

Polarcus Limited

Second Quarter Report 2011

Dubai, UAE

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Highlights Q2 2011

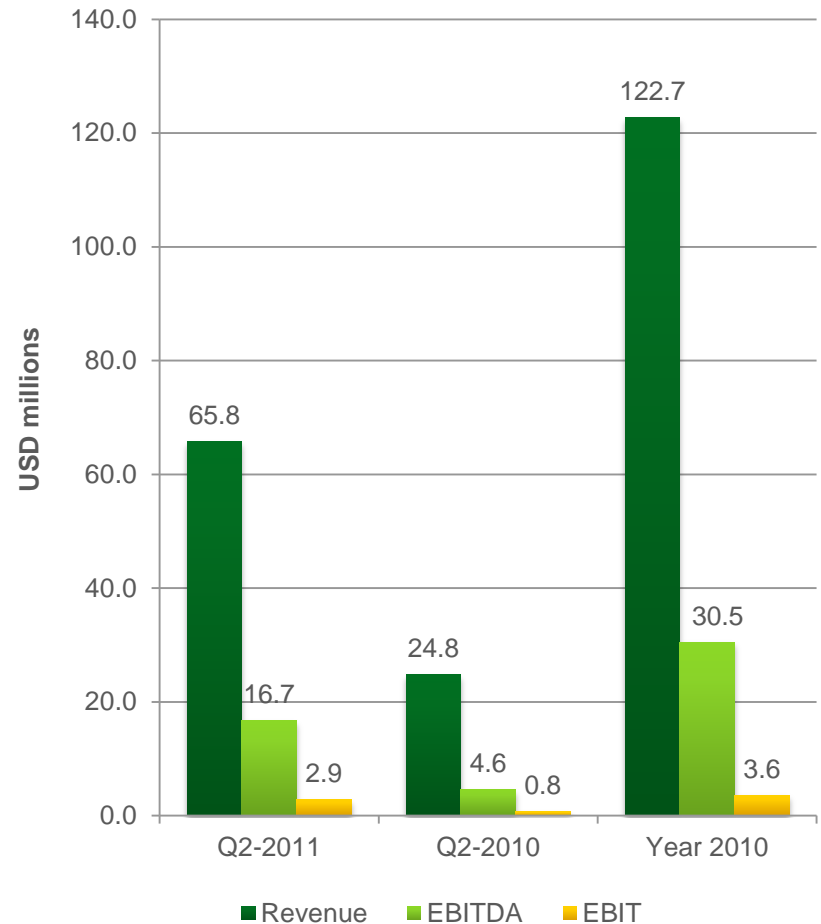
- Continued growth with 5 vessels in operation
- Revenue of USD 65.8 million, EBITDA of USD 16.7 million and EBIT of USD 2.9 million
- Positive net cash flow from operating activities of USD 4.7 million
- Solid operational performance following technical improvements in Q1
- *Polarcus Selma* reacquired and financed through a USD 125 million convertible bond issue
- Fleet backlog extended well into Q4
- New build program for *Polarcus Amani* and *Polarcus Adira* on track
- USD 410 million bank facility secured at attractive terms

Agenda

- 1** Financials
- 2** Operations & Market update
- 3** Summary
- 4** Q&A

Financial highlights

- Revenue of USD 65.8 million
- EBITDA of USD 16.7 million
- EBIT of USD 2.9 million
- Net cash flow from operating activities USD 4.7 million
- Vessel utilization of 72%
 - Utilization impacted by four vessels transiting to the North Sea



