
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K**

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 16, 2019

SAExploration Holdings, Inc.

(Exact Name of Registrant as Specified in Charter)

**Delaware
(State or other jurisdiction of incorporation)**

**001-35471
(Commission file number)**

**27-4867100
(IRS Employer Identification No.)**

**1160 Dairy Ashford Rd., Suite 160, Houston, Texas 77079
(Address of principal executive offices) (Zip Code)**

**(281) 258-4400
(Company's telephone number, including area code)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001	SAEX	NASDAQ Capital Market

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On August 16, 2019, SAExploration Holdings, Inc. (the “Company”) received a notice (the “Notice”) from the Listing Qualifications Department of the Nasdaq Stock Market LLC (“Nasdaq”) stating that because the Company had not timely filed its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (the “Form 10-Q”), the Company is no longer in compliance with Nasdaq Listing Rule 5250(c)(1), which requires listed companies to timely file all required public financial reports with the Securities and Exchange Commission (the “SEC”). The Notice has no immediate effect on the listing or trading of the Company’s common stock on the Nasdaq Capital Market. The Notice states that the Company has 60 calendar days, or until October 15, 2019, to submit to Nasdaq a plan to regain compliance with the Nasdaq Listing Rules. The Notice also requests that the Company provide Nasdaq with certain documents and information related to the Company’s Current Report on Form 8-K, filed on August 16, 2019 (the “Form 8-K”). If Nasdaq accepts the Company’s plan, then Nasdaq may grant the Company up to 180 days from the prescribed due date for filing the 10-Q, or until February 11, 2020, to regain compliance.

On August 15, 2019, the Company filed a Notification of Late Filing on Form 12b-25 (the “Form 12b-25”) stating that the filing of its 10-Q would be delayed until after the Company restates its consolidated financial statements and financial information for certain historical periods as further summarized in the Form 12b-25 and Form 8-K.

The Company is working on preparing the restatement as expeditiously as possible, but cannot provide any assurance that it will be completed in time to permit the Company to file the Form 10-Q and the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 on a timely basis.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On August 19, 2019, the Company appointed Michael Faust as interim President. Mr. Faust currently serves as Chairman of the Company’s Board of Directors (the “Board”) and previously served as the lead independent director on the Board. Since March 2019, Mr. Faust has served as the interim President and Chief Executive Officer of Obsidian Energy Ltd., a Canadian-listed public company in the oil and natural gas industry, and has also served on its Board of Directors since April 2018. Since March 2019, Mr. Faust has served on the Board of Directors of Parker Drilling Company, a U.S.-listed provider of drilling services and rental tools to the energy industry in the U.S. and international markets. Previously, Mr. Faust had a long career of increasing responsibilities with ExxonMobil and ConocoPhillips. Mr. Faust earned his Master of Arts degree in Geophysics from the University of Texas at Austin in 1984, after receiving his Bachelor of Science degree in Geology from the University of Washington in 1981.

In connection with Mr. Faust’s appointment as interim President, Mr. Faust entered into an Executive Employment Agreement with the Company (the “Agreement”) for a term until February 28, 2020. Pursuant to the Agreement, Mr. Faust’s compensation will consist of (i) a \$1,000,000 signing bonus, subject to clawback if he resigns or terminates the agreement before

the term is completed, and (ii) a salary of \$100,000 per month. Mr. Faust will also be entitled to participate, on the same basis generally as other similarly situated employees of the Company, in all benefits as may be offered by the Company, and the Company will reimburse Mr. Faust for reasonable expenses incurred by Mr. Faust.

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by the full text of the Agreement, a copy of which is attached hereto as Exhibit 10.1 to this Current Report on Form 8-K (this "Form") and is incorporated herein by reference.

There are no arrangements or understandings between Mr. Faust and any other person pursuant to which he was selected as interim President. There are no family relationships between Mr. Faust and any director or executive officer of the Company, and Mr. Faust has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01 Regulation FD Disclosure.

Simultaneously with the filing of this Form, the Company delivered notices and certificates to the trustees and agents under its debt agreements, notifying them of events of default under these agreements and certain related matters. The events of default arose from the need to restate certain of the Company's historical financial statements, and certain related disclosures, as described in the Form 8-K. The Company is working as expeditiously as possible to prepare the restatement and related disclosures and to take certain related steps to remediate the related material weaknesses.

