

Presentation of Q4 2017 results

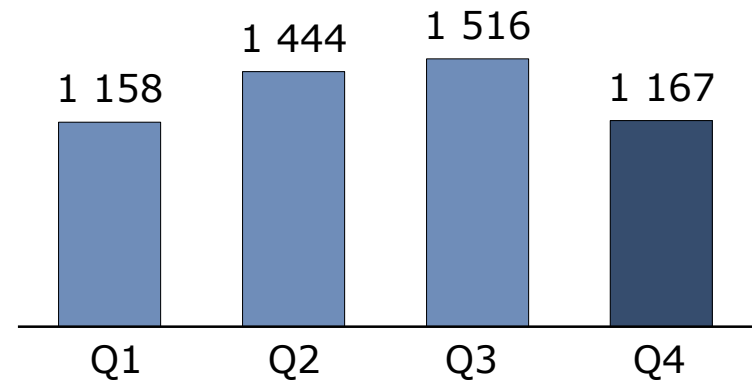
22 February 2018



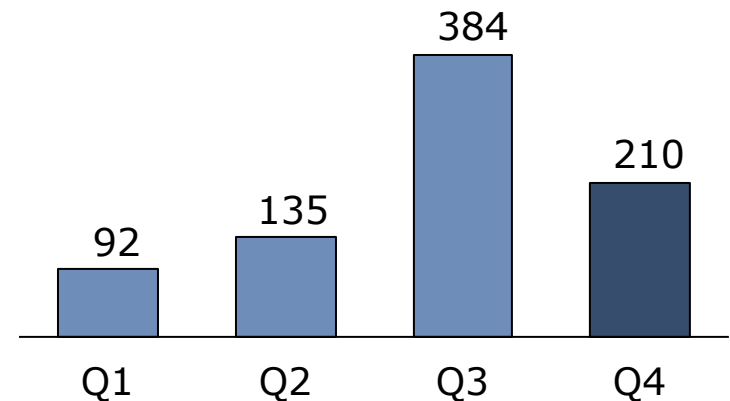
Quarter highlights

- Drop in revenues and EBITDA largely driven by seasonal lower activity
- Realization of merger synergies – cost-out target increased
 - Continuous focus on cutting costs, and increase efficiency
 - Operating costs expected to come down further in 2018
- Solid order intake during quarters – new awards of MNOK ~700
- Improved outlook, signs of increased activity across all vessel segments
 - Activity in both UK and NCS North Sea on the rise
- Project to spin-off non-core fleet initiated
 - No transaction concluded so far

REVENUES PER QUARTER – NOKm



ADJ. EBITDA PER QUARTER – NOKm



Q4 2017 in numbers – Income statement

<i>(NOK million)</i>	Q4 17	Q4 16	FY 2017	FY 2016
Total Operating Income	1 096	476	3 784	2 580
Vessel Operating Expenses	-811	-298	-2 624	-1 483
G&A expenses	-140	-66	-421	-223
Operational lease	-46		-85	
Operating expenses	-997	-364	-3 130	-1 706
Ordinary depreciation	-300	-148	-993	-477
Impairment	-395	-1 099	-395	-1 199
Net gain/loss on sale of vessels	3			1
Operating result	-593	-1 136	-734	-800
Gain from business combination			1 540	
Joint Venture & Associated Companies	13	21	-80	62
Total other items	13	21	1 460	62
Net agio	-217	-202	176	291
Other financial items	-346	-180	-1 231	-367
Result before taxes	-1 143	-1 497	-330	-815
EBITDA adjusted for operational lease	210	149	943	1 010

- Total operating income as presented in the income statement is net of
 - Excess values from freight contracts (ref. note 3 in 4Q Financial report)
 - income from Joint Ventures.

