

1 September 2011

SeaEnergy

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/09	0.0	(8.6)	(15.6)	0.0	N/A	N/A
12/10	0.0	(5.7)	(7.6)	0.0	N/A	N/A
12/11e	0.0	(3.6)	(5.2)	0.0	N/A	N/A
12/12e	0.0	(2.3)	(3.3)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation and exceptional items.

Investment summary: Value and growth

SeaEnergy (SEA) is trading below the value of its cash and existing oil and gas assets and its share price fails to reflect any of the potential growth in its marine services business or upside in its oil assets. We believe this approach is overly cautious.

Opportunity offshore in renewables and oil and gas

We estimate that there will be over 8,600 offshore turbines in Europe by 2020. Each turbine will need to be serviced and repaired and, with new turbines increasingly located further from the shore, current methods of carrying out maintenance will prove inadequate. This presents a significant business opportunity for SeaEnergy to deploy its new wind farm support vessel technology. Appraisal drilling this autumn by Lansdowne Oil & Gas (25% owned by SeaEnergy) in the North Celtic Sea Basin, could also, if successful, provide additional near-term upside for the shares.

Management experience

The management and board possess extensive experience of the oil, gas, power, renewable and marine sectors and can point to success partnering major corporations and in generating value for shareholders from start-up businesses, as evidenced by the recent disposal of SERL.

Marine services to provide growth

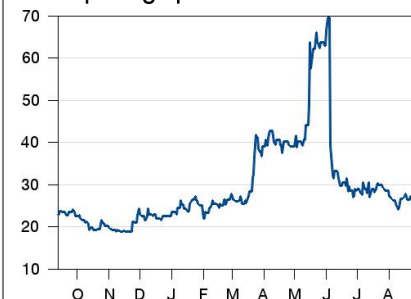
SeaEnergy's design offers significant advantages compared to existing day boats, providing an enhanced capability of operating in rough seas and improved access to turbines. The significant increase in productive hours facilitated by SeaEnergy's vessel will considerably improve the economics of turbine repair.

Valuation: Discount to cash

The market is valuing SeaEnergy at less than the cash on the balance sheet (34p/share). It is also ignoring the value of SeaEnergy's holding in Lansdowne Oil & Gas (11p/share). This appears too conservative even after taking account of potential cash burn over the next two years (c £3m or 5p/share) as it fails to reflect the opportunity for value creation in the marine service and oil and gas businesses.

Price 27.3p
Market Cap £19m

Share price graph



Share details

Code SEA
Listing AIM
Sector Alternative Energy
Shares in issue 69.1m

Price

52 week High 69.5p Low 18.5p

Balance Sheet as at 31 December 2011e

Debt/Equity (%) N/A
NAV per share (p) 36
Net cash (£m) 23.0

Business

SeaEnergy is an energy ventures company focussed on growing oil and gas and renewables businesses.

Valuation

	2010	2011e	2012e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

Revenues by geography

	UK	Europe	US	Other
	N/A	N/A	N/A	N/A

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Investment summary: Value and growth

Provider of marine services to offshore wind farms

With the sale of SeaEnergy Renewables (SERL), SeaEnergy has transformed its business model. SeaEnergy will now focus on providing marine services to the offshore wind industry. The remaining oil and gas assets will be retained and developed opportunistically.

Valuation: Undervaluing current assets and future growth

The market is valuing SeaEnergy at less than our estimate of cash on the balance sheet (34p/share). It is also ignoring the value of SeaEnergy's holding in Lansdowne Oil & Gas (5p/share). In the longer term the value of the business will be determined by the successes of the marine services business and any upside in the oil and gas assets, in particular at Lansdowne Oil & Gas. Based on our discounted cash flow analysis, we estimate that each vessel could generate a net present value of between £4-8m, and, depending on the financing structure, SeaEnergy has the capacity to build about four or five vessels, adding an additional 46p/share to its value. As SeaEnergy enters into partnerships with other players and as cashflow is returned from initial investments, the company has a long-term goal of building a fleet of 12-15 vessels, adding further value. Successful discovery of oil and gas reserves at one of its Irish prospects could significantly increase the valuation of Lansdowne. We calculate that each 10p rise in the share price of Lansdowne is worth an additional 4.4p/share to SeaEnergy's valuation. In a 'Blue Sky' scenario a valuation of 66p/share for Lansdowne (towards the top end of the market estimates of the company's NAV) would add a further 18p/share to the value of SeaEnergy.

