



QUARTERLY REPORT
1-2020

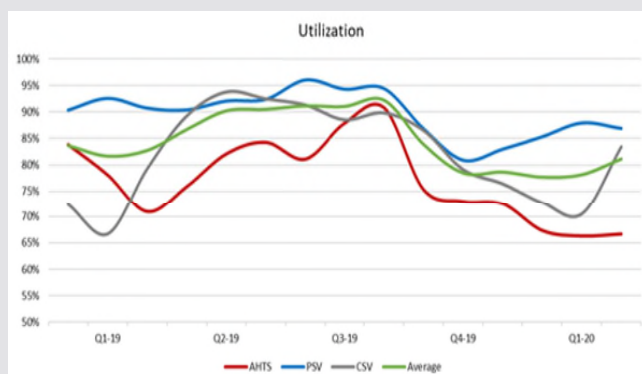
REPORT

1TH QUARTER 2020

- The Company's revenue in 2020 is expected to be negatively affected by the COVID-19 pandemic and sharp decline in the oil price.
- On May 8th, 2020, Solstad signed a Restructuring Implementation Agreement with a vast majority of its creditors for a financial restructuring of the Group. Following implementation and effective date, this agreement will significantly improve the company's overall ability to handle the uncertain markets ahead.
- Revenues for the first quarter of 2020 was MNOK 1,203 vs MNOK 1,146 in 2019, while EBITDA (adjusted) for the first quarter was MNOK 284 vs MNOK 223 in 2019.
- The quarter was significantly impacted by non-cash currency losses and termination of financial leases on four vessels.

THE COMPANY

Solstad Offshore ASA ("the Company") is a world leading owner and operator of offshore service vessels. As per March 2020, the Company owns and/or operates a fleet of in total 130 vessels. The overall utilization for the operational fleet in 1Q 2020 was 79% (83% in 2019), the subsea CSV fleet had a utilization of 76% (73%), AHTS fleet 67% (78%) and 87% (91%) for the PSV fleet.



FINANCIAL SUMMARY

Operating income for 1Q 2020 amounted to MNOK 1,203 compared to MNOK 1,146 1Q 2019.

Operating expenses in 1Q 2020 amounted to MNOK 964, of which MNOK 860 are classified as vessel operating expenses. Compared to 1Q 2019 vessel operating expenses decreased by MNOK 6. Operating result before depreciation was MNOK 239 in 1Q 2020 compared to MNOK 163 in 1Q 2019. Administrative expenses for 1Q 2020 was MNOK 104, compared to MNOK 117 for 1Q 2019.

EBITDA adjusted ended at MNOK 284 in 1Q 2020 compared to MNOK 223 for 1Q 2019, being a year-to-year increase of MNOK 61.

During the 1st quarter the currency exchange rate for USD versus NOK has strengthen significantly. This resulted in a negative unrealized currency effect relating to the Company's debt of MNOK 1,393. There is also a one-time non-cash effect of approximately MNOK 350 from terminating the leased vessels owned by subsidiaries of SFL Corporation Ltd.

Ordinary result before taxes for 1Q 2020 ended negative with MNOK 2,245 compared to negative MNOK 556 for 1Q 2019.

Total booked equity at the end of the period was negative MNOK 6,370.

FINANCE

In light of a challenging market situation and the difficult financial situation, the Company is in continuous discussions with its financial creditors with a view to establish a long-term financial platform.

On 8 May 2020, Solstad signed a Restructuring Implementation Agreement (the "RIA") for a restructuring of the Group (the "Restructuring") with a majority of the Restructuring's key stakeholders, including all of its secured finance providers except for three creditors in the Solship Invest 3 AS and Farstad Shipping AS silos. The implementation of the Restructuring is further subject to the approval of the general meeting of the Company and relevant bondholders meetings, agreement on long form documentation with relevant stakeholders and related customary condition precedent documentation.

This report is prepared on the assumption of a going concern. However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the group's business depends on the Company finding a solution to its financial situation. On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels. Based on the information above the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption. For further information, please see 2019 Annual Report Note 1, Note 2, Note 4 and Note 28.

CASH FLOW AND CASH POSITION

During 1Q 2020, the overall cash position of the Company decreased from MNOK 1,134 to MNOK 987. The Net cash flow from operations was positive with MNOK 102 for 1Q 2020. Net cash flow from investments (mainly regulatory docking of vessels) was negative by MNOK 105. Net interest paid to lenders was MNOK 37, and net installments paid to lenders were MNOK 103 during the quarter. Net lease payment was MNOK 123 during the quarter. In addition there were positive currency effect of MNOK 119 due to NOK/USD exchange rate.

OUTLOOK

When entering 2020, there were expectations of a gradually higher activity level in 2020 compared to 2019. That was based on an oil-price at a stable, high level and the E&P budgets published by the oil companies.