Because the Company delivered financial statements that are the subject of the restatement, as described in the Company's Current Report on Form 8-K filed with the SEC on August 16, 2019, the Company was in default of the covenant contained in Section 6.1 and Schedule 6.1 of each of (a) the Term Loan and Security Agreement, among the Company, as the borrower (the "Term Borrower"), the Guarantors from time to time party thereto, the Lenders from time to time, and Delaware Trust Company, as the Collateral Agent and as the Administrative Agent (the "Term Agent"), dated as of June 29, 2016 (the "Term Loan Agreement"), and (b) the Third Amended and Restated Credit and Security Agreement, among SAExploration Inc., a subsidiary of the Company, as the borrower (the "ABL Borrower," and together with the Term Borrower, the "Borrowers"), the other Guarantors from time to time party thereto, the Lenders from time to time, and Cantor Fitzgerald Securities, as the agent (the "ABL Agent" and together with the Term Agent, the "Agents"), dated as of September 26, 2018 (the "ABL Agreement," and together with the Term Loan Agreement, the "Credit Agreements"), and was in default of representations and warranties in Section 5.9 and Section 5.16 of Exhibit D of each Credit Agreement. As a result, events of default occurred under each Credit Agreement pursuant to Sections 9.2(a), 9.7(c), (d) and (e) and 9.8 of each Credit Agreement.

Because the Company's previously filed Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K since, and including the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 contained non-GAAP compliant financial statements and related disclosures, the Company was in default of the covenants in Section 4.18 under the original indenture pursuant to which the Company issued its 10% Senior Secured Second Lien Notes due

2019 (the “10% Notes”), as amended (the “10% Indenture”) and Section 4.05 under the indenture pursuant to which the Company issued its 6% Senior Secured Convertible Notes due 2023 (the “6% Indenture” and, together with the 10% Indenture, the “Indentures”). As a result thereof, events of default occurred under each Indenture related to these defaults. A violation of the covenants in Section 4.05 and Section 4.16 under the 6% Indenture also occurred because the Company did not file its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 with the SEC within the time period required under the covenants contained in the applicable Indenture and the relevant financial statements were not prepared in compliance with GAAP, in addition to errors in certain related disclosures. As noted above, the Company is diligently pursuing completion of the restatement and intends to file such restated financial statements with the SEC as expeditiously as possible.

The Company has requested a waiver of the above events of default under the Term Loan Agreement and the ABL Agreement and will be requesting the comparable waiver under the Indentures. In addition, due to the nature of the ongoing work related to the restatement, the Company expects that it will not be able to timely deliver its unaudited financial statements for the month ended July 30, 2019 or the month ending August 31, 2019 as required by the Term Loan Agreement and the ABL Agreement. The Company is therefore requesting that the agents and required lenders under each of the Term Loan Agreement and the ABL Agreement consent to granting additional time to the Company to make such deliveries upon the completion of the restatement.

In addition, the Company is in discussions with holders of a majority of its debt under the Term Loan Agreement, the ABL Agreement and the 6% Indenture regarding a forbearance agreement and waiver of these events of default. Holders of a majority of each of the outstanding loans and notes, respectively, constitutes the required percentage of holders to agree to any waivers or amendments to the relevant debt agreement. The Company is also evaluating all of its options to address the maturity of the 10% Notes, of which there were \$7 million outstanding as of March 31, 2019, on September 24, 2019.

The Company cannot make any assurances regarding the timing of the restatement, whether the Company will be successful in receiving the waivers and forbearance agreement and in addressing the maturity of the 10% Notes. If the Company is not successful in these efforts, that would likely have a material adverse effect on its business, financial condition and results of operations.

8.01 Other Events.

Class Action

On August 18, 2019, a purported stockholder, John Bodin (the “Plaintiff”), filed a putative class action lawsuit against the Company and certain current and former executive officers named therein (the “Defendants”) in the U.S. District Court for the Southern District of Texas captioned John Bodin v. SAExploration Holdings, Inc., et al. Case No. 4:2019cv03089. Plaintiff seeks to represent a class of stockholders who purchased or otherwise acquired publicly traded securities of the Company from March 15, 2016 through August 15, 2019 (the “Covered Period”). The complaint generally alleges that the Defendants violated Sections 10(b) and 20(a) of the

Securities Exchange Act of 1934 and SEC Rule 10b-5 by making false and misleading statements in the periodic reports the Company filed with the SEC during the Covered Period. The complaint requests damages, including interest, and an award of reasonable costs and expenses, including counsel and expert fees.

