Agenda

- Financial – 1st quarter 2017 in-brief
- Market development
- Update on merger process Solstad Offshore – Farstad Shipping – Deep Sea Supply
1Q – IN BRIEF

Financial
- Net revenues 1Q NOK 567 million
- Adjusted EBITDA 1Q NOK 147 million
- Adjusted EBITDA margin 1Q 26%
- Solstad – Farstad – Deep Sea Supply merger (see separate slides)

Commercial & operational
- Total backlog increased by NOK 700 mill since start of 2017
- Majority of revenue and EBITDA from CSV segment
- Improving revenue effects from Rem Offshore merger from 2Q onwards

Backlog
- Contract coverage for remainder of 2017 (incl. JV)
  - Firm coverage 2Q – 4Q: NOK 1.55 billion
  - Total firm contract backlog NOK 7.3 billion
## Profit & loss accounts

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>YTD 4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating income</td>
<td>568</td>
<td>752</td>
<td>2,581</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-439</td>
<td>-500</td>
<td>-1,706</td>
</tr>
<tr>
<td>Ordinary depreciation</td>
<td>-162</td>
<td>-109</td>
<td>-477</td>
</tr>
<tr>
<td>Impairment</td>
<td></td>
<td></td>
<td>-1,199</td>
</tr>
<tr>
<td>Joint Venture &amp; Associated Companies</td>
<td>11</td>
<td>21</td>
<td>62</td>
</tr>
<tr>
<td>Operating result</td>
<td>-22</td>
<td>164</td>
<td>-739</td>
</tr>
<tr>
<td>Net agio</td>
<td>14</td>
<td>304</td>
<td>291</td>
</tr>
<tr>
<td>Other financial items</td>
<td>-172</td>
<td>-93</td>
<td>-367</td>
</tr>
<tr>
<td>Result before taxes</td>
<td>-181</td>
<td>375</td>
<td>-815</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>147</strong></td>
<td><strong>293</strong></td>
<td><strong>1,008</strong></td>
</tr>
</tbody>
</table>

(1) Including net gain on sale of assets, excluding share in JV’s
(2) Excluding net gain of sale of assets, including share in JV’s
## Balance

<table>
<thead>
<tr>
<th>(NOK million)</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>YTD 4Q 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fixed assets</td>
<td>18.989</td>
<td>13.954</td>
<td>19.317</td>
</tr>
<tr>
<td>Total current assets (1)</td>
<td>2.561</td>
<td>1.768</td>
<td>2.774</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>216</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>21.765</strong></td>
<td><strong>15.722</strong></td>
<td><strong>22.285</strong></td>
</tr>
<tr>
<td>Total equity</td>
<td>3.210</td>
<td>3.914</td>
<td>3.456</td>
</tr>
<tr>
<td>Total long–term debt</td>
<td>17.571</td>
<td>9.118</td>
<td>17.823</td>
</tr>
<tr>
<td>Total current liabilities (2)</td>
<td>985</td>
<td>2.690</td>
<td>1.006</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>21.765</strong></td>
<td><strong>15.722</strong></td>
<td><strong>22.285</strong></td>
</tr>
</tbody>
</table>

(1) Hereof free cash | 1.403 | 645 | 1.750 |
(2) Hereof current portion of long term debt | 354 | 1.901 | 331 |

Booked equity per share | 36 | 101 | 39 |
Market development

- **Tenders and awards**
  - Significantly more activity compared with 1 year ago
  - PSV - Oil companies renewing their term fleet
    - well by well
  - CSV - projects, long- and short term
    - renewables
  - AHTS – low activity in term market, but several project opportunities for the largest vessels

- **Competitive market**
  - High competition
  - Pressure on dayrates
Contract updates

- «N.Server» – ConocoPhillips, 4 years 8 months
- «N.Supporter» – ConocoPhillips, 4 years 8 months
- «N.Oceanic» - Typhoon Offshore, 3 years
- «N.Poseidon» – Allseas, 3 years
- «N.Jarl» – Dong Energy, abt. 2 years
- «N.TBN» – Dong Energy, abt 1 year
- «N.Cutter» – Saipem, 4 year Frame Agreement

