
**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 14, 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
(Address of principal executive offices)

77079
(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))

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

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.

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

The Securities and Exchange Commission (the “SEC”) has been conducting an investigation of SAExploration Holdings, Inc. (the “Company”) relating to revenue recognition, accounts receivable, tax credits and other related matters. The Company has been cooperating, and will continue to cooperate, in good faith with the SEC and has retained legal counsel and an accounting advisor to assist the Company with respect to this matter.

The Company’s Board of Directors (the “Board”) has established a Special Committee of independent directors to oversee the Company’s investigation and determine and take any actions on behalf of the Company in response to the SEC investigation and the matters related to it. The Company’s legal counsel and accounting adviser retained to assist the Company with respect to these matters report directly to the Special Committee. The Audit Committee also has undertaken an assessment of the accuracy of the Company’s historical financial statements and related disclosures that were contained in certain previously filed Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

On August 14, 2019, the Board concluded that the Company’s previously issued consolidated financial statements and financial information relating to each of the fiscal years ended December 31, 2015, 2016, 2017 and 2018 contained in its Annual Reports on Form 10-K and its condensed consolidated financial statements for the quarters and year-to-date periods ended June 30 and September 30, 2015; March 31, June 30 and September 30, 2016; March 31, June 30 and September 30, 2017; March 31, June 30 and September 30, 2018; and March 31, 2019 (collectively, the “Non-Reliance Periods”), contained errors and should be restated. As a result, the consolidated financial statements and other financial information, any press releases, investor presentations or other communications related thereto covering the Non-Reliance Periods should no longer be relied upon. The Board’s decision to restate the financial statements for the Non-Reliance Periods arose from the Company’s re-evaluation of its relationship with Alaska Seismic Ventures (“ASV”). The Company has determined that ASV is a variable interest entity (“VIE”) and that the Company had a controlling financial interest in ASV that required it to consolidate ASV during the Non-Reliance Periods in accordance with accounting principles generally accepted in the United States. The full impact of the errors contained in the Company’s financial statements and related disclosures has not yet been determined, but, based on the knowledge the Company has at this time, it is reasonable to conclude that the errors will be material to the financial statements relating to the Non-Reliance Periods. Although the Company cannot, at this time, estimate when it will file its restated financial statements for the Non-Reliance Periods, it is diligently pursuing completion of the restatement and intends to make such filings as expeditiously as possible.

In light of the above, the Company has determined that a material weakness exists in the Company’s internal control over financial reporting and that disclosure controls and procedures were ineffective during the Non-Reliance Period. The Company will amend any disclosures pertaining to its evaluation of such controls and procedures as appropriate in connection with the restated filings.

The Company's Audit Committee has discussed the foregoing matters with Pannell Kerr Forster of Texas, P.C., the Company's independent registered public accounting firm, who supports the Company's determination.

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

On August 15, 2019, the Board (1) placed Jeffrey Hastings, Chief Executive Officer of the Company on administrative leave, (2) appointed Michael Faust, the current lead independent director on the Board, Chairman of the Board, (3) terminated Brent Whiteley as Chief Financial Officer, General Counsel and Secretary of the Company and (4) appointed Kevin Hubbard as Interim Chief Financial Officer and Interim Secretary of the Company. Concurrently therewith, the Company entered into the Second Amendment to the Amended and Restated Executive Employment Agreement with Mr. Hastings in connection with his resignation as a director and as Chairman of the Board. Additionally, the Company entered into an engagement letter with Mr. Hubbard's firm, Ham, Langston & Brezina, LLP.

The Company expects to name an Interim Chief Executive Officer in the near future.

Brent Whiteley

On August 15, 2019, Mr. Whiteley was terminated from his positions as Chief Financial Officer, General Counsel and Secretary of the Company.