Press Release

On August 22, 2019, the Company issued a press release disclosing the appointment of Mr. Faust. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

Forward-looking Statements

Except for statements of historical fact, the matters discussed herein are “forward-looking statements” within the meaning of the applicable U.S. federal securities laws. The words “may,” “possible,” “estimates,” “expects,” “believes” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements, including statements regarding the possible impact of the matters summarized in this Form, may or may not be realized, and differences between estimated results and those actually realized may be material.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, risks relating to the following known and unknown things:

- risks relating to the time it will take the Company to complete the restatement and remediate the related material weaknesses;
- the impact of the restatement and conclusion of the Company regarding the effectiveness of its internal controls and disclosure controls and procedures, among other things;
- additional risks may arise in the process of completing the restatement and related disclosures to be revised that are not knowable today;
- risks related to the Company’s debt agreements and events of default described above, including the risks that the holders of the debt do not provide waivers and seek to accelerate the maturity date of the applicable debt and exercise other remedies, such as foreclosure, among other things;
- the Company is not successful in refinancing or otherwise addressing the maturity date of its 10% Notes which mature on September 24, 2019;
- risks arising from the holders of the Company’s debt taking other actions against the Company, including by seeking a bankruptcy filing;
- the impact that the disclosure in this Form, as well as possible future filings and disclosures may have on the Company’s business, including customers, employees and others;

- the time and expense required to complete the restatement, revised disclosures, respond to the SEC and for the Company to complete its own investigation, which expenses are likely to be material and are likely to have a material adverse impact on the Company's cash balance, cash flow and liquidity; and
- other risks described more fully in the Company's filings with the SEC that relate to matters not covered in this Form, including the press release attached hereto as Exhibit 99.1.

Each of these risks, and the known and unknown consequences of these risks, could have a material negative impact on the Company, its business and prospects. As of the date of this Form, the Company cannot make any assurances regarding the impact or outcome of these risks. Forward-looking statements reflect the views of the Company as of the date hereof. The Company does not undertake to revise these statements to reflect subsequent developments, other than in compliance with U.S. federal securities laws and the Company's determination that any such revised disclosure is necessary or advisable to do.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Executive Employment Agreement, dated as of August 19, 2019, between Michael Faust and SAExploration Holdings, Inc.
99.1	Press Release, dated as of August 22, 2019

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAExploration Holdings, Inc.

Date: August 22, 2019

By: /s/ Kevin Hubbard

Name: Kevin Hubbard

Title: Interim Chief Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), effective as of August 19, 2019 ("Effective Date"), is entered into by SAExploration Holdings, Inc., a Delaware corporation (the "Employer" or the "Company"), and Michael Faust, an individual residing in Anchorage, Alaska (the "Executive"). The Employer and the Executive may be referred to singularly as "Party" or collectively as "Parties." Unless otherwise specified, capitalized terms have the meanings set forth herein.

BACKGROUND

Effective immediately upon the Effective Date, the Company will employ the Executive as the interim President, and the Executive desires to be employed by the Employer on the terms and conditions contained herein;

The Employer acknowledges and rewards the value and loyalty that the Executive will bring to the Company at this important time to the Company and seeks to build and protect the Company's stability, growth, customer base, technology and other competitive advantages; and

The Executive wishes to evidence his commitment to the Company and its objectives.

In consideration of the foregoing premises and the respective agreements hereinafter set forth and the mutual benefits to be derived hereinafter, the Employer and the Executive hereby agree as follows:

AGREEMENTS

1. **Employment Term.** The Employer hereby agrees to employ the Executive commencing on the Effective Date and ending on February 29, 2020 (the "Term"). Notwithstanding the foregoing, the Parties shall have the termination rights as set forth in Section 5 of this Agreement. Termination of this Agreement for any reason whatsoever by any Party shall have no effect on the continued enforceability of any ancillary agreement, specifically including the Non-Disclosure Agreement executed by the Executive in favor of the Employer concurrently with this Agreement (the "Non-Disclosure Agreement"). The obligations of the Parties under Sections 5 through 24 herein shall survive according to the terms of each provision.

2. **Duties.** During the Term, the Executive shall serve in the position of interim President and shall report to and be subject to the general direction and control of the Board or its designee. In such capacity he shall be responsible for the supervision of the day-to-day operations of the Company and the implementation of its business plans and strategies, in each case, subject to the Board and in accordance with and subject to budgets approved from time to time by such Board. The Executive shall perform such duties consistent with the Executive's position, as well as other related duties from time to time assigned to the Executive by the Board. The Executive further agrees to perform, without additional compensation, such other services for the Employer and for any of its affiliates as the Board shall from time to time specify, if such services are of the nature commonly associated with or similar to that of the Executive's position with a company engaged in activities similar to the activities engaged in by the Employer at the time of execution of

this Agreement. For purposes of the Non-Disclosure Agreement and Sections 5 through 24 herein, the term "Employer" shall be deemed to include and refer to any and all affiliates of the Employer.

