coordinated operating model
- Leverage existing customer base

Global presence supports our client base and secures good node utilisation

Global footprint through local presence enables enhanced node utilisation



Magneis Fairfield historical operations



Utilisation target illustration



New operational divisions
 Combined customer relationships
 Modular crews
 Acquisition vs. technology dynamic



Multi-client projects

- A new business unit will focus on multi-client business development
 - Identify potential business opportunities and define strategy
 - MC seismic surveys and partnerships in existing portfolio

- E&P companies and established MC seismic companies are showing high interest in the benefits of nodal seismic data

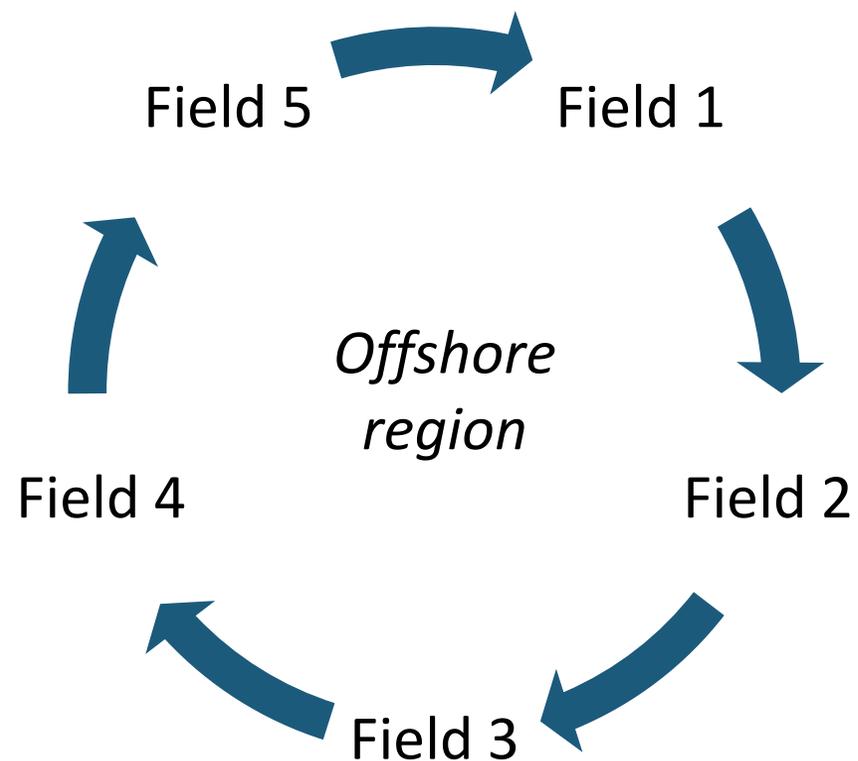
- Significant growth potential in OBS multi-client



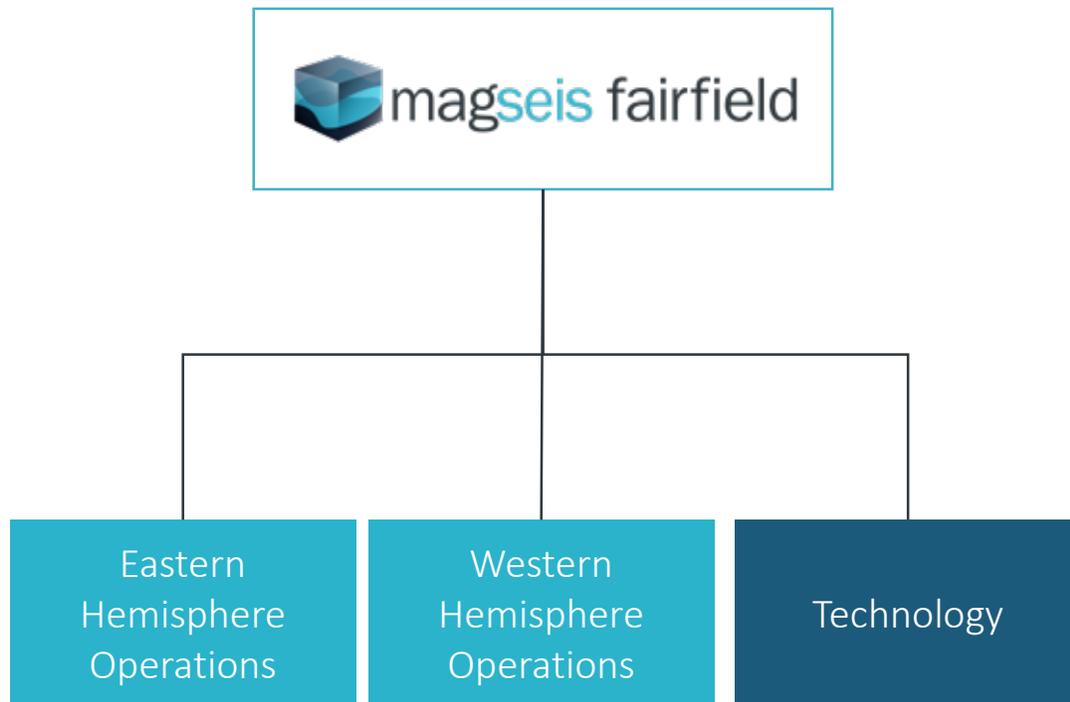
 Current multi-client seismic hotspots

Semi-permanent reservoir monitoring

- Cost efficient compared to permanent reservoir monitoring systems
 - Hybrid reservoir monitoring with our retrievable node system for repeat surveys
 - Low up-front cost, flexibility and scalability in survey designs
- Magseis Fairfield introduces a coordinated operating model
 - Coordination between clients would drastically optimise costs
 - The company is already in discussions with several parties in the respective regions



