

Polarcus Limited

First Quarter Report 2011

Dubai, UAE

Rolf Ronningen, CEO

Tom Henrik Sundby, CFO



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Highlights Q1 2011

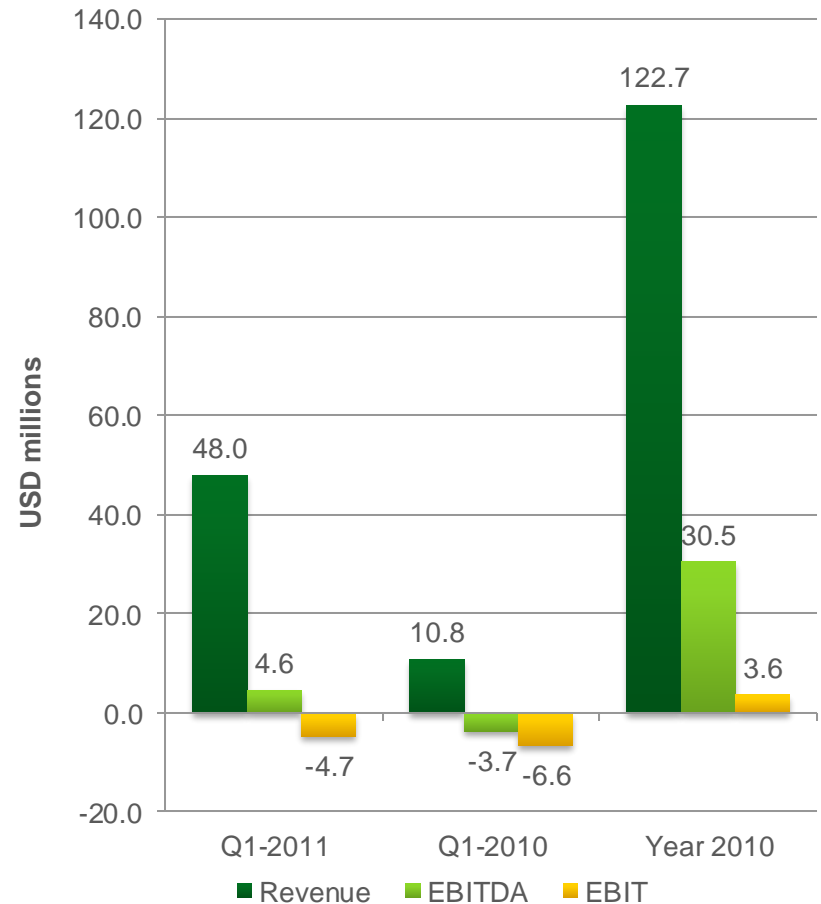
- Revenue of USD 48.0 million and EBITDA of USD 4.6 million with three vessels in operation
- Positive net cash flow from operating activities of USD 12.2 million
- Q1 results impacted by unusually difficult operating conditions and new vessel transits
- Delivery taken of *Polarcus Samur* and *Polarcus Alima* in March
- Vessel backlog extended to end Q3, including the Company's first 3D multi-client project
- Subsequent to the quarter end, *Polarcus Selma* reacquired and financed through a USD 125 million convertible bond issue