3. Extent of Service. The Executive shall devote his full business time, attention, and energy to the business of the Employer, and shall not be engaged in any other business activity that competes with or detracts from the business of the Employer during the Term of this Agreement other than with respect to the Executive's role as interim President and Chief Executive Officer with Obsidian Energy Ltd. The foregoing shall not be construed as preventing the Executive from making passive investments in other businesses or enterprises, if (i) such investments will not require services on the part of the Executive which would in any material way impair the performance of his duties under this Agreement, or (ii) such other businesses or enterprises are not engaged in any business competitive with the business of the Employer or any of its affiliates. The Executive shall be based in the vicinity of the Anchorage or Calgary metropolitan areas (or such other area as may be agreed upon by the Parties) and, subject to travel requirements as reasonably necessary to support successful business development efforts and management of the business, shall perform his services from a mutually agreed location in that area.

4. Compensation and Benefits. As payment for the services to be rendered by the Executive hereunder during the Term of this Agreement, the Executive shall be entitled to the following:

(a) receive a signing bonus in the amount of \$1,000,000 (the "Signing Bonus") payable on the Effective Date and a salary of \$100,000 per month (collectively, the "Base Salary"); *provided, however,* that the Executive will be required to repay to the Company the Signing Bonus if the Executive terminates his position as interim President and/ or this Agreement.

(c) the Executive will be entitled to participate, on the same basis generally as other similarly situated employees of the Company, in all benefits as may be offered by the Company from time to time;

(d) reimbursement of reasonable expenses incurred by the Executive in accordance with such expense reimbursement policies of the Company; and

(e) paid vacation of two (2) weeks during the Employment Term.

5. Termination. The Executive's employment with the Company under this Agreement may be terminated in accordance with this Section 5. The date upon which any such termination becomes effective shall be deemed the "Termination Date".

(a) Termination by the Company for Cause. The Company may terminate the Executive's employment with the Company under this Agreement for Cause at any time without notice and without any payment to the Executive whatsoever, save and except for the payment of any Base Salary, vacation accrued but unpaid up to the Termination Date and out of pocket expenses in accordance with Section 4(d), if the Executive engages in any of the following conduct (termination for "Cause"):

(i) the breaching of any material provision of this Agreement after the Company has given the Executive not less than 30 days written notice of such breach and a period of not less than 30 days to correct, or cause to be corrected, such breach;

(ii) knowing and intentional misappropriation of funds or property of the Company or its affiliates;

(iii) engaging in conduct, even if not in connection with the performance of the duties hereunder, which might be reasonably expected to result in any effect materially adverse to the interests of the Company or any of its affiliates, such as fraud, dishonesty, conviction (or a judicial finding of evidence sufficient to convict) of any felony;

(iv) failing to fulfill and perform the duties assigned to the Executive in accordance with the terms herein after the Company has given the Executive not less than 15 days written notice of such failure and a period of not less than 15 days to correct, or cause to be corrected, such failure; and

(v) failing to comply with corporate policies of the Company or any of its affiliates that are promulgated from time to time by the Company, provided, however, that the Company shall not be unreasonably arbitrary in its enforcement of corporate policies with respect to the Executive.

(b) Termination by the Executive for Good Reason. The Executive shall have good reason (“Good Reason”) as defined below to resign his employment within sixty (60) days following notice and receive the same payments as provided under Section 5(d) (and subject to the same release requirement), provided the Executive has first provided written notice to the Employer of conduct warranting termination of the Executive’s employment for Good Reason and provided the Employer a period of not less than thirty (30) days to cure such conduct, without the written consent of the Executive:

(i) a material diminution in the nature and scope of the Executive’s authorities or duties, including but not limited to a change in the Executive’s reporting relationship, a required move of more than a 50-mile radius of the Executive’s employment prior to any such relocation, except for reasonably required travel on the Company’s business, a reduction in pay or removal from the Company’s Board of Directors; or

(ii) a material breach of this Agreement by the Employer.

(c) Termination by the Executive Without Good Reason. The Executive may terminate his employment with the Company at any time, for any reason, by providing 60 days’ advance written notice to the Company, which may be waived in whole or in part by the Company. If the Company waives the notice period in whole or in part, the Company shall pay the Base Salary for the portion of the notice period that has been waived. The Executive shall only be entitled to payment of any accrued but unpaid Base Salary, accrued but unpaid out of pocket expenses in accordance with Section 4(d) hereof and vacation pay accrued but unpaid up to the Termination Date. The Executive shall not be entitled to any accrued annual bonus or other benefits.