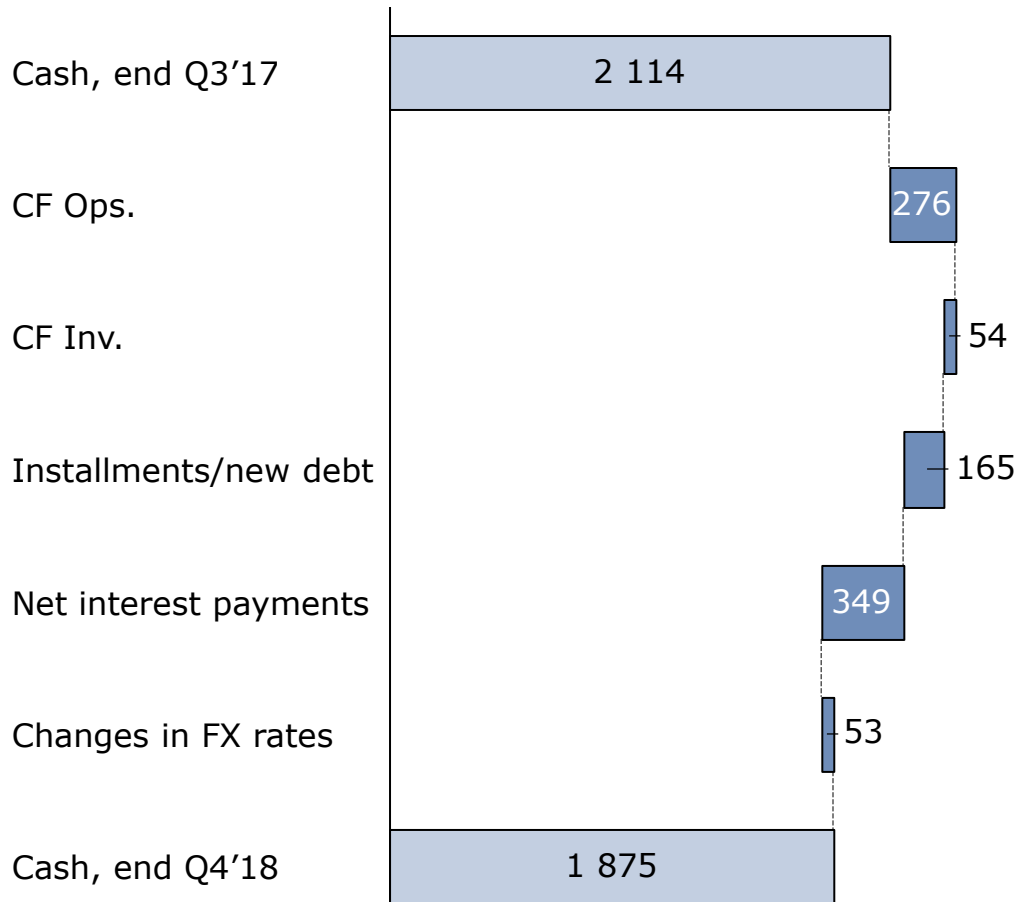
Q4 2017 in numbers – Balance sheet

<i>(NOK million)</i>	31.12.2017	30.09.2017	31.12.2016
Total fixed assets	32 333	32 649	19 317
Current assets excl. Cash	1 743	1 985	1 024
Cash and cash equivalents	1 875	2 114	1 750
Assets held for sale	188	196	194
Total Assets	36 138	36 944	22 285
Total equity	4 963	6 083	3 456
Long term debt to credit institutions	28 333	28 183	17 261
Other long term debt	840	742	561
Current liabilities excl. Short term debt	1 352	1 364	675
Current portion of long term debt	650	572	331
Total Equity and liabilities	36 138	36 944	22 285