Agenda

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

Financial highlights

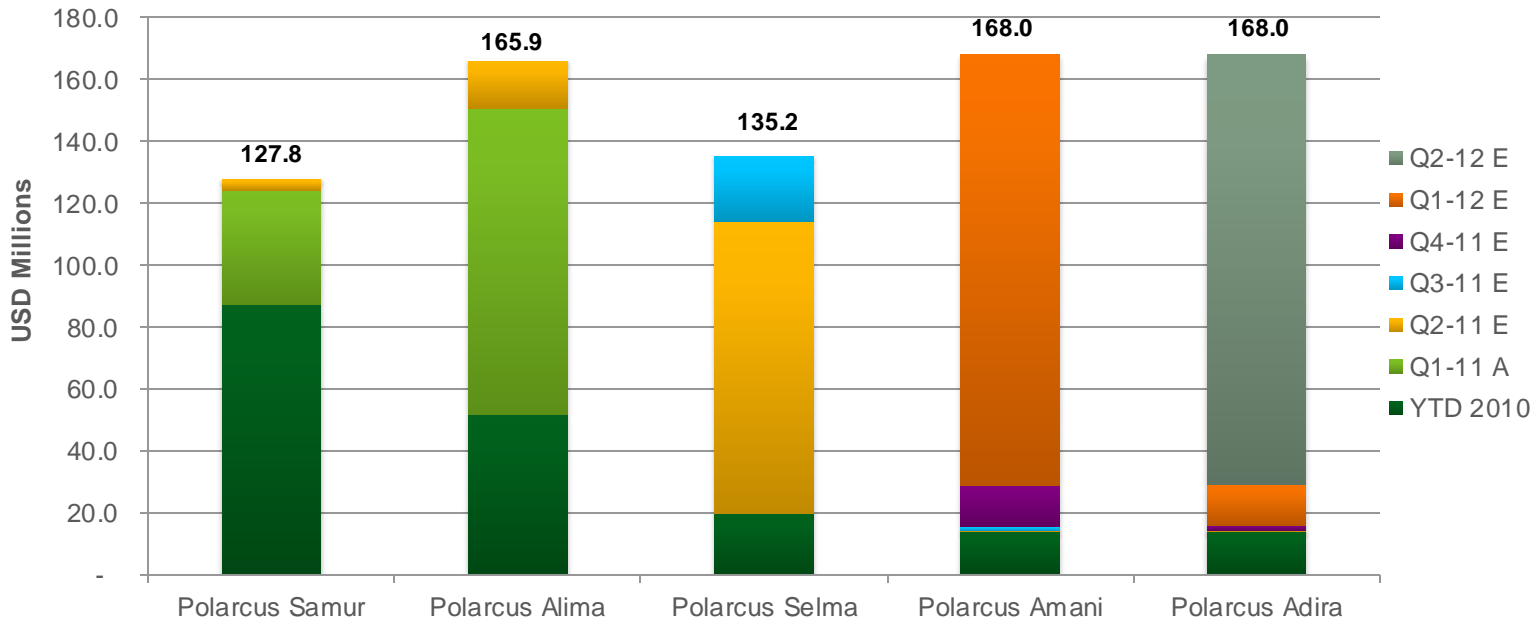
- Revenue of USD 48.0 million
- EBITDA of USD 4.6 million
- EBIT of USD -4.7 million
- Net cash flow from operating activities USD 12.2 million
- Vessel utilization of 85%



Consolidated income statement

	Notes	Quarter ended		Year ended
		31-Mar-11 (Unaudited)	31-Mar-10 (Unaudited)	31-Dec-10 (Audited)
<i>(In thousands of USD)</i>				
Revenues				
Operating revenues		48,034	10,767	119,256
Other income		-	-	3,478
Total revenues		48,034	10,767	122,734
Operating expenses				
Vessel operating expenses		(35,558)	(9,011)	(67,134)
Sales, general and administrative costs		(7,869)	(5,486)	(25,141)
Depreciation and amortization	10	(9,355)	(2,918)	(26,849)
Impairment of vessels under construction		-	-	(1,000)
Total operating expenses		(52,782)	(17,415)	(120,124)
Operating profit/(loss)		(4,747)	(6,648)	2,610
Financial expenses				
Finance costs	11	(9,820)	(5,738)	(31,983)
Finance income	12	159	1,541	4,594
Changes in fair value of financial instruments	13	(815)	(3,851)	(3,561)
Net financial income/(expenses)		(10,476)	(8,047)	(30,950)
Profit/(Loss) for the period before tax		(15,223)	(14,695)	(28,341)
Income tax expense		(1)	-	-
Total comprehensive income/(loss)		(15,224)	(14,695)	(28,341)
Profit/(Loss) per share for loss attributable to the equity holders during the period (In USD)				
- Basic		(0.037)	(0.056)	(0.100)
- Diluted		(0.037)	(0.056)	(0.100)