(d) Termination by the Company Without Cause. The Company may terminate the Executive's employment, without Cause as defined in Section 5(a), in which case the Company shall pay the Executive the following, less withholdings required by law:

- (i) all accrued but unpaid Base Salary to the Termination Date;
- (ii) all accrued but unpaid vacation pay to the Termination Date;
- (iii) payment equal to the Base Salary for the remainder of the Term of this Agreement; and

(iv) if the Executive timely and properly elects continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA"), the Company shall reimburse the Executive for the monthly premiums associated with continuation of the Executive and his dependents' insurance coverage. Such reimbursement shall be paid to the Executive on the 3rd day of the month immediately following the month in which the Executive timely remits the premium payment (with the first such payment to be made on the first such date after the 52nd day following the Termination Date and shall include all amounts owed and due to be paid to the Executive but not paid due to such delay). The Executive shall be eligible to receive such reimbursement until the earliest of (x) the 18 month anniversary of the Termination Date; (y) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (z) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer.

Prior to, and as a condition to, receiving the payments in this Section 5(d) (other than payments pursuant to Sections 5(d)(i) and (ii)), the Executive agrees to execute a full and final release in favor of the Company, in a form satisfactory to the Company not later than fifty-two (52) days following the Termination Date.

The above amounts will be paid in a single lump sum not later than fifty-two (52) days after the Termination Date subject to the fulfillment of the provision of a full and final release no later than the end of such 52-day period; provided that the payments contemplated by Section 5(d)(iv) shall be reimbursed as set forth in Section 5(d)(iv). The above amounts shall not be subject to the requirement of mitigation, nor reduced by any actual mitigation by the Executive. The right to receive any of the above payments shall be forfeited if the required full and final release has not been received before the end of the 52-day period; provided, however, if such 52- day period begins in one taxable year and ends in a second taxable year, the payment date shall be deemed to be the later of (i) the first business day in the year following the year in which the

Executive's "separation from service" occurs or (ii) the last day of such 52-day period. The payments referred to in Section 5(d) are inclusive of any termination and/or severance payments that may be required under applicable law.

(e) **Death.** The Executive's employment with the Company under this Agreement shall automatically terminate upon the death of the Executive. Upon termination for death, the Executive or the Executive's estate shall only be entitled to (i) payment of any portion of the Base Salary due and owing up to such date; (ii) payment of any accrued but unused vacation pay; and (iii) reimbursement of all out of pocket expenses in accordance with Section 4(d).

(f) **Permanent Disability.** In the event that the Executive suffers a Permanent Disability (as defined below), the employment of the Executive may be terminated by the Company upon 90 days' notice to the Executive; except that if the termination of the Executive's employment would impair his ability to receive long term disability benefits in whole or in part, the Executive shall, in lieu of termination, be placed on an unpaid leave of absence, it being understood, however, that the Executive shall not be entitled to re-employment by the Company after such leave of absence or when he ceases to be in receipt of such benefits. Upon termination of employment for Permanent Disability, the Executive or the Executive's estate shall only be entitled to (i) payment of any portion of the Base Salary due and owing up to such date; (ii) reimbursement of all expenses in accordance with Section 4(d); and (iii) payment for any accrued but unused vacation pay. For the purposes of this Section 5(f), "Permanent Disability" means a mental or physical disability whereby the Executive:

(i) is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as an employee or officer of the Company either for three consecutive months or for a cumulative period of 6 months out of 12 consecutive calendar months, or

(ii) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his affairs.

(g) **Resignation as Officer or Director Upon Termination.** Upon termination of his employment for any reason whatsoever, the Executive shall thereupon be deemed to have immediately resigned any position the Executive may have as an officer or director of the Company together with any other office, position or directorship which the Executive may hold with any of its affiliates. In such event, the Executive shall, at the request of the Company, forthwith execute any and all documents appropriate to evidence such resignations. The Executive shall not be entitled to any payments in respect of such resignations in addition to those provided for herein.

(h) **Survival.** Notwithstanding the termination of the Executive's employment, or the manner of termination, the provisions of Section 6 of this Agreement and the Non-Disclosure Agreement shall survive such termination.