Q4 2017 in numbers – Cash flow

CASH FLOW Q3'17-Q4'17

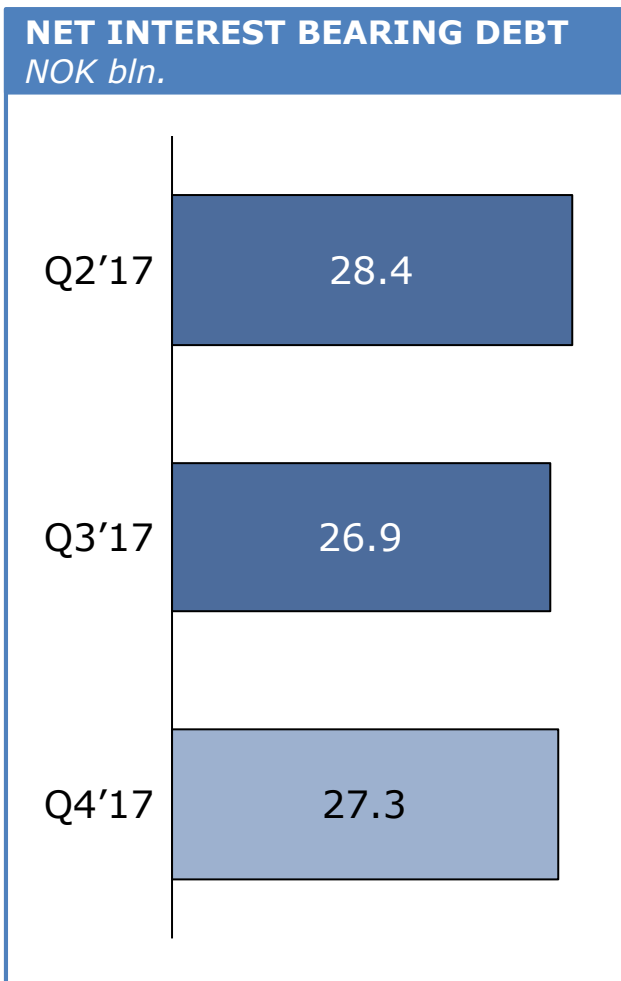
NOKm



COMMENTS

- Company's overall cash position of reduced over the quarter by MNOK 238 to MNOK 1,875 from MNOK 2,114
- Net cash flow from operations positive MNOK 276
- Net cash flow from investments negative MNOK 54
- Net interest paid MNOK 349, and net installments paid were MNOK 164

Net interest bearing debt



COMMENTS

- Net MNOK 165 installments paid during 4Q 2017
- Cash reduced by MNOK 238
- Negative currency effect of MNOK 482
- NIBD increased from NOK bln 26.9 to 27.3

- Total interest bearing debt of NOK bln 31.2 for the Group
- NOK bln 13.2 held by Solstad Farstad ASA
- NOK bln 18.0 held by non-recourse subsidiaries

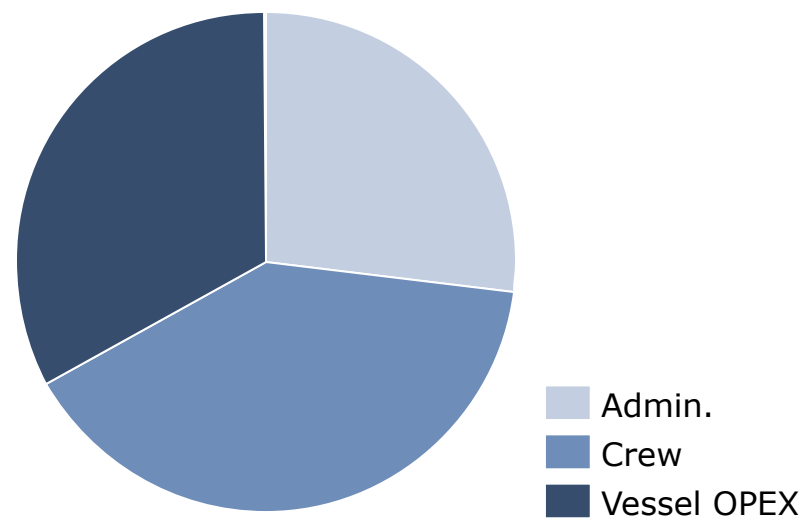
Merger synergies – target increased to NOKm 700-800 end of 2018