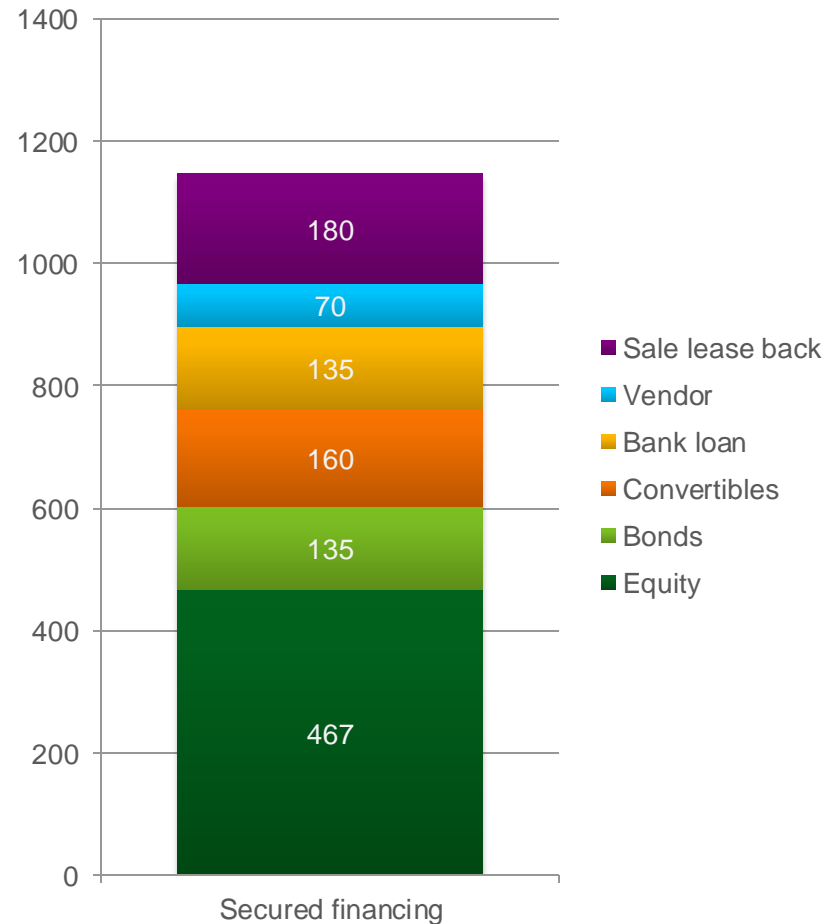
CAPEX cash flow Q1 2011



Vessel	Q4-10 A	Q1-11 A	Q2-11 E	Q3-11 E	Q4-11 E	Q1-12 E	Q2-12 E	Total
Polarcus Nadia	138,309,623	-	-	-	-	-	-	138,309,623
Polarcus Naila	137,251,203	-	-	-	-	-	-	137,251,203
Polarcus Asima	149,117,140	-	-	-	-	-	-	149,117,140
Polarcus Samur	87,525,392	36,828,737	3,412,752	-	-	-	-	127,766,880
Polarcus Alima	51,776,025	99,070,447	15,072,667	-	-	-	-	165,919,139
Polarcus Selma	19,907,289	-	94,118,882	21,122,549	-	-	-	135,148,720
Polarcus Amani	14,029,754	63,566	218,397	1,362,603	13,134,512	139,191,169	-	168,000,000
Polarcus Adira	14,029,754	63,566	134,647	288,590	1,562,187	13,069,376	138,851,881	168,000,000
Total	611,946,179	136,026,315	112,957,345	22,773,741	14,696,699	152,260,545	138,851,881	1,189,512,705

Total financing

- Secured USD 1.147 billion in total
- USD 125 million raised in a Convertible Bond in April
- 2.875% interest
- 32.5% conversion premium at USD 1.9345 with a reference price at USD 1.4600