Kevin Hubbard, CPA

Effective as of August 15, 2019, the Board appointed Kevin Hubbard, CPA, as Interim Chief Financial Officer and Interim Secretary of the Company. Since April 2017, Mr. Hubbard has served as a partner at Ham, Langston & Brezina, LLP. From 1997 to 2017, prior to joining Ham, Langston & Brezina, LLP, Mr. Hubbard served in various capacities at BDO USA, LLP, most recently as the Regional Managing Partner of Assurance for the Southwest Region at BDO USA, LLP. Mr. Hubbard earned a B.S. in Accounting from the University of Houston – Clear Lake.

In connection with Mr. Hubbard's service as Interim Chief Financial Officer and Interim Secretary, the Company and Ham, Langston & Brezina, LLP entered into an engagement letter, effective as of August 15, 2019. The foregoing description of the engagement letter does not purport to be complete and is qualified in its entirety by the full text of the engagement letter, a copy of which is attached hereto as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

There are no transactions between the Company and Mr. Hubbard that would be reportable under Item 404(a) of Regulation S-K of the rules and regulations of the SEC. In addition, the Company has determined that there are no family relationships between Mr. Hubbard and any director or executive officer of the Company.

Jeffrey Hastings

Pursuant to the Second Amendment to the Amended and Restated Executive Employment Agreement (the “Amendment”) entered into as of August 15, 2019, between the Company and Mr. Hastings, Mr. Hastings has been placed on administrative leave. Mr. Hastings has agreed to cooperate with the Company with respect to the SEC investigation referred to above and certain other matters including the transition of his duties as the Chief Executive Officer of the Company when the Company appoints an Interim Chief Executive Officer, among other things. Other terms of Mr. Hastings’ Amended and Restated Executive Employment Agreement remained as they were in all material respects. The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by the full text of the Amendment, a copy of which is attached hereto as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, on August 15, 2019, Mr. Hastings resigned his position as an officer and director of the Company, including his position as Chairman of the Board, and Michael Faust, the current lead independent director on the Board, was nominated and became the new Chairman of the Board.

Michael Faust

Effective August 15, 2019, Mr. Faust became the new Chairman of the Board. Mr. Faust brings to the Company deep industry experience, combined with a working knowledge of the Company’s operations, customers and employees. Prior to becoming Chairman of the Board, Mr. Faust 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.

There are no transactions between the Company and Mr. Faust that would be reportable under Item 404(a) of Regulation S-K of the rules and regulations of the SEC. In addition, the Company has determined that there are no family relationships between Mr. Faust and any director or executive officer of the Company

Item 8.01 Other Events.***Form 12b-25***

On August 15, 2019, the Company filed with the SEC the Form 12b-25 with respect to its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019, which the Company expects will not be filed within the five-day extension period of Rule 12b-25.

Nasdaq Notice of Non-Compliance

In connection with the Company's delayed Form 10-Q filing, the Company expects to receive a formal notification from the Listing Qualifications Department of the Nasdaq Capital Market stating that the Company is not in compliance with the requirements for continued listing under Nasdaq Listing Rule 5250(c)(1) because it did not timely file its Form 10-Q for the quarterly period ended June 30, 2019. The Company expects to submit a plan to regain compliance with the exchange's listing rules as soon as practicable.

Discussions with Debt Holders

In connection with the restatement, the Company is in discussions with holders of a majority of its outstanding debt, as to whether or not there are defaults under the debt agreements, with the goal of agreeing to a path forward in a way that is constructive for the Company, its shareholders and employees and the debt holders. The agreements are the indenture under which the Company issued its 10.00% Senior Secured Second Lien Notes due 2019, as amended (of which there was approximately \$7 million outstanding as of March 31, 2019), the indenture under which the Company issued its 6.00% Senior Secured Convertible Notes due 2023 (of which there was approximately \$60 million outstanding as of March 31, 2019), the Term Loan and Security Agreement dated as of June 29, 2016 among the Company, as Borrower, the Guarantors Named Therein, as Guarantors, the Lenders From Time to Time Party Thereto and Delaware Trust Company, as Collateral Agent and Administrative Agent, as amended (of which there were approximately \$29 million in loans outstanding as of March 31, 2019) and the Third Amended and Restated Credit and Security Agreement dated as of September 26, 2018 among SAExploration, Inc., a subsidiary of the Company, as Borrower, the Guarantors Named Therein, as Guarantors, the Lenders From Time to Time Party Thereto and Cantor Fitzgerald Securities, as Agent (of which there were approximately \$22 million in loans outstanding as of March 31, 2019). The Company cannot provide any assurance that the Company will be successful in coming to any agreement with its debt holders regarding these matters, quickly or at all or on what terms.