Experienced management team

The management and board of SeaEnergy possess extensive experience of the oil, gas, power, renewable and marine sectors. The team can also point to some notable successes in generating value for shareholders, both in the oil business, with the sale of assets in Azerbaijan in the 1990s, and recently with the disposal of SERL. This experience will be a crucial asset in utilising balance sheet strength to create value for shareholders.

Short-term profits determined by operating cost and interest rates

In the absence of revenues from the marine service business in the short term, profitability will be determined by the impact of interest rates on the cash balance and the level of ongoing costs. For 2012 we are forecasting a normalised loss per share of 2.5p. Our forecast is based upon assumed operating costs of £2.5m pa. A 10% variation in operating expenditure would increase or reduce earnings per share by c 0.3p/share. We are assuming a 1% rate of interest on net cash balances. A 0.5% variation in the net interest rate would reduce or increase earnings per share by 0.2p/share.

Cash resources will underpin expansion of business

SeaEnergy's balance sheet has been strengthened by the sale of SERL. We are now forecasting a net cash position for the end of 2011 of c £23m but lower levels of interest income as we have reduced our assumption for interest rates on the cash balances. However, following the disposal of SERL, we are forecasting a much reduced capex (£1m pa) and lower operating costs (c £2.5m pa) resulting in a much lower cash burn (c £3m in total for 2012 and 2013).

Company description: Offshore opportunity

We expect the market for offshore wind to grow rapidly over the next 10 years, presenting a significant market opportunity for SeaEnergy to develop its innovative strategy for servicing offshore turbines. The management team possesses the relevant industry knowledge to guide this process and can point to previous successes in generating value for shareholders.

Provider of marine services to offshore wind farms

SeaEnergy has transformed its business model and will now focus on providing marine services to the offshore wind industry. The oil and gas assets will be retained and developed opportunistically.

Establishing a new business model for offshore services

The UK and European wind industry is expected to grow rapidly. As new offshore wind farms will be located further from shore than is currently the case, existing day boats will be unable to satisfy the industry's service requirements. To address this issue SeaEnergy has designed a wind farm support vessel that will alter the way in which offshore operators maintain turbines. SeaEnergy's vessels have been designed to operate in rough seas and to be capable of remaining on site for prolonged periods, providing technicians with improved access to the turbines and thereby maximising output and revenue for operators.

SeaEnergy plans to develop its marine service business by signing long-term charters and is currently in a series of bilateral discussions with potential customers. Once a long-term contract has been signed, SeaEnergy will place an order for the construction of a vessel. Construction is expected to take two years. It is probable that the vessel will be asset financed with SeaEnergy providing 30-50% of the finance in the form of equity. As the business develops, SeaEnergy will seek partnerships with larger players, pursuing a business model it successfully followed in developing the oil business and SERL.

Experience and deal successes

Executive Chairman Stephen Remp, Managing Director Steven Bertram and Finance Director Chris Moar, all possess considerable experience of the offshore oil, gas and wind markets, gained at Ramco, SeaEnergy's predecessor company, and latterly through the development of SERL. John Aldersey-Williams, the PLC director responsible for developing the marine services business, also has considerable experience of the marine energy market having served as a director of the European Marine Energy Centre (2005-09) and having worked in the early days at SeaEnergy to establish SERL.

The management team can also point to success in generating value for shareholders. In the early 1990s Stephen Remp was instrumental in creating substantial value for shareholders of Ramco when it sold its 2.08% stake in Azerbaijan offshore oil fields for c £94m. More recently, the disposal of SERL generated proceeds of £38m, before costs, delivering a profit of £28m from a business that had been at the concept stage only three years previously. The ability to generate returns for shareholders via partnerships with larger players, as was the case in Azerbaijan and with SERL, will be invaluable to SeaEnergy as the company adopts a similar approach to developing its marine service business.

Marine growth and potential for oil upside

SeaEnergy's design for a new type of offshore wind farm support vessel offers operational, financial and environmental benefits when compared to the existing work boat technology used for servicing offshore wind farms. The projected growth in offshore wind presents SeaEnergy with an attractive market opportunity from which to generate returns for shareholders. With a strategy of ordering construction only once long-term charters for its vessels have been secured, SeaEnergy will also minimise the risks associated with its growth in marine services.