6. **Non-Disclosure/Confidentiality Obligations.** The parties contemplate the Executive providing executive services to the Company in connection with its core business of providing effective acquisition of seismic data. To facilitate the Executive's ability to perform these services, the Company agrees to provide the Executive confidential, proprietary, trade secret information regarding the Company's business strategies, plans,

techniques and processes, which are more fully set forth in the Non-Disclosure Agreement (“Confidential Information”), which the Company uses to compete in the marketplace, and the Executive agrees not to use or disclose such Confidential Information for any purpose other than to advance the Company’s interests. Moreover, from time to time, subsidiary companies or affiliates of the Company may provide that entity’s confidential, proprietary information which the Company uses to compete in the marketplace, to the Executive to facilitate the Executive’s ability to provide services to the subsidiary companies or affiliates, and the Executive agrees not to use or disclose such Confidential Information for any purpose other than to advance the subsidiary companies’ or affiliate’s interests.

7. Insurance.

(a) The Employer agrees to maintain throughout the term of this Agreement D&O coverage substantially similar in nature to its current D&O coverage in effect immediately prior to the effective date of the RSA, providing coverage to the Executive for those claims and causes of action arising out the performance of the Executive’s duties in the course and scope of his employment under this Agreement.

(b) The Employer agrees to indemnify the Executive to the fullest extent permitted by law against any liability arising from or relating to any of the Restructuring Transactions.

8. Notices. All notices, requests, consents, demands, or other communications required or permitted to be given pursuant to this Agreement shall be deemed sufficiently given when delivered either (i) personally with a written receipt acknowledging delivery, (ii) by confirmed telefax, or (iii) within three (3) business days after the posting thereof by United States first class, registered or certified mail, return receipt requested, with postage fee prepaid and addressed to the following:

If to Employer: SAExploration Holdings, Inc.
1160 Dairy Ashford Rd., Suite 160
Houston, TX 77079
Attn: VP Human Resources

If to Executive: Michael Faust
16500 Virago Avenue
Anchorage, AK 99516

Any Party, at any time, may designate additional or different addresses for subsequent notices or communication by furnishing notice to the other Party in the manner described above.

9. Specific Performance. The Executive and the Employer acknowledges that a remedy at law for any breach or threatened breach of Section 6 of this Agreement will be inadequate and that each Party may be entitled to specific performance, injunctive relief, and any other remedies available to it for such breach or threatened breach. If a bond is required to be posted in order for either Party to secure an injunction, then the Parties stipulate that a bond in the

amount of One Thousand and No/100 Dollars (US\$1,000) will be sufficient and reasonable in all circumstances to protect the rights of the Parties.

10. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provisions shall be ineffective to the extent of such provision or invalidity only, without invalidating the remainder of such provision or any remaining provisions of this Agreement.

11. Assignment. This Agreement may not be assigned by the Executive. Neither the Executive, his spouse, nor their estates shall have any right to encumber or dispose of any right to receive payments under this Agreement, it being understood that such payments and the right thereto are nonassignable and nontransferable.

12. Binding Effect. Subject to the provisions of Section 11 above, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, the Executive's heirs and personal representatives, and the successors and assignees of the Employer.

13. Prior Employment Agreements and Obligations. The Executive represents and warrants to the Employer that he has fulfilled all of the terms and conditions of all prior employment agreements and employer policies to which he may be a party or have been a party, and that at the time of execution of this Agreement, the Executive is not a party to or otherwise restricted by any other employment agreement, non-solicitation agreement, non-competition covenant, confidentiality or nondisclosure agreement (other than the Non-Disclosure Agreement) in any manner which would prevent the Executive from performing the services contemplated by this Agreement. The Executive represents and warrants that nothing contained in any agreement that he has with any parties shall preclude the Executive from performing all of his duties, obligations and covenants as contained in this Agreement. The Employer is entering into this Agreement solely for the expertise and experience of the Executive, and the Employer expressly forbids the Executive from using or disclosing any confidential information or trade secrets of any prior employer or other third party in connection with the Executive's performance under this Agreement. The Executive represents and warrants to the Employer that he has not and will not in the future, take, use or disclose the confidential information or trade secrets of a third party for the benefit of the Employer.

14. Parol Evidence. This Agreement and the Non-Disclosure Agreement (and any other agreements incorporated by reference herein) constitutes the sole and complete agreement between the Parties hereto as to the matters contained herein, and no verbal or other statements, inducements or representations have been made to or relied upon by either Party, and no modification hereof shall be effective unless in writing, signed, and executed in the same manner as this Agreement; provided, however, that the amount of compensation to be paid to the Executive for services to be performed for the Employer may be changed from time to time by the Parties hereto by written agreement without in any other way modifying, changing, or affecting this Agreement and the performance by the Executive of any of the duties of his employment with the Employer. The

provisions of this Agreement supersede the provisions of the Original Employment Agreement in their entirety.