Press Release

On August 15, 2019, the Company issued a press release with respect to the foregoing disclosures. 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:

- 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 Form;
- 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 described above;
- 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 impact of the placement on administrative leave of Mr. Hastings and the termination of Mr. Whiteley, as summarized above;
- 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.

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.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Engagement Letter, dated as of August 15, 2019, between SAExploration Holdings, Inc. and Ham, Langston & Brezina, LLP
10.2	Second Amendment to the Amended and Restated Executive Employment Agreement, dated as of August 15, 2019, between SAExploration Holdings, Inc. and Jeffrey Hastings
99.1	Press Release, dated as of August 15, 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.

Date: August 16, 2019

SAExploration Holdings, Inc.

By: /s/ Kevin Hubbard

Name: Kevin Hubbard

Title: Interim Chief Financial Officer

11550 Fuqua St., Ste. 475
Houston, Texas 77034
281-481-1040 Main
hlb-cpa.com



August 7, 2019

Mr. L. Melvin Cooper
Audit Committee Chairman
SAExploration Holdings, Inc.
1160 Dairy Ashford, Suite 160
Houston, TX 77079

Re: Agreement for Consulting Services

Dear Mel:

Thank you for selecting Ham, Langston & Brezina, L.L.P. (“HL&B” or “we”). We appreciate the opportunity to provide advisory, accounting and interim CFO services to SAExploration Holdings, Inc. and its subsidiaries (“Client” or “you”). As explained below, we will provide professional services to you under an Agreement for Consulting Services (“Agreement”).

The attached Terms and Conditions sets forth the standard terms and conditions that will govern HL&B’s provision of consulting services to you. The Terms and Conditions shall be effective for a period of three years beginning on the date of this letter. Once effective, you may engage HL&B to perform services for you under a statement of work (“SOW”). A separate SOW will be required for each project that HL&B performs for you. Each SOW or any other services provided during the above-referenced period, along with this letter and the Terms and Conditions, shall constitute the Agreement. Work performed outside a separate SOW will be at our standard rates, or rates otherwise agreed to, and related expenses will be charged.

Please acknowledge your acceptance of the foregoing by signing and returning a copy of this letter to Kevin Hubbard.

Houston | Galleria | Galveston

SAExploration Holdings, Inc.
August 7, 2019
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If you have any questions, please contact Kevin Hubbard at 281-617-0273.

Very truly yours,

Ham, Langston & Brezina, L.L.P.

By: /s/ Kevin Hubbard
Name: Kevin Hubbard
Title: Partner

Date: August 8, 2019

Accepted and Agreed to by:

SAExploration Holdings, Inc.

By: /s/ L. Melvin Cooper
Name: L. Melvin Cooper
Title: Audit Committee Chairman

Date: August 15, 2019

HAM, LANGSTON & BREZINA, L.L.P.
Terms and Conditions

1. General. These Terms and Conditions shall apply to all services HL&B performs at Client's request (the "Services") even if such services are not expressly covered by a Statement of Work ("SOW"). To the extent there is any conflict or inconsistency between the Terms and Conditions and any SOW, unless otherwise agreed to in writing, the Terms and Conditions shall prevail.