The new Magseis Fairfield corporate structure



- Operate with Eastern and a Western operational units
- The Western unit will cover the Americas and manage two to three parallel operations mainly with ZXPLR nodes
- The Eastern unit will cover EMEA and APAC and manage two to three parallel operations with ZXPLR and MASS nodes
- The Technology Organization will develop, sell and rent acquisition systems
- Two new strategic initiatives will develop our multi-client and 4D production monitoring businesses

Technology roadmap

THE BEST FROM TWO NODE TECHNOLOGIES

In the short-term Magseis Fairfield will leverage both technologies in operations

1

STRATEGY DEVELOPMENT

Business development in multi-client and 4D production monitoring

2

UNIFIED TECHNOLOGY STACK

Shift from two separate technologies to a single technology strategy and roadmap

3

4

TWO PRODUCT FAMILIES

Industrialize two product families – one for our own acquisition and one for the lease and sales market

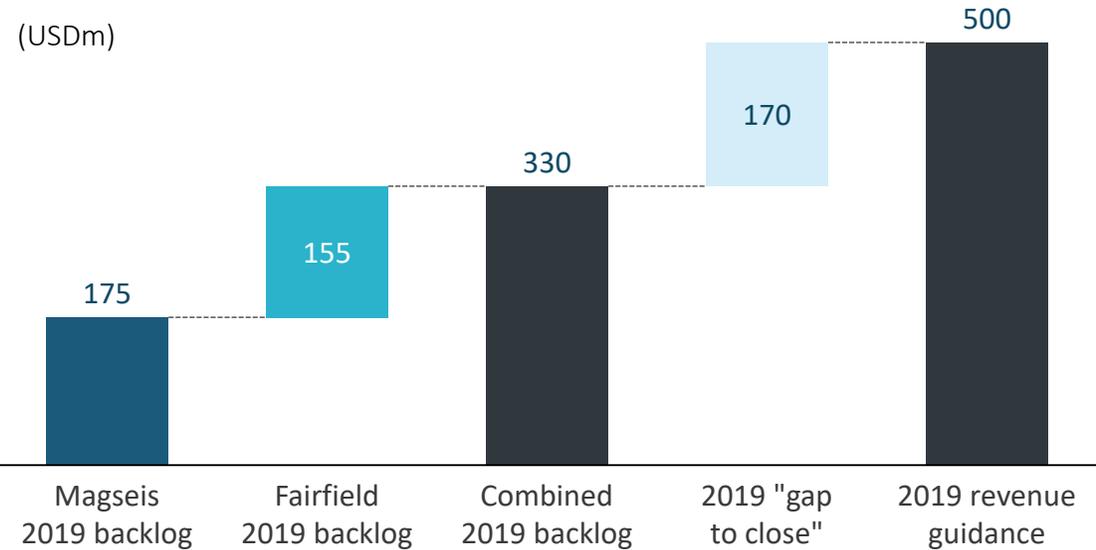
5

EFFICIENT OBS SYSTEMS

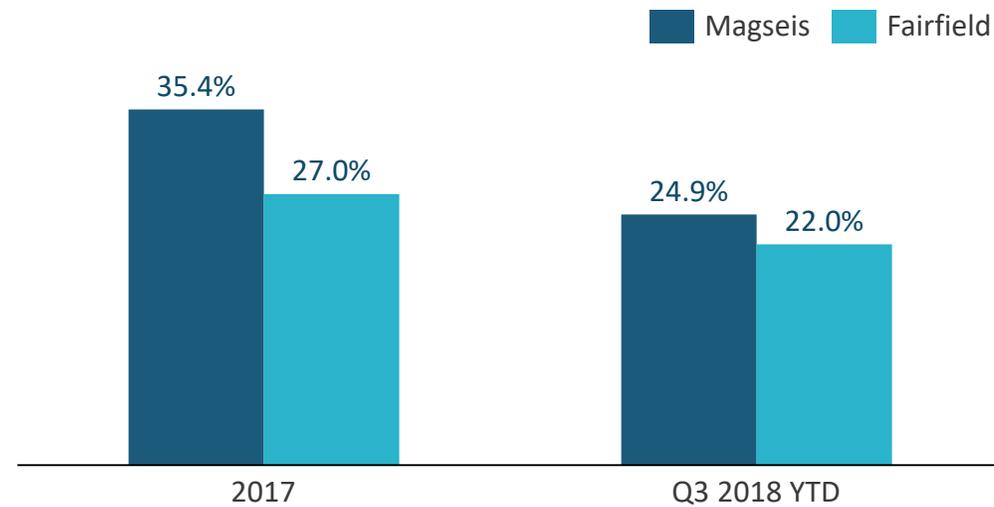
Cost efficient nodes
Fully automated handling and deployment systems
Source technology
Logistics and scale

Significant backlog provides near-term visibility and strong expected cash flows

Combined backlog ensures significant coverage in 2019



Solid historical EBITDA margins⁽¹⁾



Positive industry trends

2019 revenue guidance: USD 500 million
Preliminary 2019 maintenance and R&D capex guidance: USD 15 million
Preliminary 2019 growth capex guidance: USD 50 million

(1) Fairfield figures exclude impact of Libra contract



Global scale and reach

Diversified and asset light business model

Demonstrated track-record and solid backlog

Well positioned for accelerated growth

The technology leader in the new generation of marine seismic