Debt Overview

Debt	Security	Balance, 31 Mar 2011	Tenure	Maturity	Interest
90m Sale leaseback	Nadia	USD 87.1m	10 years	Sep-19	~12%
90m Sale lease back	Naila	USD 87.2m	10 years	Oct-19	~12%
55m HY bond	Samur	USD 55m	5 years	Jul-13	13%
35m Convertible bond	Subordinated	USD 35m	5 years	Jul-13	8.5%
70m Vendor financing	Streamers	USD 45m	2.5 years	May-13	8%
80m Bank loan	Asima & Alima	USD 76.4m	5 years (12y profile)	Aug-15	Libor + 450 bps / CIR 3.93% + GIEK 300 bps
55m Bank loan	Asima & Alima	USD 55m	5 years (12y profile)	Feb-16	Libor + 300 bps / CIR 3.93% + GIEK 220 bps
80m 2 nd Priority bond	2 nd priority in Asima & Alima	USD 80m	5 years	Oct-15	12.5%
125m Convertible bond	1 st Priority in Selma	zero	5 years	Apr-16	2.875%

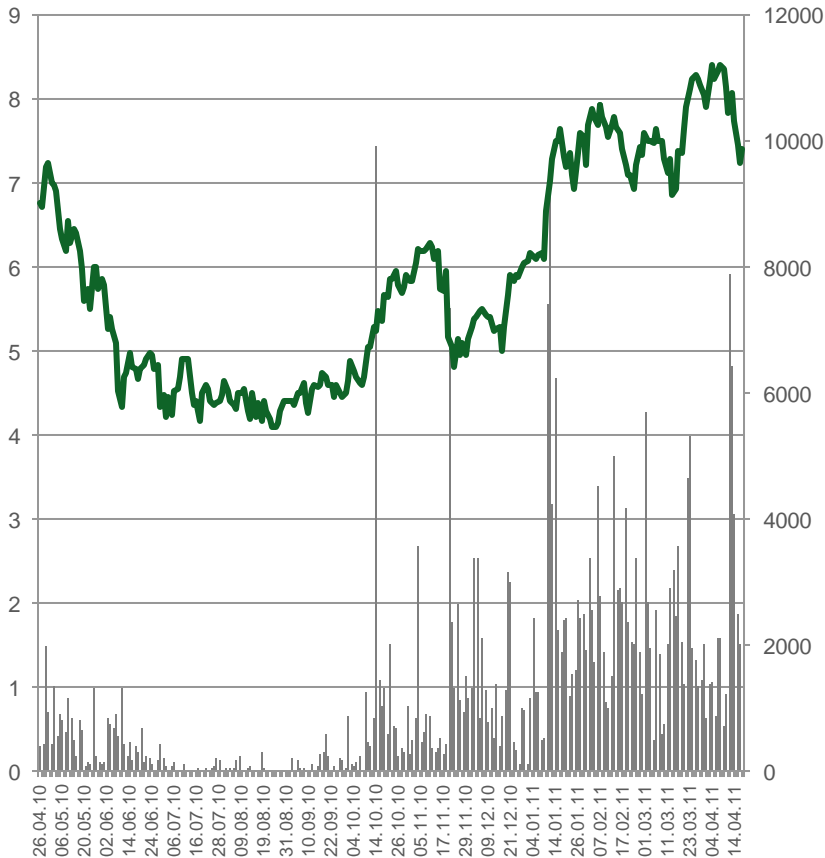
Changes to guiding 2011

Due to increase in fuel prices we make the following changes to the opex guiding:

- Opex Nadia, Naila, Asima & Alima increased with USD 5k to USD 95k-105k
- Opex Samur & Selma increased with USD 5k to USD 85k-90k

Share information

Share Performance



Top 20 Shareholders (as per 26 Apr)