The development of SeaEnergy

SeaEnergy was founded as Ramco in 1977 with a focus on oil and gas. Ramco was listed on the USM in 1984 and transferred to AIM in 1996. In 2006 Ramco floated its subsidiary, Lansdowne Oil & Gas, on AIM and in 2008 it acquired Eagle Hydrocarbons.

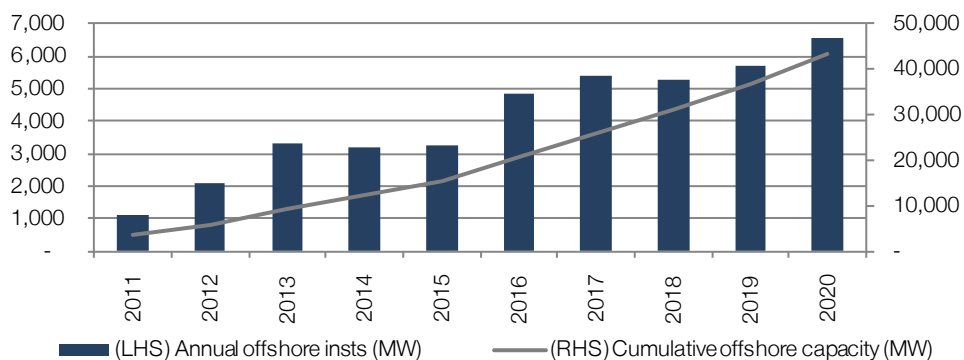
In February 2009 SeaEnergy was awarded (in partnership with large industry players) two offshore wind projects, Inch Cape and Beatrice, and in January 2010 it was awarded a third UK offshore wind site in the Moray Firth. However, by June 2010, it was evident that institutional equity investors were unwilling to support the three to four year timetable required to bring the projects to financial close and the start of construction and SeaEnergy decided to sell the business. The disposal process was concluded in June 2011 with the sale of SERL to Repsol for £30.5m and the reimbursement of an £8.1m loan made to SERL. The disposal leaves SeaEnergy with a strong balance sheet, a nascent marine service business developed over the last 18 months and a portfolio of oil and gas assets. It is the marine service business that will provide the focus for growth.

The market for offshore wind

Europe is facing two substantial challenges in the energy market: how to reduce greenhouse gas emissions and how to ensure security of energy supply. The development of a significant European wind power industry is seen as part of the answer to both of these problems.

Analysis of National Renewable Energy Action Plans (NREAPs) produced by EU Member States indicates that total installed wind capacity could rise to 213GW by 2020. Although the majority of the installed capacity is expected to be onshore wind, offshore wind is also expected to grow rapidly. According to its NREAP, the UK is expected to have installed offshore wind capacity of 13GW by 2020, although the European Wind Energy Association thinks that this target is undemanding and the renewable trade association, RenewableUK, believes that a figure of 20GW is achievable. Scope for further growth beyond 2020 is clearly possible. Successive UK licensing rounds for offshore wind have allocated 47GW of potential capacity and studies by groups such as the Offshore Valuation Group estimate that the total potential practical resource of the UK waters is c 116GW for fixed offshore wind.

While the majority of the near-term growth in offshore wind is expected to occur in Europe, countries such as China, Canada and the US are also looking to utilise offshore wind resource. In the US, the Department of Energy has estimated that "the US could feasibly build 54GW of offshore wind power by 2030."

Exhibit 1: Projected growth in installed capacity of European offshore wind

Source: Edison Investment Research, EWEA

Business opportunity

Based on the projections contained in the NREAPs, we estimate that (assuming an average turbine size of 5MW) there will be over 8,600 offshore turbines in Europe alone. Each turbine will need to be serviced and repaired: ease and speed of access will be critical in this respect. For every day of production lost by offshore operators, there will be a potential c £12k reduction in revenue (5MW x 24hrs x 70% x £150/MWh). However, lost production can be limited by improving the speed of response and bringing technicians to the faulty turbine as quickly as possible: a recent Carbon Trust report indicated that c 97% of faults can be fixed within a day.

In the future, turbines will be located further from the shore and current methods of servicing and repairing these turbines will be inadequate. Existing wind farm support vessels are commonly catamarans of 12-20m in length with the capacity to carry up to 12 passengers and they claim an ability to operate in seas of up to 2m. These vessels are required to return to port on a daily basis, limiting the time a technician can be available to repair turbines.