2. Termination. Each party shall have the right to terminate this Agreement and/or any SOW, as applicable, at any time by giving written notice to the other party not less than 10 business days before the effective date of termination. If this Agreement terminates or is terminated while one or more SOWs remain outstanding, the terms of this Agreement shall continue to govern the SOW, and the entire Agreement shall be deemed finally terminated only upon termination of all outstanding SOWs, or completion of the work thereunder. Termination of one or more SOWs will not terminate this Agreement. In addition, HL&B may terminate this Agreement and/or any SOW immediately if HL&B reasonably determines that it must do so in order to comply with applicable professional standards, applicable laws or regulations (e.g., a conflict of interest arises). If the Agreement and/or any SOW is terminated, Client agrees to compensate HL&B for the Services performed and expenses incurred through the effective date of termination.

3. Indemnification and Limitation of Liability. As the Services are intended for Client and not third parties, Client agrees to release, indemnify and hold harmless HL&B and its members, partners, employees, contractors and agents (collectively "HL&B Group") from and against any and all third-party claims, liabilities, or expenses relating to the Services in contract, statute, or tort. Client further agrees to release, indemnify and hold harmless HL&B Group from any liability and costs relating to the Services attributable to any misrepresentations made by Client. Except to the extent finally determined to have resulted from HL&B Group's gross negligence or intentional misconduct, HL&B Group's liability shall not

exceed the aggregate amount of fees paid by Client to HL&B during the 12 months preceding the date of the claim pursuant to the applicable SOW or such other work performed outside an SOW, under which the Claim arose. In no event shall HL&B Group be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to the Agreement.

4. Third-Parties and Use. All Services hereunder shall be solely for Client's use and benefit pursuant to our client relationship. This engagement does not create privity between HL&B and any person or party other than you, and is not intended for the express or implied benefit of any third party. Although you may disclose our advice, opinions, reports, or other services (but not our work papers) to any person without limitation, no third party is entitled to rely, in any manner or for any purpose, on the Services or deliverables of HL&B hereunder.

5. HL&B Responsibilities. HL&B's Services will not constitute an audit, review, examination or other form of attestation. HL&B shall have no responsibility to address any legal matters or questions of law. Subsequent to the completion of the Services, HL&B will update its advice, recommendations or work product for changes or modifications to the law and regulations or for subsequent events or transactions, only if Client separately engages HL&B to do so in writing.

6. Fees and Expenses. The fees and expenses under this Agreement shall be set forth in the applicable SOW. If no SOW is in place, fees will be at our standard rates, or rates otherwise agreed to, and related expenses will be charged. HL&B may charge additional fees if Client requests that HL&B perform services in addition to the Services described in the SOW. The amount of our fees is based upon the expectation that certain information and assistance will be received by HL&B in a timely manner from Client as detailed in this Agreement. If HL&B believes an additional fee is required as the result of the failure of Client to meet any of

these requests for information or for any other reason, HL&B will inform you promptly.

Unless otherwise agreed to in an SOW, our standard practice is to render our invoices on a monthly basis. Payment of our invoices is due upon receipt. Invoices that are unpaid 30 days past the invoice date are deemed delinquent and we reserve the right to charge interest on the past due amount at the lesser of 1.0% per month or the maximum amount permitted by law. If an account has fees that are not paid in a timely manner, then we reserve the right to suspend our Services, withhold delivery of any deliverables, or withdraw from this engagement entirely if any payment of our invoices is delinquent. If any collection action is required, you agree to reimburse us for our costs of collection, including attorneys' fees.

7. Dispute Resolution; Claims. Any dispute or claim between you and HL&B arising out of or relating to the Agreement or a breach of the Agreement, including, without limitation, claims for breach of contract, professional negligence, breach of fiduciary duty, misrepresentation, fraud and disputes regarding attorney fees and/or costs charged under this Agreement (except to the extent provided below) shall be submitted to binding arbitration before the American Arbitration Association, and subject to the Commercial Arbitration Rules. The arbitration proceeding shall take place in the city in which the HL&B office providing the majority of the Services involved is located, unless the parties agree in writing to a different location. The arbitration shall be governed by the provisions of the laws of the State of Texas (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of such state shall be applied without reference to conflicts of law rules. The parties shall bear their own legal fees and costs for all claims. The arbitration proceedings shall be confidential. You acknowledge that by agreeing to this Arbitration provision, you are giving up the right to litigate claims against

HL&B, and important rights that would be available in litigation, including the right to trial by judge or jury, to extensive discovery and to appeal an adverse decision. You acknowledge that you have read and understand this arbitration provision, and that you voluntarily agree to binding arbitration.