Consolidated income statement

(In thousands of USD)	Quarter ended		Six months ended		Year ended
	30-Jun-11 (Unaudited)	30-Jun-10 (Unaudited)	30-Jun-11 (Unaudited)	30-Jun-10 (Unaudited)	31-Dec-10 (Audited)
Revenues					
Operating revenues	65,792	24,835	113,826	35,603	119,256
Other income	-	-	-	-	3,478
Total revenues	65,792	24,835	113,826	35,603	122,734
Operating expenses					
Vessel Operating expenses	(40,692)	(14,642)	(76,250)	(23,652)	(67,134)
Sales, general and administrative costs	(8,444)	(5,642)	(16,313)	(11,128)	(25,141)
Depreciation and amortisation	(13,769)	(4,476)	(23,124)	(7,395)	(26,849)
Impairment of vessels under construction	-	-	-	-	(1,000)
Total Operating expenses	(62,905)	(24,760)	(115,686)	(42,175)	(120,124)
Gross profit/(loss)	2,887	75	(1,860)	(6,572)	2,610
Financial Expenses					
Finance costs	(14,038)	(7,060)	(23,858)	(12,798)	(31,983)
Finance income	428	443	587	1,984	4,594
Changes in fairvalue of financial instruments	2,551	3,095	1,736	(756)	(3,561)
Net Financial Expenses	(11,059)	(3,522)	(21,535)	(11,570)	(30,950)
Profit/(loss) for the period before tax	(8,172)	(3,447)	(23,395)	(18,142)	(28,340)
Income tax expense	-	-	(1)	-	-
Total comprehensive income/(loss)	(8,172)	(3,447)	(23,396)	(18,142)	(28,340)
Profit/(Loss) per share for loss attributable to the equity holders during the period (In USD)					
- Basic	(0.020)	(0.013)	(0.057)	(0.069)	(0.100)
- Diluted	(0.025)	(0.023)	(0.058)	(0.069)	(0.100)