15. Waiver. Any waiver to be enforceable must be in writing and executed by the Party against whom the waiver is sought to be enforced.

16. Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the state of Texas, Alaska, or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

17. Mutual Waiver of Jury Trial. THE EMPLOYER AND THE EXECUTIVE EACH WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE EMPLOYER AND THE EXECUTIVE EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

18. Attorneys' Fees. If any litigation is instituted to enforce or interpret the provisions of this Agreement or the transactions described herein, the prevailing Party in such action shall be entitled to recover its reasonable attorneys' fees from the other Party or Parties hereto.

19. Drafting. Each of the Parties hereto acknowledges that each Party was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor or against any Party hereto because one is deemed to be the author thereof.

20. Multiple Counterparts. This Agreement may be executed in multiple counterparts, including by facsimile transmission and email in portable document format, each of which shall have the force and effect of an original, and all of which shall constitute one and the same agreement.

21. Acknowledgment of Enforceability. The Executive acknowledges and agrees that this Agreement contains reasonable limitations as to time, geographical area, and scope of activity to be restrained that do not impose a greater restraint than is necessary to protect the goodwill or

other business interest of the Employer. Therefore, the Executive agrees that all restrictions are fairly compensated for and that no unreasonable restrictions exist.

22. Reconstruction of Agreement. Should a court of competent jurisdiction or an arbitrator having jurisdiction declare any of the provisions of this Agreement unenforceable due to any unreasonable restriction of time, geographical area, scope of activity, or otherwise, in lieu of declaring such provision unenforceable, the court, to the extent permissible by law, shall, at the Employer's request, revise or reconstruct such provisions in a manner sufficient to cause them to be enforceable.

23. Confidentiality. The Executive acknowledges and agrees that the terms and conditions and the financial details of this Agreement are confidential, and the Executive agrees that he will not disclose the same to non-parties under any circumstances unless compelled by law.

24. Section 409A.

(a) To the extent applicable, this Agreement shall be interpreted and administered in a manner so that any amount or benefit payable shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and applicable guidance and regulations issued thereunder ("Section 409A"). The parties agree to work together in good faith in an effort to comply with Section 409A and any provision that would cause this Agreement to fail to satisfy Section 409A shall have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). In addition, for purposes of this Agreement, each amount to be paid or benefit to be provided to the Executive pursuant to this Agreement shall be construed as a separate identified payment for purposes of Section 409A.

(b) With respect to any amount of expenses eligible for reimbursement under this Agreement, such expenses shall be reimbursed by the Company within thirty (30) days following the date on which the Company receives the applicable documentation from the Executive in accordance with its expense reimbursement policies, but in no event later than the last day of the Executive's taxable year following the taxable year in which the Executive incurs the related expenses. In no event shall the reimbursements or in-kind benefits to be provided under this Agreement in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor will the Executive's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

(c) Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed as of the Executive's Termination Date to be a "Specified Employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Code Section 409A(a)(2)(B), such payment or benefit (the "Delayed Payment") shall not be made or provided prior to the earlier of (i) the first business day of the seventh month measured from the date of the Executive's separation from service (within the meaning of Section 409A or (ii) the date of the Executive's death (the "Delay Period"). Upon the expiration of the Delay Period (the "Permissible Payment Date"), all Delayed Payments (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum on the Permissible Payment Date, and any remaining payments and

benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

25. Counsel. The Executive acknowledges that he is executing a legal document that contains certain duties, obligations and restrictions as specified herein. The Executive furthermore acknowledges that he has been advised of his right to retain legal counsel, and that he has either been represented by legal counsel prior to his execution hereof or has knowingly elected not to be so represented.

By signing below, the Executive acknowledges that he has received, read, and agrees to adhere to the terms and conditions contained within this Agreement.

[Signatures on the following page]

NAI-1508725839v2

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

EMPLOYER:

SAExplorations Holdings, Inc.

By:

Name:

Title:

EXECUTIVE:

By: /s/ Michael J. Faust

Name: Michael J. Faust



FOR IMMEDIATE RELEASE

SAEXPLORATION APPOINTS INDUSTRY VETERAN MICHAEL FAUST AS INTERIM PRESIDENT IN ADDITION TO ROLE AS EXECUTIVE CHAIRMAN OF THE BOARD

August 22, 2019 – HOUSTON, TX – **SAExploration Holdings, Inc. (NASDAQ: SAEX, OTCQB: SXPLW)** today announced the appointment of industry veteran Michael Faust as interim President of the Company with immediate effect. Additionally, as previously disclosed, Mr. Faust has assumed the role of Executive Chairman of the Board of Directors of SAExploration.