- Detailed synergy assessment run in parallel with integration process
- Revised top down view of potential of NOKm 700-800
- Plan for synergy realization currently being implemented

POTENTIAL SPLIT IN THREE BROAD AREAS

SYNERGY SPLIT

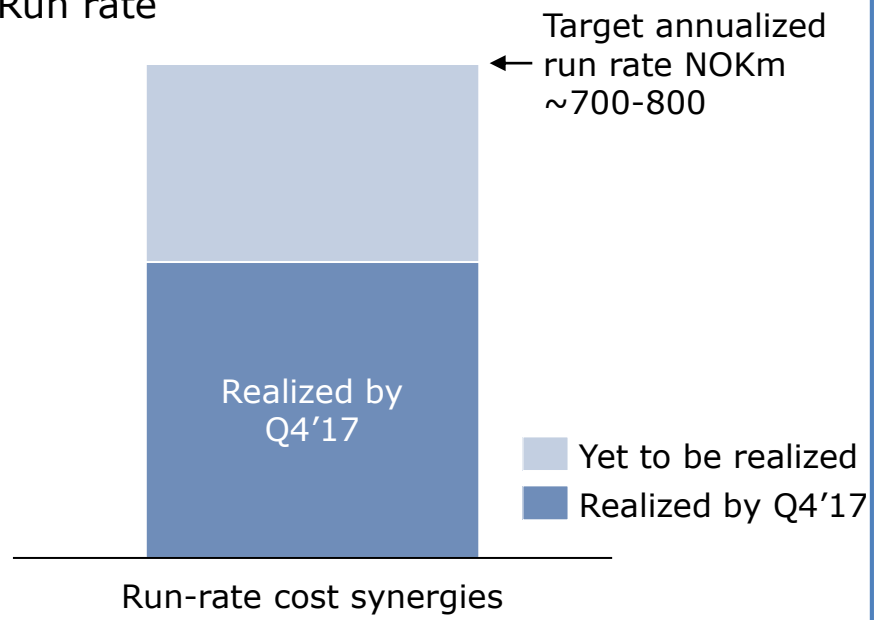
Allocation by category; run rate



NEW COST RUN-RATE TARGETED FROM 4Q 2018

SAVINGS POTENTIAL OVER TIME

Run rate



NOTE: Based on execution date, timing of P&L effect not considered; Based on current activity level

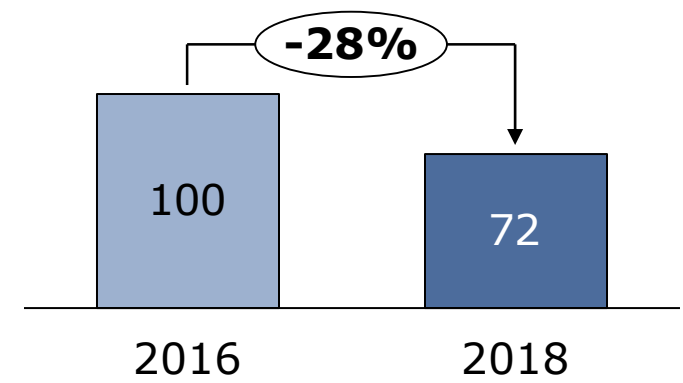
Merger synergies case study: Reduced vessel OPEX