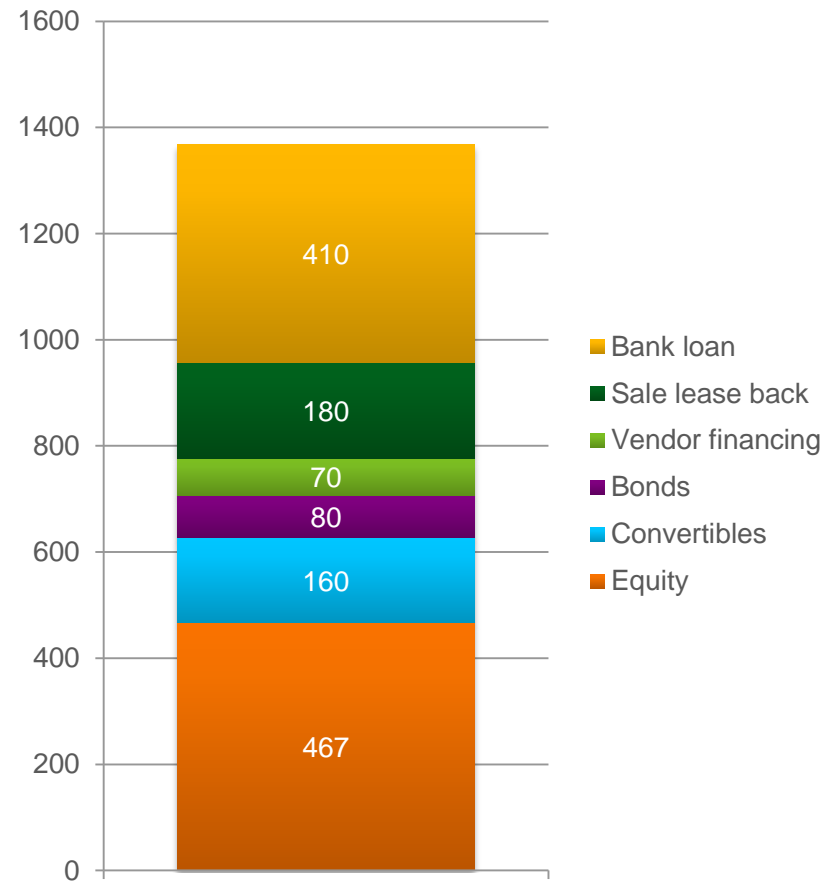
Key financials

	Quarter ended		Six months ended		Year end
	30-June-11	30-June-10	30-June-11	30-June-10	2010
USD million					
Revenues	65.8	24.8	113.8	35.6	122.7
Vessel operating expenses	(40.7)	(14.6)	(76.3)	(23.7)	(67.1)
EBITDA	16.7	4.6	21.3	0.8	30.5
EBIT excluding impairment charges (1)	2.9	0.1	(1.9)	(6.6)	3.6
Net Financial Income / (Expenses)	(11.5)	(3.5)	(21.5)	(11.6)	(31.0)
Net profit / (Loss) for the period	(8.2)	(3.4)	(23.4)	(18.1)	(28.3)
Basic earnings / (Loss) per share (USD)	(0.02)	(0.01)	(0.06)	(0.07)	1.00
Net cash flows from operating activities	4.74	(0.37)	4.94	(0.50)	11.7
Total assets (period end)	1,102.6	666.0	1,102.6	666.0	974.1
Net interest bearing debt (period end)	600.5	306.6	600.5	306.6	462.8
Total liabilities (period end)	706.8	388.6	706.8	388.6	582.5
Total Equity (period end)	395.8	277.4	395.8	277.4	391.6
Equity Ratio	36%	42%	36%	42%	40%

(1) Q4 2010 impairment of USD 1 million as a result of prepaid slot reservation fees to another shipyard for vessels 7 and 8

Improved financial position

- Total financing of USD 1.37 billion secured
- New fleet bank facility of USD 410 million secured
- Improved maturity profile
- Improved cash flow through lower interest cost
- Average weighted interest rate for the group is below 7.5%