Mr. Faust brings to SAE deep industry experience, combined with a working knowledge of our operations, customers and employees. Prior to being appointed Executive Chairman of the Board, he was serving as the Lead Independent Director of the Board. As previously noted, Mr. Faust has served on the Board of Directors of Obsidian Energy Ltd., a Canadian-listed public company in the oil and natural gas industry, since April 2018, and is continuing in his roles of Director and interim President and CEO. Mr. Faust has served on the Board of Directors of Parker Drilling Company, a U.S.-listed provider of drilling services and rental tools to the energy industry in the U.S. and international markets since March 2019. Previously, Mr. Faust had a long career of increasing responsibilities with ExxonMobil and ConocoPhillips. Mr. Faust earned his Master of Arts degree in Geophysics from the University of Texas at Austin in 1984, and his Bachelor of Science degree in Geology from the University of Washington in 1981.

About SAExploration Holdings, Inc.

SAE is an international oilfield services company offering a full range of vertically-integrated seismic data acquisition, data processing and interpretation, and logistical support services throughout North America, South America, Asia Pacific, Africa and the Middle East. In addition to the acquisition of 2D, 3D, time-lapse 4D and multi-component seismic data on land, in transition zones and offshore in depths reaching 3,000 meters, SAE offers a full suite of data processing and interpretation services utilizing its proprietary, patent-protected software, and also provides in-house logistical support services, such as program design, planning and permitting, camp services and infrastructure, surveying, drilling, environmental assessment and reclamation, and community relations. SAE operates crews around the world, performing major projects for its blue-chip customer base, which includes major integrated oil companies, national oil companies and large independent oil and gas exploration companies. With its global headquarters in Houston, Texas, SAE supports its operations through a multi-national presence in the United States, United Kingdom, Canada, Peru, Colombia, Bolivia, Malaysia, Singapore, and Australia. For more information, please visit SAE's website at www.saexploration.com.

The information in SAE's website is not, and shall not be deemed to be, a part of this notice or incorporated in filings SAE makes with the Securities and Exchange Commission.

Forward Looking Statements

Except for statements of historical fact, the matters discussed herein are “forward-looking statements” within the meaning of the applicable U.S. federal securities laws. The words “may,” “possible,” “estimates,” “expects,” “believes” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements, including statements regarding the possible impact of the matters summarized in this press release, may or may not be realized, and differences between estimated results and those actually realized may be material.

Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, risks relating to known and unknown uncertainties, including:

- the outcome of the SEC investigation, which could include sanctions against the Company and its officers and directors, civil lawsuits and criminal penalties;
- the impact of the restatement and conclusion of the Company regarding the effectiveness of its internal controls and disclosure controls and procedures, among other things;
- the outcome of the Company’s own investigation into the matters summarized in this press release;
- additional risks may arise in the process of completing the restatement and related disclosures to be revised;
- the possible impact on payments received from the State of Alaska regarding completed tax credits and pending applications;
- risks related to a possible delisting from the Nasdaq Capital Market;
- risks related to the Company’s debt agreements;
- the impact that the disclosure in this press release, as well as possible future filings and disclosures may have on the Company’s business, including customers, employees and others;
- the impact of the placement on administrative leave of Mr. Hastings and the termination of Mr. Whiteley;
- the time and expense required to complete the restatement, revised disclosures, respond to the SEC and for the Company to complete its own investigation, which expenses are likely to be material and are likely to have a material adverse impact on the Company’s cash balance, cash flow and liquidity; and
- other risks described more fully in the Company’s filings with the SEC that relate to matters not covered in this press release.

Each of these risks, and the known and unknown consequences of these risks, could have a material negative impact on the Company, its business and prospects. As of the date of this press release, the Company cannot make any assurances regarding the impact or outcome of these risks. Forward-looking statements reflect the views of the Company as of the date hereof. The Company does not undertake to revise these statements to reflect subsequent developments, other than in compliance with U.S. federal securities laws and the Company’s determination that any such revised disclosure is necessary or advisable to do.

Contact

SAExploration Holdings, Inc.
Ryan Abney

[Safety. Acquisition. Experience](#)

saexploration.com

Vice President, Finance
(281) 258-4400
rabney@saexploration.com

saexploration.com

Safety. Acquisition. Experience