No claim or action arising out of or relating to this Agreement or the Services hereunder may be brought by either party hereto (i) more than 24 months after the claiming party first knows or has reason to know that the claim or cause of action has accrued, or (ii) more than 60 months following the completion of the Services to which the claim relates. This paragraph will shorten, but in no event extend, any otherwise legally applicable period of limitations on such claims.

8. Power and Authority. Each of the parties hereto has all requisite power and authority to execute and deliver this Agreement and to carry out and perform its respective obligations hereunder. This Agreement constitutes the legal, valid and binding obligations of each party, enforceable against such party in accordance with its terms.

9. Subpoenas. If Client requests HL&B to object to or respond to, or HL&B receives and responds to, a validly issued third party subpoena, court order, government regulatory inquiry, or other similar request of or legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements with Client, you agree to compensate us for all time HL&B expends in connection with such response, at our regular rates, and to reimburse HL&B for all related out-of-pocket costs (including outside lawyer fees) that we incur.

10. Email Communications. HL&B disclaims and waives, and the Client releases HL&B from, any and all liability for the interception or unintentional disclosure of email transmissions or for the unauthorized

use or failed delivery of emails transmitted or received by HL&B in connection with the performance of the Services.

11. External Computing Options. If, at the Client's request, HL&B agrees to use certain external commercial services, including but not limited to services for cloud storage, remote control, and/or file sharing options (collectively "External Computing Options"), that are outside of HL&B's standard security protocol, the Client acknowledges that such External Computing Options may be associated with heightened security and privacy risks. Accordingly, HL&B disclaims and waives, and the Client releases HL&B from, any and all liability arising out of or related to the use of such External Computing Options.

12. Electronic Transmissions. This Agreement may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this Agreement must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties to this Agreement and all other persons or entities required by law. An electronically transmitted signature to this Agreement will be deemed an acceptable original for purposes of consummating this Agreement and binding the party providing such electronic signature.

13. Severability. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable in whole or in part, for any reason whatsoever, such portion of this Agreement shall be amended to the minimum extent required to make the provision enforceable and the remaining portions of this Agreement shall remain in full force and effect.

14. Independent Contractor. HL&B is providing the Services to Client as an independent contractor. HL&B's obligations to Client are exclusively contractual in nature. This Agreement does not create any agency, employment, partnership, joint venture, trust, or other fiduciary relationship

between the parties. Neither HL&B nor Client shall have the right to bind the other to any third party or otherwise to act in any way as a representative or agent of the other except as otherwise agreed in writing between the parties.

15. Confidentiality. Each of the parties hereto shall treat and keep any and all of the "Confidential Information" as confidential, with at least the same degree of care as it accords to its own confidential information, but in no event less than a reasonable degree of care. "Confidential Information" means all non-public information that is marked as "confidential" or "proprietary" or that otherwise should be understood by a reasonable person to be confidential in nature that is obtained by one party (the "Receiving Party") from the other party (the "Disclosing Party"). All terms of this Agreement and all information provided pursuant to this Agreement are considered Confidential Information. Notwithstanding the foregoing, Confidential Information shall not include any information that was or is: (a) known to the Receiving Party prior to disclosure by the Disclosing Party; (b) as of the time of its disclosure, or thereafter becomes, part of the public domain through a source other than the Receiving Party; (c) made known to the Receiving Party by a third person who is not subject to any confidentiality obligation known to Receiving Party and such third party does not impose any confidentiality obligation on the Receiving Party with respect to such information; (d) required to be disclosed pursuant to governmental authority, professional obligation, law, decree regulation, subpoena or court order; or (e) independently developed by the Receiving Party. In no case shall the tax treatment or the tax structure of any transaction be treated as confidential as provided in Treas. Reg. sec. 1.6011-4(b)(3). If disclosure is required pursuant to subsection (d) above, the Disclosing Party shall (other than in connection with routine supervisory examinations by regulatory authorities with jurisdiction and without breaching any legal or regulatory requirement) provide prior written notice