CONTEXT

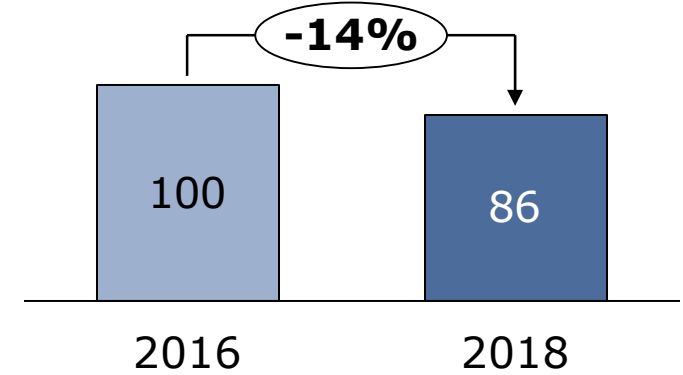
- Vessel OPEX reduced over time, largely driven by new crew composition and negotiations with key suppliers
- Focus on continuous improvements, and re-thinking traditional ways to operate

EXAMPLES OF VESSEL OPEX REDUCTIONS

REFERENCE
CASE #1:
 2007 built
 PSV operating
 UKCS, &
 International



REFERENCE
CASE #2:
 2008 built
 PSV operating
 Australia



Solid backlog situation

BACKLOG

NOK bln.



COMMENTS

- Total contract backlog of NOKbln. ~9.3 as per February 2018 (incl 50% of JV backlog)
- NOKbln. ~3.2 in firm contract backlog Feb to Dec 2018
- Aquaculture has total backlog of NOKbln 1.4 (of which 50% included in SolstadFarstad backlog)

Q4'17 contract awards in excess of MNOK 700, positive outlook for Spring/Summer 2018