Shareholder	Share	%
DRYDOCKS WORLD LLC	37,500,000.00	9.15
ZICKERMAN HOLDING LT (<i>share lending activity</i>)	30,551,616.00	6.46
AWILCO INVEST AS (<i>share lending activity</i>)	22,866,500.00	5.58
ZICKERMAN GROUP LTD	22,840,201.00	5.57
VARMA MUTUAL PENSION	16,593,733.00	4.05
MORGAN STANLEY & CO	9,353,134.00	2.28
SABARO INVESTMENTS L	9,256,225.00	2.26
STATOIL PENSJON	6,465,766.00	1.58
STATE STREET BANK AN	6,200,000.00	1.51
MORGAN STANLEY & CO	6,112,700.00	1.49
DNB NOR MARKETS, AKS	5,469,000.00	1.33
BROWN BROTHERS HARRI	5,351,000.00	1.31
DELPHI NORDEN	5,277,913.00	1.29
RBC DEXIA INVESTOR S	5,000,000.00	1.22
JPMORGAN CHASE BANK	5,000,000.00	1.22
THE NORTHERN TRUST C	4,967,209.00	1.21
K. K. SUNDE HOLDING	4,890,000.00	1.19
SKANDINAVISKA ENSKIL	4,867,000.00	1.19
DWPBANK AG	4,648,100.00	1.13
STATE STREET BANK AN	4,463,235.00	1.09
20 Largest Shareholders	217,673,332	53.13%
Executive Management and BoD¹	8,750,000	2.14%
Other shareholders	183,272,847	44.73%
Total	409,696,179	100%

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

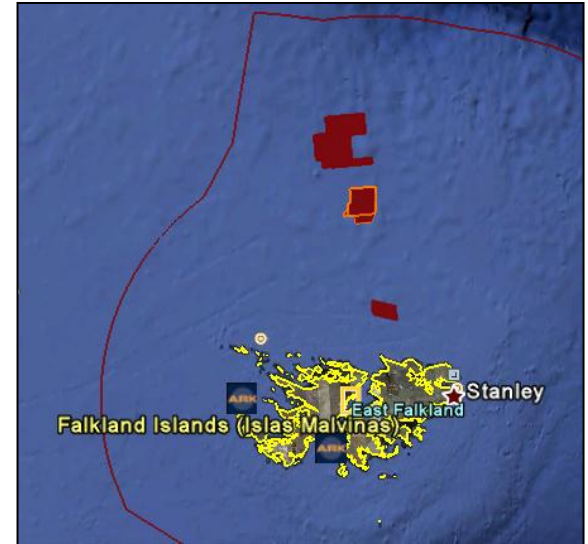
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Polarcus Nadia

Operational update

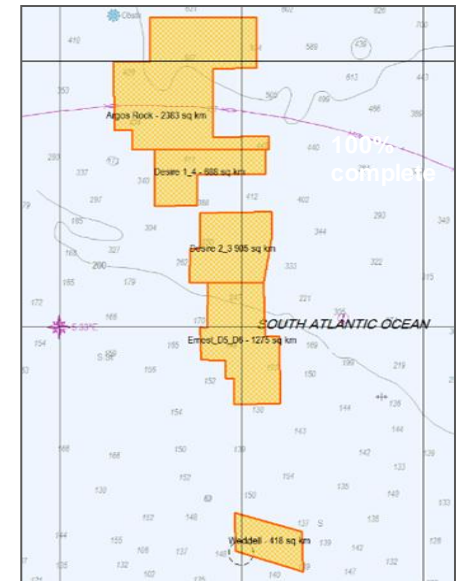
- Rockhopper-Desire, Falkland Islands:
 - 8 x 5500m @ 100m streamer separation
 - Extreme weather conditions causing some downtime
 - Propulsion system issue lead to technical downtime and higher operating cost
 - Will be dealt with during a one week yard stay in transit from the Falklands



Polarcus Asima

Operational update

- Rockhopper-Desire, Falkland Islands:
 - 10 x 5500m @ 100m streamer separation
 - Arrived on prospect in January
 - Completed 70% of defined survey area (as of 31 March)
 - Extreme weather and excessive debris causing downtime



Floating Kelp tangled on in-sea equipment

Polarcus Naila

Operational update

- Tap Oil, Ghana: Completed
 - 10 x 8100m @ 100m streamer separation
 - Project completed with excellent client feedback
- Test line shot successfully for prospective client en route Namibia – Costs expensed
- HRT, Namibia: Commenced 28 Feb
 - 8 x 8000m @ 150m separation
 - Fishing and weather causing standby and downtime