thereof to allow the other party to seek a protective order or other appropriate relief. Upon the request of the Disclosing Party, the Receiving Party shall return or destroy any and all of the Confidential Information except for (a) copies retained in work paper files retained to comply with a party's professional or legal obligations and (b) such Confidential Information located on electronic back-up tapes (in accordance with the Receiving Party's normal data back-up procedures) where such tapes are not easily accessible to Receiving Party's employees or partners.

16. Entire Agreement. This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations, or understandings, whether oral or written, with respect to the subject matter herein. This Agreement may not be changed, modified, or waived in whole or part except by an instrument in writing signed by both parties.



11550 Fuqua St., Ste. 475
Houston, Texas 77034
281-481-1040 Main
hlb-cpa.com

August 7, 2019

Mr. L. Melvin Cooper
Audit Committee Chairman
SAExploration Holdings, Inc.
1160 Dairy Ashford, Suite 160
Houston, TX 77079

Re: Statement of Work – Related to Agreement of Consulting Services and Terms and Conditions Dated August 7, 2019

Dear Mel:

This Statement of Work (“SOW”) for consulting services, along with the letter dated August 15, 2019 and accompanying Terms and Conditions (which are incorporated into this SOW by reference), constitute the Agreement for Consulting Services (“Agreement”) between Ham, Langston & Brezina, L.L.P. (“HL&B” or “we”) and SAExploration Holdings, Inc. and its subsidiaries (“Client” or “Company” or “you”). To the extent there is any conflict or inconsistency between the Terms and Conditions and any SOW, unless otherwise agreed to in writing, the Terms and Conditions shall prevail.

The SOW is effective on August 15, 2019. Any term or condition incorporated into this SOW that is an addition to the terms and conditions contained in the Terms and Conditions applies only to the services (described below) provided under this SOW.

Scope of Services

HL&B agrees to provide the advisory, accounting and interim CFO services.

Fee Arrangement

HL&B’s fees for Services will be at our standard rates for the professional providing the services, or rates otherwise agreed to.

We will also bill you for our reasonable out-of-pocket expenses and our internal charges for certain support activities. Our internal charges include certain flat-rate amounts that reflect an allocation of estimated costs associated with general office services such as computer usage, telephone charges, facsimile transmissions, postage and photocopying.

If you have any questions pertaining to this SOW, please contact Kevin Hubbard at 281-617-0273.

Houston | Galleria | Galveston

SAExploration Holdings, Inc.
August 7, 2019
Page 2

HL&B values your business and looks forward to providing quality professional services to your Company.

Very truly yours,

Ham, Langston & Brezina, L.L.P.

By: /s/ Kevin Hubbard
Name: Kevin Hubbard
Title: Partner

Date: August 8, 2019

Accepted and Agreed to by:

SAExploration Holdings, Inc.

By: /s/ L. Melvin Cooper
Name: L. Melvin Cooper
Title: Audit Committee Chairman

Date: August 15, 2019

**SECOND AMENDMENT TO THE AMENDED AND RESTATED EXECUTIVE
EMPLOYMENT AGREEMENT**

This Second Amendment to the Amended and Restated Executive Employment Agreement (the "Amendment") is effective as of August 15, 2019 ("Effective Date") and is entered into by and between SAExploration Holdings, Inc., a Delaware corporation (the "Employer" or the "Company"), and Jeffrey Hastings (the "Executive"). This Amendment hereby amends Executive Employment Agreement between Employer and the Company, as amended by that certain First Amendment to the Amended and Restated Executive Employment Agreement (the "Agreement"). Words and phrases used herein with initial capital letters that are defined in the Agreement are used herein as so defined.