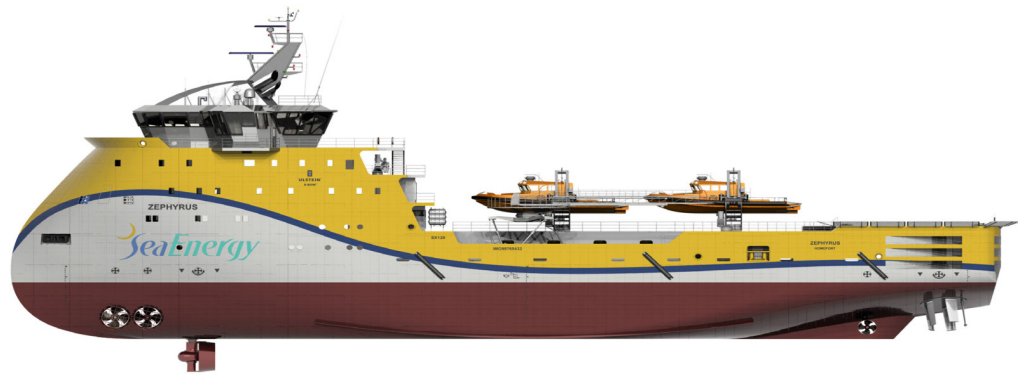
SeaEnergy's proposition

Over the last 18 months SeaEnergy has been developing its marine services business with a view to providing an improved service to the emerging offshore wind market.

To this end SeaEnergy has developed, in conjunction with industrial partners, plans for specifically designed vessels capable of servicing offshore wind farms. Larger than existing wind farm support boats, the SeaEnergy vessel is equipped with x-bow® hulls, dynamic positioning and roll suppression systems and further design improvements are already underway. SeaEnergy believes that its design for an offshore wind farm support vessel will provide greater stability than existing day boats and will be capable of operating in rougher seas (up to 4m versus 1.5m to 2m). Fitted with an Ampelmann motion compensating gangway, SeaEnergy's design will provide easy and safe access to the turbines. Importantly, the boat is capable of remaining on site for extended periods and is equipped to provide staff with accommodation and leisure facilities.

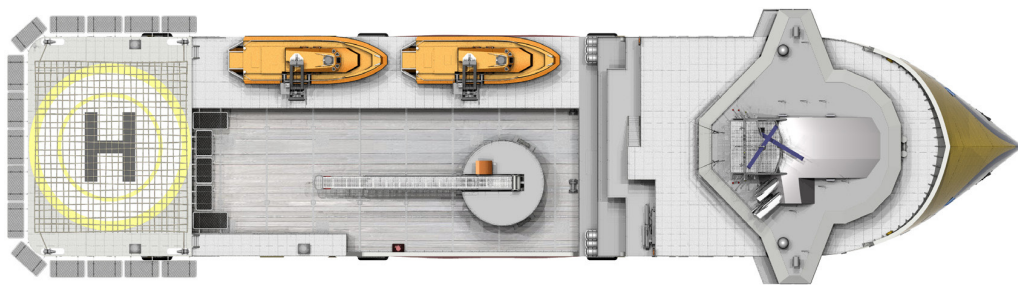
We expect a vessel of the type and design shown below would be available within two years of SeaEnergy placing an order. SeaEnergy is in continued discussions with a range of wind farm operators and turbine manufacturers to provide long-term charters (15/20 years). SeaEnergy will only place an order for a vessel once a long-term charter has been signed.

Exhibit 2: Example profile of SeaEnergy Marine's wind farm support vessel



Source: SeaEnergy

Exhibit 3: Example plan of SeaEnergy Marine's wind farm support vessel



Source: SeaEnergy

Beyond its new approach to the repair and maintenance of offshore turbines, SeaEnergy is also seeking to develop additional sources of revenue for its marine service business from renewable, oil and gas and other clients.

SeaEnergy also believes that the scale of offshore turbine installation required to meet long-term energy policy and climate change objectives would benefit from a commoditisation and the establishment of a supply chain consortium, from steel manufacturers through turbine manufacturers to parts and installation vessels. To this end SeaEnergy is in discussions with a number of potential partners.

Operational and financial benefits of SeaEnergy's approach

The operational benefits of SeaEnergy's vessels are significant; a greater ability to operate in rough seas brings with it more reliable access to turbines and an ability to plan work schedules. There are also associated logistical benefits including improved materials management.

The better conditions enjoyed by staff are expected to lead to an improved safety record and ultimately improved staff retention. Without a need to shuttle back to shore, not only can technicians spend more time per shift servicing and repairing turbines, but the environmental impact of the operation is improved.