SELECTED CONTRACT AWARDS DURING Q4'18



Sea Brasil 2 years firm contract with Statoil Brasil



Normand Commander 5+3 years firm option with Bahia Grande in Argentina



FAR Seeker 1 year + 14 months with Woodside Energy in Australia



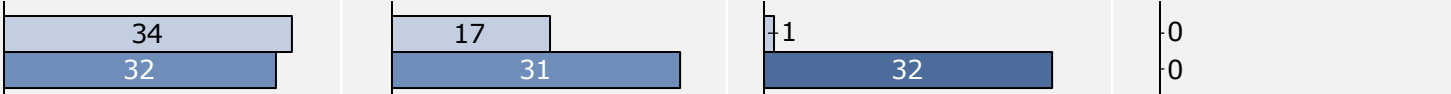
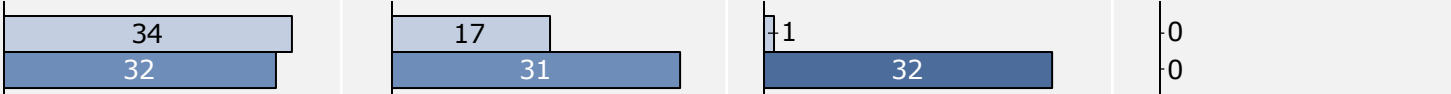
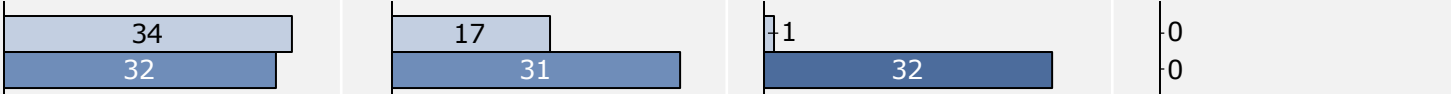
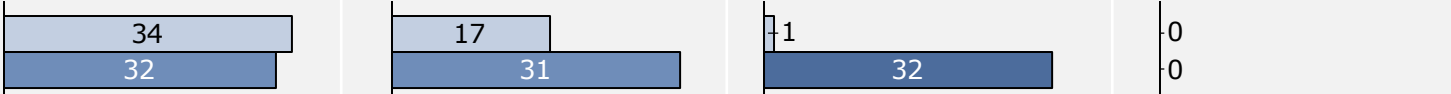
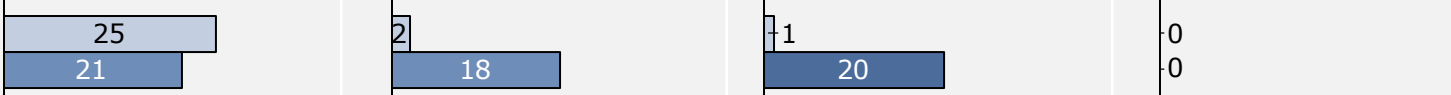
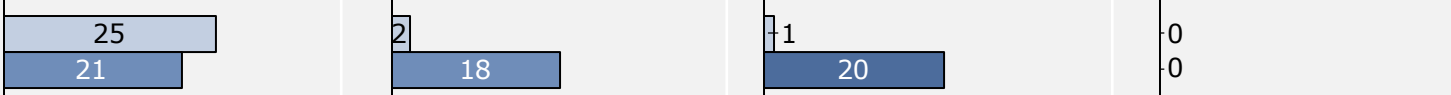
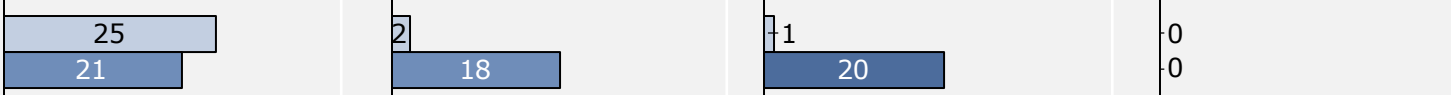
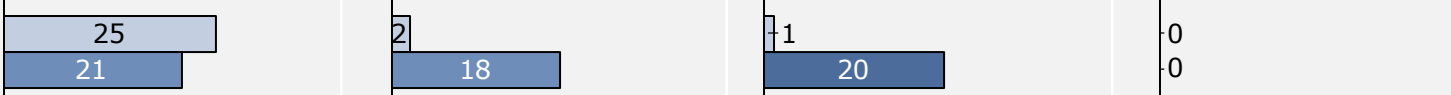
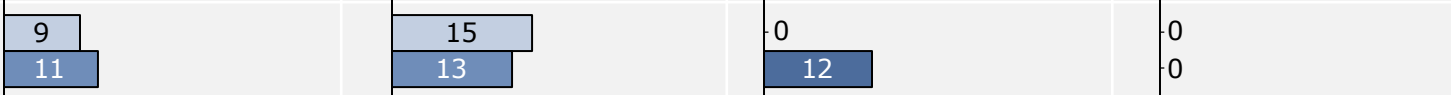
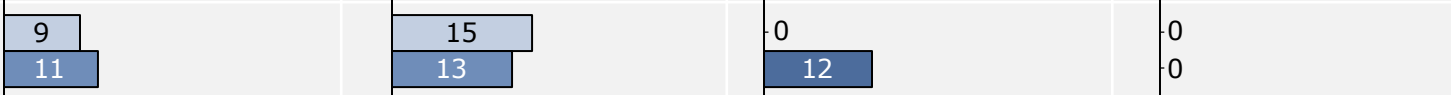
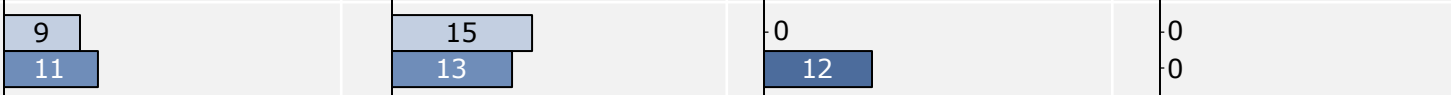
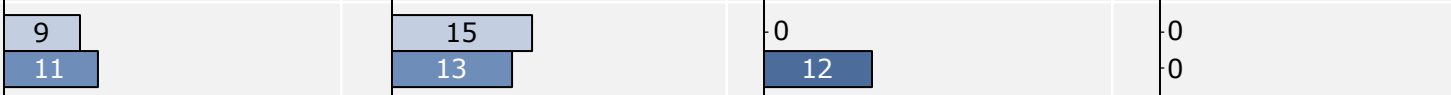
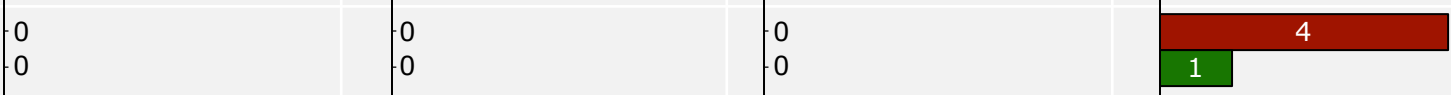
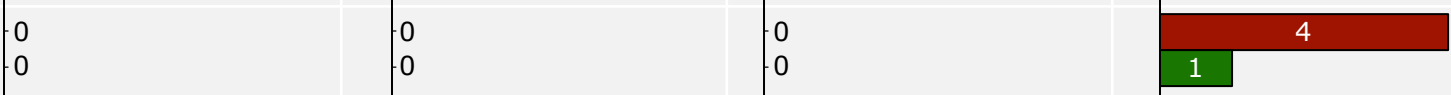
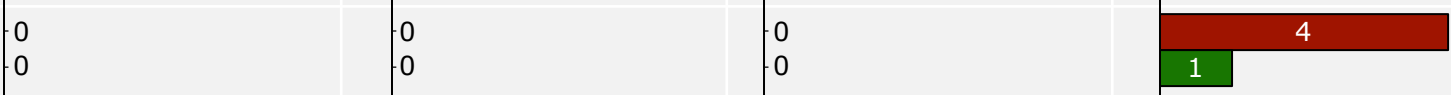
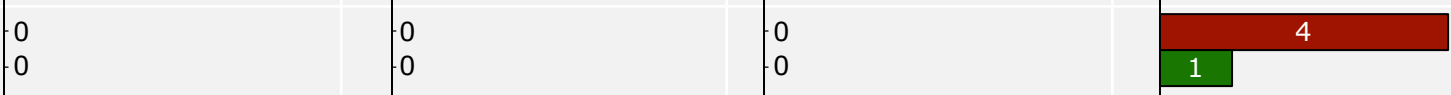
FAR Swift with 1 year contract extension with Petrobras in Brazil