I.

Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Administrative Leave. During the Term, Executive shall perform those duties as the Company may reasonably request from time to time. In addition, during the Term, the Company may place Executive on Administrative Leave. While on Administrative Leave, Executive will remain an employee of the Company and the following terms shall apply during any period of Administrative Leave:

- (a) Point of Contact. Mel Cooper ("Cooper"), Director, will be Executive's primary point of contact for matters relating to Employer's business and/or Executive's employment with the Company. Executive shall perform those services as Cooper may direct or approve from time to time.
- (b) Cooperation. Upon reasonable request, Executive agrees to cooperate with the Company and all individuals employed by the Company in any and all matters relating to the Company, including cooperation in any transition of his duties as Chief Executive Officer and Chairman of the Board, as well as any ongoing investigations by the Securities and Exchange Commission (the "SEC") and related investigations or any other related matters at the request of the Company.
- (c) No Interference. Executive agrees that he will not discuss with any current Company employees or potential or actual customers of the Company, or otherwise interfere with, directly or indirectly, any matters relating to the SEC investigation, the Company's own investigation, any Company business, or any related matters. Notwithstanding the foregoing, Executive may discuss these matters with Cooper, as well as others so long as Cooper gives Executive permission to do so. Nothing in this agreement inhibits or prohibits Executive from: (i) communicating with the SEC or any other government agency about any matter, or (ii) making disclosures that may be required by law or compelled by legal process.
- (d) Disclosure of Regulatory Issues. Executive represents and warrants that he has previously disclosed or will in the future disclose and advise the

Employment Agreement Amendment – Hastings

Company of all instances of any alleged regulatory violations or potential noncompliance of law by the Company of which he is aware. Executive further agrees that he will make no knowing and intentional misstatements of fact to Jones Day and Ankura investigators in interviews.

- (e) Access. Executive agrees that the Company may limit or prohibit access to the Company's electronic communications systems – including computer hardware, desk top computers, lap top computers, telephones, software, voicemail, e-mail, the network and all data – and Company assets, including but not limited to Company bank accounts.
- (f) Authority. Executive may not bind the Company contractually or otherwise unless approved by Cooper.

II.

Section 3 of the Agreement is hereby amended by deleting such section in its entirety.

III.

Section 5(b) of the Agreement is hereby amended by adding the following clause as subpart (iii).

The following shall not be deemed a "Good Reason" event, a material diminution in the nature and scope the Executive's authorities or duties, or a material breach of this Agreement: (a) any placement by the Company of Executive on Administrative Leave and (b) any actions taken by the Company consistent with this Amendment.

IV.

Section 5(h) of the Agreement is hereby amended in its entirety to read as follows

Although remaining an employee of the Company, Executive shall be deemed to have resigned from each position that he held as a director or officer of the Company prior to the date he signs this Amendment. Executive shall, at the request of the Company, forthwith execute any and all documents appropriate to evidence such resignations.

V.

The Agreement is hereby amended by adding the following paragraph as Section 27.

Preservation of Confidential Information. Executive agrees and represents that, during the Term, Executive will preserve all documents in his possession that constitute Confidential Information, and any and all Company property, including, but not limited to, smart phones, tablets, electronic storage devices, hard drives, laptop computers, desk top computers software and related program passwords, including any Confidential Information that resides on any of Executive's personal electronic devices

Except as specifically modified herein, the Agreement shall remain in full force and effect in accordance with all of the terms and conditions thereof. For the avoidance of doubt, nothing herein

amends or limits Executive's rights pursuant to Section 5(d) of the Agreement, as Executive retains all such rights. This Agreement may be executed in separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of an executed signature page to this Amendment by facsimile or other electronic transmission (including documents in Adobe PDF format) will be effective as delivery of a manually executed counterpart to this Amendment.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SAEXPLORATION HOLDINGS, INC.