Crucially, however, SeaEnergy's proposal appears attractive financially when compared to traditional wind farm support vessel procedures. Although the day rate element for chartering SeaEnergy's vessel will be higher than for existing craft, SeaEnergy's proposition has two critical advantages: as technicians are "on site" valuable time is not lost travelling to and from the wind farm, leading to an increase in productive hours per day; and secondly, because of its design

capabilities and scale, SeaEnergy's vessels will be able to operate in more hostile weather conditions, and during the night, leading to fewer non-productive days. The significant increase in productive hours facilitated by SeaEnergy's vessel will more than compensate for the higher day rates and should improve considerably the economics of turbine repair, even before factoring in the cost of lost production.

Competitive seascape

Given the infancy of the offshore wind industry business practices are evolving and, as a result, the competitive market is not well developed. The main competition, the day boat, suffers from operational limitations. These boats are operated by a range of companies, some of which are relatively small. Companies operational in this sector of the market include Offshore Wind Power Systems, Vroon Offshore Services, Sure Wind, Holyhead Towing and Evert Marijtje. Unlisted company MPI Offshore is active in the turbine installation market.

However, the SeaEnergy technology will offer a superior operating performance to existing workboats and no comparable vessel to that designed by SeaEnergy exists currently. We understand that some other ship operators are beginning to take an interest in developing offshore wind O&M vessels, although none have yet commissioned a vessel comparable to that designed by SeaEnergy. SeaEnergy is taking steps to protect its design concept.

We believe that SeaEnergy's historic relationship with SERL, and through SERL larger offshore wind operators, will be helpful in establishing its business. Clearly the agreement signed with EDP Renováveis at the time of the disposal of SERL to "seek opportunities for mutual collaboration in relation to the supply by SeaEnergy Marine of operations and maintenance vessels, field infrastructure and equipment installation vessels for offshore wind farms" will also provide a useful platform from which to develop the business.

Oil & gas assets

Lansdowne Oil & Gas

25% owned by SeaEnergy, Lansdowne Oil & Gas is listed on AIM and has a market capitalisation of c £30m currently. The company is focused on oil and gas exploration opportunities in the North Celtic Sea Basin (offshore southern Ireland) and Lansdowne, as operator, holds rights, through its wholly owned subsidiaries, to four Standard Exploration Licences and two Licensing Options in the proven oil and gas prone shallow waters of the NCSB (in close proximity to the Kinsale Head and Ballycotton producing gas fields).

Following recent equity issues, Lansdowne has sufficient funding to allow it to carry out 3D seismic work over the Barryroe oilfield and follow this with 3D seismic surveys over the nearby Midleton, Amergin and Rosscarbery prospects. Lansdowne, through operator Providence Resources, already has plans and the funds to drill an appraisal well at Barryroe this autumn and should encouraging data emerge from the other seismic surveys it could follow suit at its other three prospects in 2012. Clearly successful farm-out plans and the discovery of oil or gas by Lansdowne (which could occur in the near term) could add significantly to the value of Lansdowne and with it SeaEnergy.

Mesopotamia Petroleum Company

SeaEnergy holds a 40.2% stake in the Mesopotamia Petroleum Company. In February 2009 MPC signed a JV agreement with the Iraqi Drilling Company IDC to create a vehicle to operate drilling rigs on behalf of oil and gas exploration companies. The agreement was subsequently terminated by IDC (July 2009) when MPC failed to meet a funding deadline. The termination of the agreement with the IDC has in itself undermined MPC's ability to raise finance and a recent attempt to acquire a package of drilling assets has also proved unsuccessful.

In order to allow MPC to continue in business and await an improvement in the situation in Iraq and financial markets the board of MPC has reached agreement with all of its creditors for the deferral of their claims until the earlier of January 2013 and the completion of a debt and equity funding. SeaEnergy's costs in this venture have been expensed as incurred. SeaEnergy has not ruled out further investment in MPC should an appropriate opportunity arise.

Other assets

In addition to its holding in Landsowne and MPC, SeaEnergy also owns 100% of Eagle Hydrocarbons. Eagle has royalty interests in a number of North Sea blocks. While none of the blocks are currently producing, two have had hydrocarbon discoveries drilled on them.