- Early redelivery of «Nor Valiant»
- LOI for DLB did not materialize

Several 3-6 month contracts within all vessel segments
Merger with Deep Sea Supply and Farstad Shipping

MERGER CHECKLIST

☑️ **7 February**: Signed restructuring agreement to refinance Farstad Shipping and subsequent merger with Solstad Offshore and Deep Sea Supply

☑️ **28 February, 3 March**: Restructuring approved by Farstad Shipping’s senior lenders and bondholders

☑️ **24 March**: Merger plan approved by Board of Directors of Farstad Shipping, Solstad Offshore and Deep Sea Supply

☑️ **25 April**: Merger approved by extraordinary general meetings

☑️ **25 April**: All required regulatory approvals achieved

☑️ **9 May**: Information memorandum published

☐ **7/8 June**: Lapse of creditor notice period

*On track to complete merger by on or around June 9th*
Creating the leading high end OSV company through merger of Farstad Shipping and Deep Sea Supply with Solstad Offshore

LOCATION OVERVIEW

FLEET OVERVIEW

KEY FACTS
• Employees: > 3000 world wide
• Operating vessels in all key offshore regions
• Offices in most key subsea hubs

ESTIMATED KEY FINANCIALS
• 2016 revenues: NOK 6.2 bln
• 2016 EBITDA: NOK 1.7 bln
• 2016 YE Cash position: NOK 3 bln
• 2016 YE Gross interest bearing debt: NOK 32 bln

1 Excluding Solstad share of JVs but including Ship Finance sale leaseback
SOURCE: Broker reports; Aker analysis
## Strong fundamentals underlying transaction

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPLEMENTARY STRENGTHS</strong></td>
</tr>
<tr>
<td>• Highly complementary combination</td>
</tr>
<tr>
<td>• DESSC's cost leading PSV operating model</td>
</tr>
<tr>
<td>• Solstad's world leading subsea operation</td>
</tr>
<tr>
<td>• Farstad's AHTS experience</td>
</tr>
<tr>
<td><strong>COST</strong></td>
</tr>
<tr>
<td>• Onshore SG&amp;A cost</td>
</tr>
<tr>
<td>• Reduced opex through tailoring operating model to each segment</td>
</tr>
<tr>
<td>• Total NOKm 400-650 towards 2016 cost base</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
</tr>
<tr>
<td>• Efficient deployment of fleet across geographies and segments to increase utilization</td>
</tr>
<tr>
<td>• Fleet rationalization based on common principles across group</td>
</tr>
<tr>
<td><strong>VEHICLE FOR FURTHER CONSOLIDATION</strong></td>
</tr>
<tr>
<td>• Scalable operating model allowing to add vessels/fleet swiftly and efficiently</td>
</tr>
<tr>
<td>• Corporate and financial structure set up to accommodate further transactions</td>
</tr>
</tbody>
</table>
Transaction structure designed to limit process risk and create an efficient and shareholder friendly structure

CORPORATE STRUCTURE

Hemen | Aker | Solstad family | Other
---|---|---|---
16.1% | 20.1% | 7.2% | 56.6%

Solstad Farstad

- Existing Solstad subs
- REM
- Deep Sea Supply
- Farstad
- Other future targets

HIGHLIGHTS

- Farstad restructured through combination of debt conversion and new equity fully funded by Hemen/Aker
- Farstad and Deep Sea Supply merged with Solstad using statutory triangular mergers
- Key bank terms (amortization and covenants) across all three companies
- Significant strengthening and diversification of shareholder base

KEY BENEFITS

- Creates top structure that is largely non-recourse
- Highly liquid share for investors on Oslo Børs – no controlling shareholder

Run as one company - work to simplify corporate and financial structure over time
Value proposition

• Long history and solid track record in OSV market
  • Three companies with strong heritage
  • Leading company in global high end OSV industry

• Successful refinancing, strong industrial partners
  • Secured solution through 2021 with creditors for all companies
  • Hemen and Aker contribute significant capital and support the company industrially

• Leading operator
  • World leading operational capabilities in PSV, ATHS and CSV
  • Ambition to create lean organization with strong commercial, operational and technical capabilities

• Well positioned
  • Open to participate in industry restructuring
  • Well positioned for market recovery