By: /s/ L. Melvin Coopers

Name: L. Melvin Coopers

Title: Special Committee of SAE BOD Member

EXECUTIVE

By: /s/ Jeffrey Hastings

Name: Jeffrey Hastings

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**SAExploration Announces SEC Investigation; Establishment of Special
Committee; Restatement of Historical Financial Statements;
Appointment of Interim CFO**

Houston, TX—August 15, 2019—SAExploration Holdings, Inc. (NASDAQ: SAEX, OTCQB: SXPLW) (“SAE” or the “Company”) announced today that the Securities and Exchange Commission (the “SEC”) is conducting an investigation of the Company relating to certain accounting matters that arose in 2015-2016. The Company has been cooperating, and will continue to cooperate, in good faith with the SEC and has retained legal counsel and an accounting advisor to assist the Company with respect to this matter. The Company’s Board of Directors has established a Special Committee of independent directors to oversee the Company’s own internal investigation and response to the SEC.

The Company will restate its previously issued financial statements for the fiscal years ended December 31, 2015—2018 and for the quarters starting ended June 30, 2015—March 31, 2019 (collectively, the “Non-Reliance Periods”) and, as a result, will delay filing its 10-Q for the quarter ended June 30, 2019. As a result, the financial statements for the Non-Reliance Period should no longer be relied upon. The Board’s decision to restate these financial statements arose from the Company’s re-evaluation of its relationship with Alaska Seismic Ventures, LLC (“ASV”). The Company has determined that ASV was a variable interest entity and that the Company had a controlling financial interest in ASV that required it to consolidate ASV during the Non-Reliance Periods in accordance with accounting principles generally accepted in the United States. As a result of the above, the Company has determined that a material weakness exists in the Company’s internal control over financial reporting and that disclosure controls and procedures were ineffective during the Non-Reliance Periods. Accordingly, the Company will amend any disclosures pertaining to its evaluation of such controls and procedures as appropriate in connection with the restated filings. ASV is a data library company and the Company performed seismic services for ASV in 2015 and 2016. The need for restatement does not arise from SAE’s current operating activities. The Company’s Audit Committee has discussed the foregoing matters with Pannell Kerr Forster of Texas, P.C., the Company’s independent registered public accounting firm, who supports the Company’s determination. In connection with the restatement, the Company is in discussions with holders of a majority of its outstanding debt, as to whether or not there are defaults under the debt agreements, with the goal of agreeing to a path forward in a way that is constructive for the Company, its shareholders and employees, and the debt holders.

Michael Faust has been named Chairman of the Board, replacing Jeff Hastings, who has been placed on administrative leave and resigned as Chairman of the Board. The Company expects to name a new Chief Executive Officer in the near future. Kevin Hubbard, C.P.A. and Partner at Ham, Langston & Brezina, has been named Interim Chief Financial Officer, replacing Brent Whiteley, who has been terminated.

“We have taken swift action on each of these matters and will continue to do so until they are resolved,” said Michael Faust, Chairman of the Board. “This does not impact our day-to-day operations which have been delivering outstanding results for our customers and investors. We remain committed to our customers, whose missions we make our own, and we are grateful to the devoted men and women of SAExploration and the contributions they make every day to our customers and our company. We have a strong pipeline of committed projects, an excellent team to deliver those projects, and are poised for continued success.”

Mr. Faust brings to SAE deep industry experience, combined with a working knowledge of our operations, customers and employees. Prior to being appointed Chairman of the Board he was serving as the lead independent director. 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.

For more information, see the Company’s Current Report on Form 8-K filed with the SEC on August 16, 2019.

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.

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 the following known and unknown things:

- 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, as summarized above;
- 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:

Ryan Abney
Vice President, Finance
(281) 258-4409
rabney@saexploration.com