Polarcus Alima

Operational update

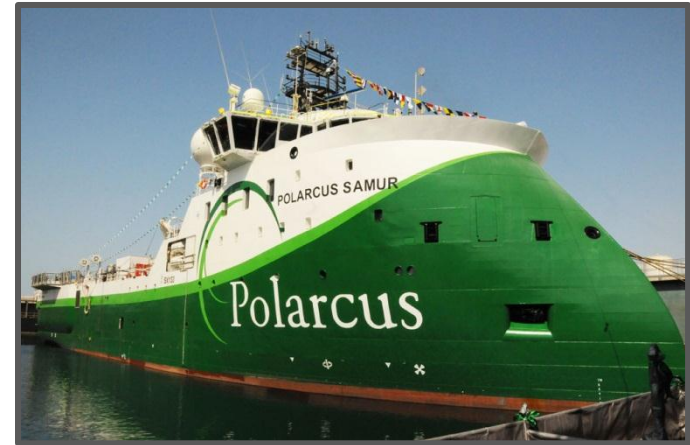
- Delivery 21 March
- Delayed departure awaiting permits for India
- Shakedown period from 7 to 16 April offshore Sri Lanka
- Reliance India Ltd, India
 - 10 x 8000m @ 125m separation
 - Currently deploying streamers



Polarcus Samur

Operational update

- Departed Dubai 3 March
- Arrived Namibia on 27 March
 - 8 x 8100m @ 150m separation
 - Turnkey project
- Commenced production 8 April



Polarcus Selma

update

- Funded and reacquired in April
- Delivery Q3 2011

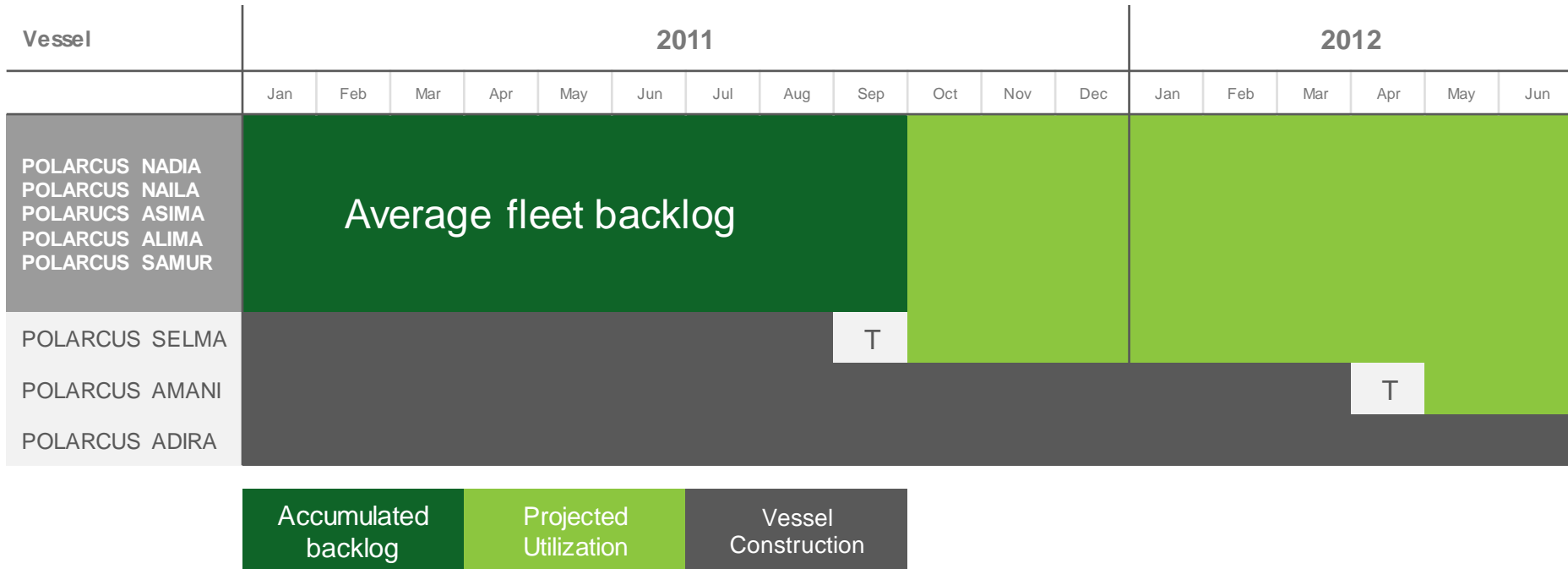


Technical improvements to in-sea equipment

- Improved tow-leaders
- Improved wide-tow handling
- Improvement to source reliability