The company holds a small royalty interest onshore Bulgaria, over acreage shortly due to commence production, and an interest in acreage offshore Montenegro, which is currently the subject of a dispute with the Montenegrin authorities. It is expected that as the Bulgarian acreage moves into production and the royalty starts to generate cash flow that there will be buyers for the royalty. It is unlikely that SeaEnergy will invest further in its interests in Montenegro unless the dispute is successfully resolved.

Management

The management and board of SeaEnergy possess extensive experience of the oil, gas, power, renewable and marine sectors. The sale of SERL also demonstrated the team's ability to generate value from start-up businesses in a short period of time.

Stephen Remp (executive chairman) – Steve founded Ramco, the corporate predecessor to SeaEnergy, in 1977 and played a significant role in realising profits from the company's investments in Azerbaijan. Steve is an American citizen and holds a BA in Economics from Claremont College and an MA in International Economics from Johns Hopkins University Washington DC.

Steven Bertram (managing director) – Steven was made managing director in 2005 after previously serving as finance director. During his period as FD Steven was responsible for guiding Ramco from its USM listing to its subsequent transfer to AIM. Post the disposal of SERL, Steven will divide his time between his role as managing director of SeaEnergy and helping to further the development of SeaEnergy Marine. Steven is a non-executive director of Lansdowne Oil & Gas.

Christopher Moar (finance director & company secretary) – Chris qualified as an accountant with Arthur Young in 1987 and joined Ramco in 1993. Chris was made company secretary in 1996 and finance director in 2006. Chris also fulfils the role as finance director and company secretary of Lansdowne Oil & Gas.

John Aldersey-Williams (NED) – John has over 25 years' experience of the energy business including a period (2005-09) as a director of the European Marine Energy Centre. John is also the founder of Redfield Consulting, which advises companies in the renewable energy sector and has also been spearheading the development of the marine services business for SeaEnergy. John is currently acting commercial director of SeaEnergy Marine.

David Laing (NED) – David is a solicitor and currently chairman of Ledingham Chalmers LLP, based in Aberdeen. David has advised many energy companies and has acted to provide support to SeaEnergy since 1988.

David Sigsworth (NED) – David has worked in the energy industry for 43 years and was for 10 years a main board director of Scottish and Southern Energy. During his time at SSE David oversaw the implementation of a £1bn programme of investments in the renewable energy sector.

Steven Lampe (NED) – Steve Lampe is a managing member of Lampe Conway & Co LLC headquartered in Delaware. Lampe Conway provided significant financial backing to SeaEnergy during the SERL disposal process. Steven Lampe is also a non-executive director at Lansdowne Oil & Gas.

Robert Trahan has been recruited as CEO of SeaEnergy Marine and **Mike Comerford** will join as technical director. Robert, as well as a background in diving in the North Sea, has experience of establishing and running a number of vessel operating companies in West Africa, Brazil and the Gulf of Mexico. This experience has clear relevance to the development of SeaEnergy's own marine service business. Mike is a qualified naval architect and has other related experience in the fields of ship design, construction, classification, certification and regulation gained at Lloyd's register, Lithgows Shipyards, Petrofac, Bureau Veritas and the Maritime and Coastguard Agency. Both Mike and Robert have, on a consultancy basis, assisted John Aldersey-Williams in the development of the marine business. Between them, Mike and Robert will hold 5.75% of SeaEnergy Marine.

The CEO of Lansdowne Oil & Gas is **Dr Stephen Boldy**. Steve has a doctorate in geology and extensive experience of Irish offshore basins, having worked for the Petroleum Affairs Division of the Department of Energy in Dublin and then for nineteen years at Amerada Hess, including periods as head of international and UK exploration. Steve joined Ramco in 2003 and led the flotation of Lansdowne Oil & Gas in 2006. **Emmet Brown** is Lansdowne's Director of Business Development. Emmet is a petroleum geologist of thirty years experience, first at Marathon Oil and later as CEO of two quoted E&P oil and gas companies.

Sensitivities

In the absence of revenues from the marine service business in the short term, profitability will be determined by the impact of interest rates on the cash balance and the level of ongoing costs.

For 2012 we are forecasting a normalised loss per share of 3.3p. Our forecast is based upon operating costs of £2.5m pa. A 10% variation in operating expenditure would increase/reduce earnings by c 0.3p/share. We are also assuming a 1% rate of interest on net cash balances. A 0.5% variation in the net interest rate would reduce or increase earnings per share by c 0.2p/share.