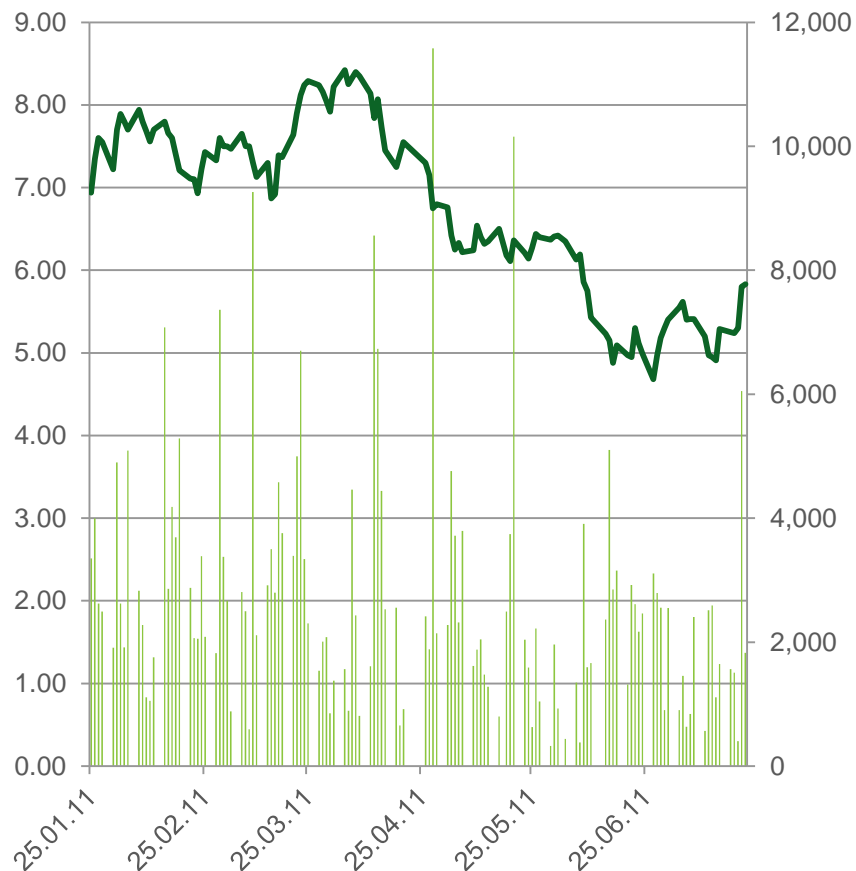


Debt overview

Debt	Security	Size	Balance, 31 May 2011	Tenure	Maturity	Interest
Sale leaseback	Nadia & Naila	USD 180m	USD 174m	10 years	Sep-19	~12%
55m HY bond	Samur	USD 55m	5 years	Jul-13	13%	55m HY bond
Convertible bond	Subordinated	USD 35m	USD 35m	5 years	Jul-13	8.5%
Vendor financing	Streamers	USD 70m	USD 45m	2.5 years	May-13	8%
2 nd Priority bond	Asima & Alima	USD 80m	USD 80m	5 years	Oct-15	12.5%
Convertible bond	Selma	USD 125m	USD 125m	5 years	Apr-16	2.875%
Tranche 1	Asima	USD 80m	Zero	12 years	Aug-22	6.2%
Tranche 2	Alima	USD 55m	Zero	12 years	Mar-23	5.1%
Tranche 3	Amani	USD 114m	Zero	12 years	Apr-2024	5.6%
Tranche 4	Adira	USD 114m	Zero	12 years	July-2024	5.6%
Tranche 5	Samur	USD 47m	Zero	12 years	May-2024	5.4%

Share information

Share Performance



Top 20 Shareholders (as per 21 Jul)

Shareholder	Share	%
DRYDOCKS WORLD LLC	37,500,000	9.15
ZICKERMAN HOLDING LT <i>(share lending activity)</i>	34,104,199	8.32
AWILCO INVEST AS <i>(share lending activity)</i>	27,766,500	6.78
ZICKERMAN GROUP LTD	22,850,081	5.58
VARMA MUTUAL PENSION	17,393,733	4.25
SABARO INVESTMENTS L	11,000,000	2.68
DEUTSCHE WERTPAPIERS	9,723,100	2.37
GOLDMAN SACHS & CO -	6,856,048	1.67
DELPHI NORDEN	6,437,913	1.57
STATOIL PENSJON	6,112,992	1.49
RBC DEXIA INVESTOR S	6,000,000	1.46
MORGAN STANLEY & CO	5,923,000	1.45
DNB NOR MARKETS, AKS	5,903,000	1.44
BLKRCK GBL SMALLCAP	5,892,600	1.44
BNP PARIBAS SECS SER	5,160,000	1.26
MORGAN STANLEY & CO	5,143,953	1.26
BANK OF NEW YORK MEL	5,129,661	1.25
SKANDINAVISKA ENSKIL	5,067,000	1.24
BARCLAYS CAPITAL SEC	4,650,536	1.14
INVESCO PERP EUR SMA	4,507,299	1.10
Top 20 Shareholders	233,121,615	57%
Executive Management and BoD¹	8,750,000	2%
Other shareholders	167,824,564	41%
Total	409,696,179	100%

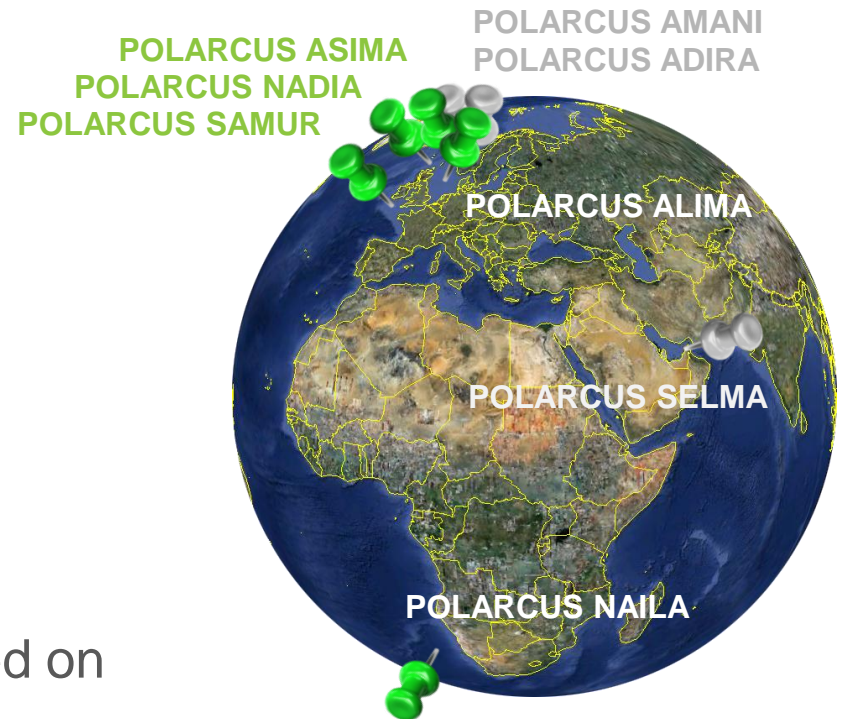
¹ excludes Carl-Peter Zickerman's ownership through Zickerman Group Limited