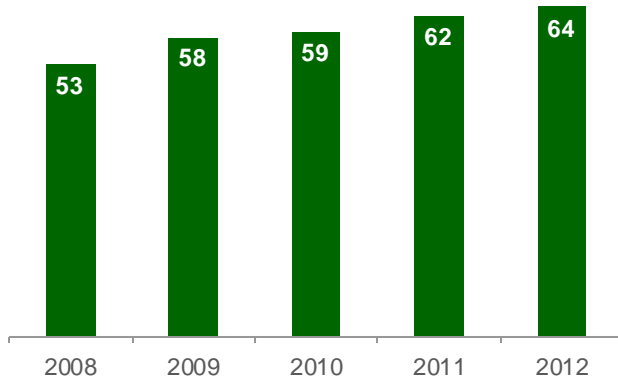
- Implementation program to be completed by end May

Extended backlog to end Q3 2011

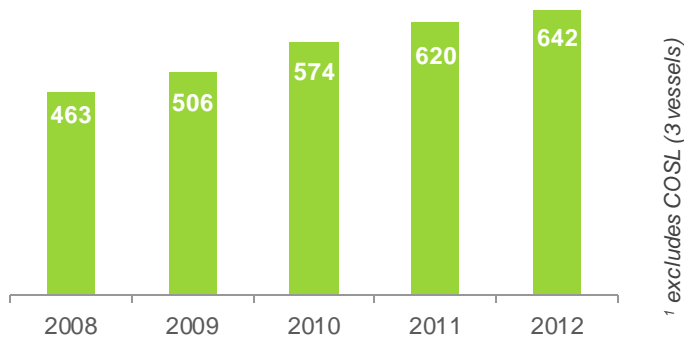


Limited supply growth

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

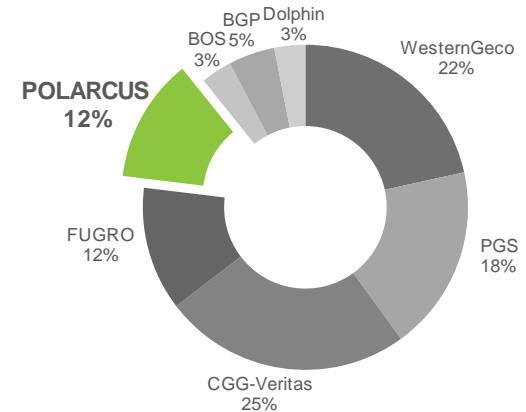


Estimated Supply Growth by streamers
(@100m separation)¹ (‘6 streamer +’ seismic fleet)

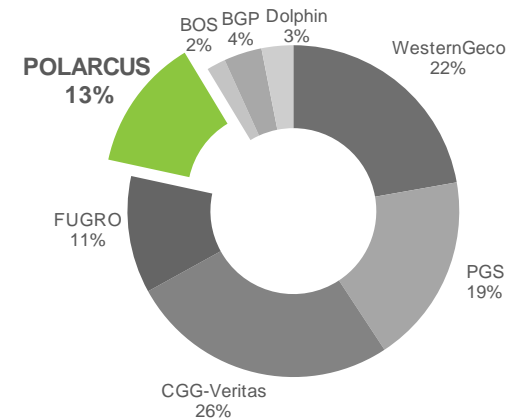


~ ¼ of the global fleet have an average age of 24 years by 2012

Estimated Market Share 2012
(by vessels)



Estimated Market Share 2012
(by streamers)



Source: Polarcus, November 2010

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Summary

- Continuing to deliver on growth strategy
- Q1 results impacted by unusually difficult operating conditions
- Successfully addressing technical issues
- Extending backlog through Q3 including first multi-client project
- Track record and client base growing

Q & A