KEY OBSERVATIONS

- Early signs of recovery in selected regions
- Increased number of tenders, with improved terms and attractive contract lengths
- Subsea construction late cyclical, however recent awards in adjacent oil service sectors indicate uptick in activity

Segment in details

AHTS
 PSV
 CSV
 Wellboats
 Harvest vessels

		AHTS & PSV STRATEGIC REGIONS	AHTS & PSV INTERNATIONAL	SUBSEA CONSTRUCTION & RENEWABLE ENERGY	DESS AQUACULTURE
FLEET STATUS	TOTAL # VESSELS				
	IN OPERATION				
	IN LAY-UP				
	NEWBUILDS				
SEGMENT OUTLOOK	<ul style="list-style-type: none"> Norway: Expect increased activity in 2018, based on more rigs drilling, especially in summer season Brazil: Steady activity. Further growth expected. High barriers of entry to this market Australia: Steady activity. High barriers of entry to this market 	<ul style="list-style-type: none"> UK - expect increased demand in 2018, particularly for PSV's. SE - Asia / Africa / Med - slightly increased activity, but massive oversupply of vessels. 	<ul style="list-style-type: none"> SURF: Probably another year until we see a meaningful activity increase. IMR: Might pick up already this year due to combination of accumulated maintenance and improved cashflow for oil companies Offshore wind: Steady, high activity expected 	<ul style="list-style-type: none"> Actively bidding on new opportunities in a growing market 	

Thank you!