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Operational highlights

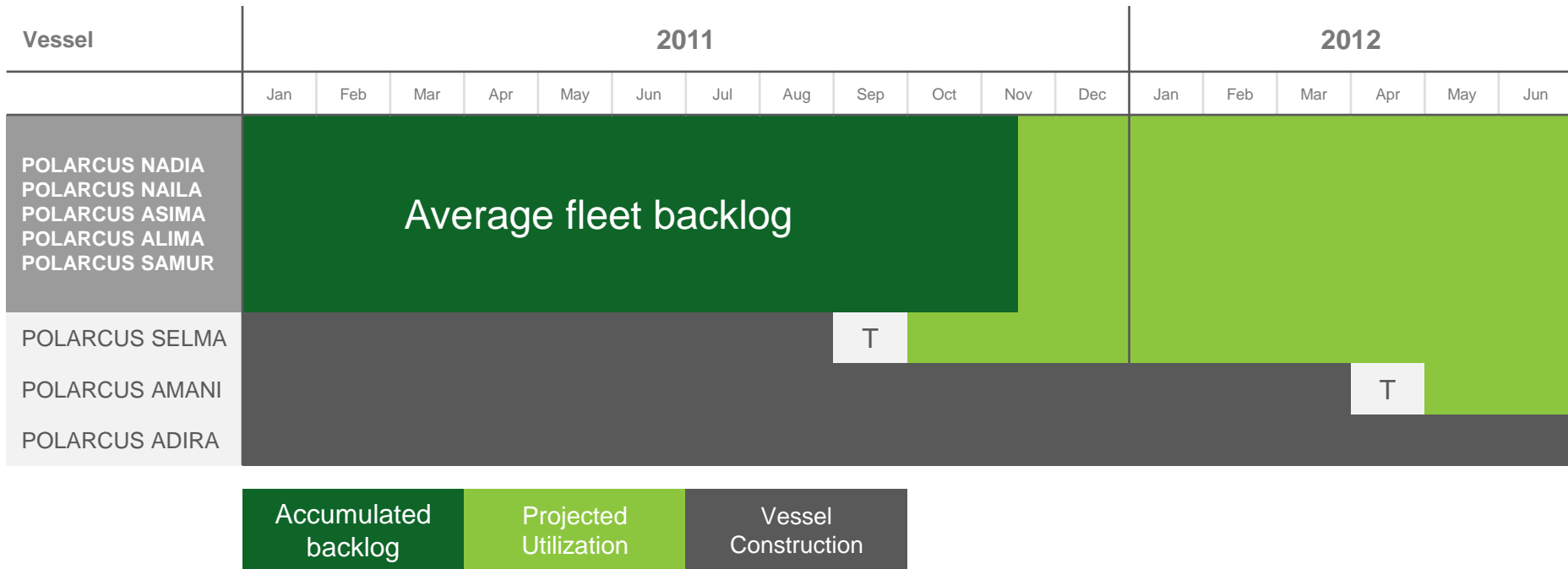
- Solid production from all vessels
- Nadia on Polarcus' first Multi-Client survey
- Q1 technical issues addressed, downtime significantly improved
- Four vessels repositioned to strong market in North Sea
- Naila on transit to Trinidad
- Back-deck improvements completed on Samur
- Propulsion issue on Nadia rectified, to be rectified on Naila in Q3



"We are delighted with the performance of the Polarcus Samur and the timely completion of the Amergin, Rosscarbery and Middleton 3D seismic surveys ahead of schedule."