Valuation

The market is valuing SeaEnergy at less than our estimate of cash (34p/share). It is also ignoring the value of SeaEnergy's holding in Lansdowne (11p/share). This appears conservative even subtracting potential cash burn over the next two years (c £3m or 5p/share).

In the longer term the value of the business will be determined by the successes of the marine services business and any upside in the oil and gas assets, in particular at Lansdowne Oil & Gas. At this stage SeaEnergy is in a series of bilateral discussions with potential charters of its vessel with both manufacturers and operators. SeaEnergy will only commence construction of a vessel when it has first secured a charter and believes it will take approximately two years from the commissioning of construction to delivery of the vessel. Based on our discounted cash flow analysis, we calculate each vessel could generate a net present value of between £4-8m. Depending on the financing structure, SeaEnergy has the capacity to build around four or five vessels without entering into a consortium with a third party.

Successful discovery of oil and gas reserves at one of its Irish prospects could alter significantly the valuation of Lansdowne. We calculate that each 10p rise in the share price of Lansdowne increases SeaEnergy's valuation by 4.4p/share. In the 'Blue Sky' scenario, shown below, we include a valuation based on a 66p/share price for Lansdowne (in line with market estimates of the company's value), which would add a further 18p/share to the valuation of SeaEnergy. The extra valuation is struck before costs associated with any additional investment required in the oil business (for example a contribution to Lansdowne's exploratory drilling programme).

Exhibit 4: SOTP valuation for SeaEnergy; steady state, no growth and blue sky

	£m	p/share	Comments
Net cash	23.3	34	Forecast year-end net cash position
Lansdowne O&G	7.7	11	Value of SeaEnergy's 25% of the listed Lansdowne O&G
Current state	30.9	45	
Cash burn	(3.3)	(5)	Edison forecast cash consumption 2011-13
No growth scenario	27.6	40	
Marine services	32.0	46	Four offshore wind farm support vessels (NPV £8m each)
Oil & gas	12.6	18	Additional value from Lansdowne O+G at a share price of 66p
Blue sky	72.2	105	

Source: Edison Investment Research

Financials

- Balance Sheet – We are forecasting a net cash position for the end of 2011 of c £23m.
- Profit & Loss – We are not expecting any revenues from the marine services business until 2014 although SeaEnergy believes that the first charter could commence in the latter part of 2013. Post the disposal of SERL we expect the cost base to fall to around £2.5m. We assume a net interest rate of 1% on the cash.
- Cashflow – Following the disposal of SERL we are forecasting reduced capex of £1m pa and lower operating costs of c £2.5m pa. Our forecast for capex does not include any investment in a wind farm support vessel or additional investment in Lansdowne Oil & Gas.