- Steve Boldy, CEO Lansdowne

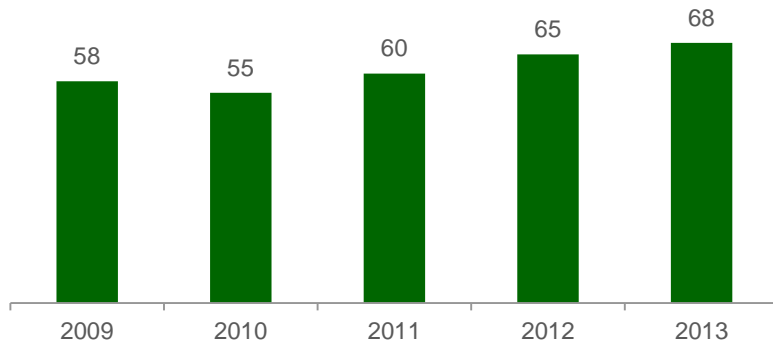
Extended backlog into Q4 2011



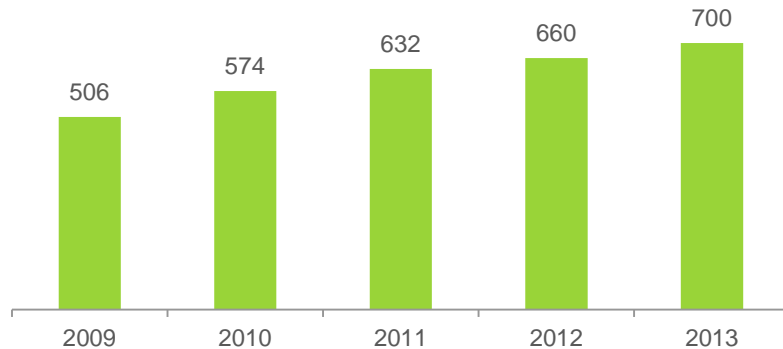
Limited supply growth

The forward projections currently include 8 vessels (60 streamers) with average age of 27 years that Polarcus believes are stacking candidates.

Estimated Supply Growth, by 3D vessels¹
(‘6 streamer +’ seismic fleet)



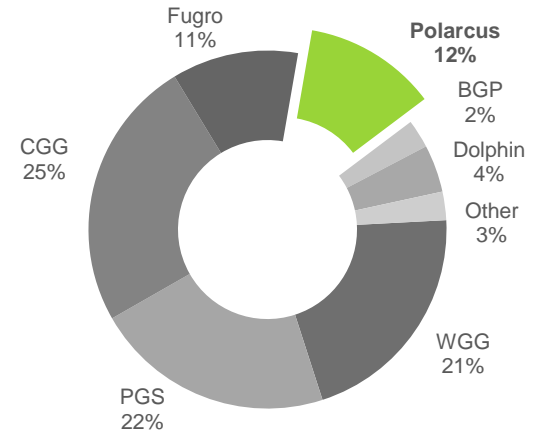
Estimated Supply Growth by streamers
(@ 100m separation)¹ (‘6 streamer +’ seismic fleet)



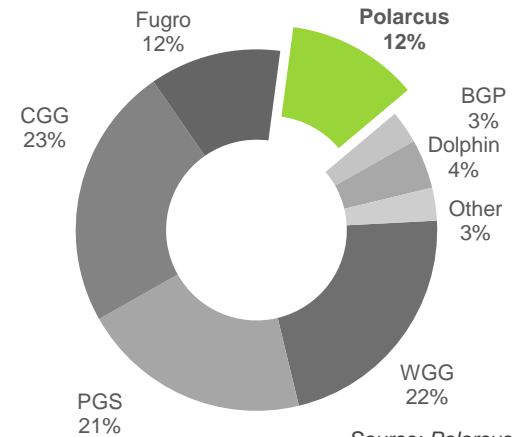
¹ excludes COSL (3 vessels) & Sinopec (1 vessel)

25% of the global fleet have an average age of 25 years by 2013

Estimated Market Share 2013
(by vessels)



Estimated Market Share 2013
(by streamers)



Source: Polarcus, July 2011

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Summary & Q&A

- Continued delivery on growth strategy
- Improved financial flexibility and reduced finance cost
- Successfully addressed operational and technical issues
- Extended backlog including projects for Super Majors