Exhibit 5: Financials

PROFIT & LOSS	£'000s	2008	2009	2010	2011e	2012e
Year-ending 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
Revenue		0	0	0	0	0
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
EBITDA		(2,987)	(4,040)	(5,016)	(3,570)	(2,471)
Operating Profit (before amort. and except.)		(3,013)	(4,071)	(5,067)	(3,600)	(2,500)
Amortisation		0	0	0	0	0
Operating exceptionals		0	0	0	0	0
Operating Profit		(3,013)	(4,071)	(5,067)	(3,600)	(2,500)
Net Interest		54	(2,527)	(1,451)	24	231
Income from associates		(328)	(2,049)	863	0	0
Exceptionals		0	2,159	0	27,000	0
Profit Before Tax (norm)		(3,287)	(8,647)	(5,655)	(3,576)	(2,269)
Profit Before Tax (FRS 3)		(3,287)	(6,488)	(5,655)	23,424	(2,269)
Tax		0	0	17	0	0
Profit After Tax (norm)		(3,287)	(8,647)	(5,638)	(3,576)	(2,269)
Profit After Tax (FRS3)		(3,287)	(6,488)	(5,638)	23,424	(2,269)
Average Number of Shares Outstanding (m)		39.6	55.3	69.0	69.1	69.1
EPS - normalised (p)		(8.0)	(15.6)	(7.6)	(5.2)	(3.3)
EPS - FRS 3 (p)		(8.2)	(11.8)	(7.7)	33.9	(3.3)
EPS - normalised and fully diluted (p)		(8.0)	(15.6)	(7.6)	(5.2)	(3.3)
Dividend per share (p)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A	N/A
BALANCE SHEET						
Fixed Assets		5,264	4,489	8,472	1,047	3,041
Intangible Assets		2,404	3,158	6,453	853	2,853
Tangible Assets		159	173	200	194	188
Other		2,701	1,158	1,819	0	0
Current Assets		1,677	6,828	1,352	26,781	23,522
Stocks		0	0	0	0	0
Debtors		626	455	917	3,500	500
Cash		1,051	2,792	94	23,281	23,022
Other		0	3,581	341	0	0
Current Liabilities		(3,518)	(4,744)	(7,976)	(2,063)	(2,063)
Creditors		(666)	(1,273)	(3,163)	(1,063)	(1,063)
Short term borrowings		(1,500)	(2,000)	(2,650)	0	0
Other short term liabilities		(1,352)	(1,471)	(2,163)	(1,000)	(1,000)
Long Term Liabilities		(515)	(530)	(504)	(504)	(504)
Long term borrowings		0	0	0	0	0
Other long term liabilities		(515)	(530)	(504)	(504)	(504)
Net Assets		2,908	6,043	1,605	25,261	23,996
CASH FLOW						
Operating Cash Flow		(3,170)	(1,097)	(4,647)	(8,253)	529
Net Interest		116	64	6	24	231
Tax		0	0	0	0	0
Capex		(148)	(774)	(1,223)	(1,020)	(1,020)
Acquisitions/disposals		(49)	1	0	35,086	0
Equity financing		736	2,160	187	0	0
Dividends		0	0	0	0	0
Other		2	892	2,338	0	0
Net Cash Flow		(2,513)	1,246	(3,339)	25,837	(259)
Opening (net debt)/cash		2,068	(449)	792	(2,556)	23,281
HP finance leases initiated		0	0	0	0	0
Capital element of finance leases		0	0	0	0	0
Other		(4)	(5)	(9)	0	0
Closing (net debt)/cash		(449)	792	(2,556)	23,281	23,022

Source: Edison Investment Research, SeaEnergy accounts

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
			Litigation/regulatory	●
			Pensions	○
			Currency	○
			Stock overhang	○
			Interest rates	○
			Oil/commodity prices	●

Growth metrics	%	Profitability metrics	%	Balance sheet metrics	Company details
EPS CAGR 08-12e	N/A	ROCE 11e	N/A	Gearing 11e	N/A
EPS CAGR 10-12e	N/A	Avg ROCE 07-12e	N/A	Interest cover 11e	N/A
EBITDA CAGR 08-12e	N/A	ROE 11e	N/A	CA/CL 11e	N/A
EBITDA CAGR 10-12e	N/A	Gross margin 11e	N/A	Stock turn 11e	N/A
Sales CAGR 08-12e	N/A	Operating margin 11e	N/A	Debtor days 11e	N/A
Sales CAGR 10-12e	N/A	Gr mgn / Op mgn 11e	N/A	Creditor days 11e	N/A
				Address:	
				Britannia House, Endeavour Drive, Amhall Business Park, Westhill, Aberdeenshire, AB32 6UF	
				Phone	(01224) 748 480
				Fax	(01224) 748 481
				www.seaenergy-plc.com	

Principal shareholders	%	Management team
Lampe Conway	9.7	Executive Chairman: Stephen Remp Steve founded Ramco, the corporate predecessor to SeaEnergy, in 1977 and was responsible for generating significant profits from the company's investments in Azerbaijan. Steve holds a BA in Economics from Claremont College and an MA in International Economics from Johns Hopkins University Washington DC.
Stephen Remp	7.4	
Steven Bertram	1.2	
Chris Moar	0.3	
John Aldersey-Williams	0.2	
		Managing Director: Steven Bertram Steven was made managing director in 2005 after previously serving as finance director. Post the disposal of SERL, Steven will divide his time between his role as managing director of SeaEnergy and helping to further the development of SeaEnergy Marine. Steven is also a non-executive director of Lansdowne Oil & Gas.
Forthcoming announcements/catalysts		Finance Director: Chris Moar Chris qualified as an accountant with Arthur Young in 1987 and joined Ramco in 1993. Chris was made company secretary in 1996 and finance director in 2006. Chris is also finance director and company secretary of Lansdowne Oil & Gas.
Date *		
FY results	April 2012*	
AGM	June 2012*	
Interim results	September 2011	
<i>Note: * = estimated</i>		
Companies named in this report		
Repsol, Scottish & Southern Energy, Lansdowne Oil & Gas, Offshore Wind Power Systems, MPI Offshore		

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