During March 2020 the oil prices dropped significantly because of the Covid-19 pandemic and the "trade-war" between certain oil producing countries. Consequently, most oil companies announced a revision of their activity plans for 2020, leading to a significant and immediate reduction in activity. It is now a great uncertainty how the markets will develop. There are reasons to believe that the activity in general will be significantly reduced, but activity linked to oil & gas production will be less affected than activity linked to exploration and maintenance.

Within the Renewable energy sectors, the activity continues to grow. Not only in Europe, but also in other areas and particularly Asia.

The Company's backlog is approximately MNOK 8,500 whereof MNOK 4,000 for the next 12 months.

RISK

The Solstad Offshore Group is exposed to market, commercial, operational and financial risks that affect the assets, liabilities, available liquidity and future cash flows. Given the difficult market situation within the offshore industry the last years and the current downturn that the Company experience now, the Company considers that these risks have increased compared to previous years. There is established a risk mitigation framework based on identifying, assessing and managing risks. The Board monitors the overall risk picture for the Group, both through management's daily work and reporting.

Market and operational risks are changes in demand for and prices of the services provided by the Company, and potential adverse effects of the provision of such services. The market has further deteriorated with the impact of COVID-19 virus and declining oil prices in all regions where the Group operates and has negatively impacted the earnings and utilisation of the Group's fleet. A continuing weak market will impact future earnings and utilisation of the Group's fleet going forward. Also, the counter-party risk has increased, and contracts may be cancelled or not renewed if a sustained challenging market situation continues. The Company continually evaluates measures to reduce risk exposure as mentioned above.

In addition the world has experienced a serious and rapid spread of COVID-19. The World Health Organization (WHO) has declared the situation and the virus a pandemic. This virus outbreak affects a significant number of people, and it also affects businesses and economies worldwide. A recession scenario is plausible, but the long-term global and national impacts on industries, economic activity, oil prices and financial markets are hard to predict given the current situation. The challenging times and uncertain market conditions will impact the coming quarters, and this is part of Solstad's ongoing risk assessment going forward.

The Company is exposed to interest rate and currency risk, primarily through financing and contracts. Interest rate risk is partially mitigated by hedging contracts, while currency risk is reduced by having debt in the same currency as charter agreements. For further details, reference is made to section "Finance" and Annual Report 2019 Note 1, 2, 4 and 28

The Company is exposed to market, commercial, operational, liquidity and financial risks that affect the assets, liabilities, available liquidity and future cash flows. Given the difficult market situation within the offshore industry, the Company considers that these risks are high. There is established a risk mitigation framework based on identifying, assessing and managing risks, including plans and procedures in order to handle risk. The Company work to improve its risk management framework.

The Company is exposed to interest rate and currency risk, primarily through long-term financing and long-term contracts.

The Group is in a challenging financial position and has implemented measures to preserve liquidity. The cash position of the Group is being monitored closely. The viability of the Company will require the establishment of a long-term financial platform. The Company has entered into a Restructuring Implementation Agreement with a view to strengthen its financial situation.

SUBSEQUENT EVENTS

Restructuring Implementation Agreement

On 8 May 2020, Solstad signed a Restructuring Implementation Agreement (the "RIA") for a restructuring of the Group with a majority of the Restructuring's key stakeholders, including all of its secured finance providers except for three creditors in the Solship Invest 3 AS and Farstad Shipping AS silos

The key elements of the Restructuring as contemplated by the RIA are as follows:

1. Debt in an amount equivalent to approximately 10.9 billion (based on fixed foreign exchange rates) will be converted into equity.

2. The Group's fleet will be refocused, and 37 vessels of the older and less sophisticated vessels are envisaged to be sold or scrapped over a period of time. The long-term business of the Group will be based on a core fleet of approximately 90 vessels.

3. The Group's financial and company structure will be simplified. Apart from certain ring-fenced structures, surviving secured debt of the Group will be included in a fleet loan maturing after four years. The fleet loan will be made available in NOK and USD. At prevailing foreign exchange rates, the consolidated surviving debt of the Group will be in an amount equivalent to approximately NOK 9,058 million and USD 886 million.

4. A part of the new fleet loan in an amount equivalent to approximately NOK 0.9 billion, will be secured by the non-core vessels that are likely to be sold or scrapped within a limited period of time following completion of the Restructuring. The net proceeds from such sales will be used to repay the relevant part of the fleet loan, and any remaining amount will subsequently be converted into equity at the same conversion rate as the debt being converted into equity at completion of the restructuring.

5. The SOFF 04 bonds will receive a fee of NOK 50 million financed by new equity, and the residual claim will be converted to equity in the Company.

6. The bondholders in Solship Invest 1 AS will be repaid an amount equal to Solship Invest 1 AS' corporate cash (which amounts to approximately NOK 26 million). The residual claim will be converted to equity in the Company.

7. Leasing agreements for five vessels owned by subsidiaries of SFL Corp Ltd. is terminated. The relevant lessors will receive a fee of NOK 10 million, and the residual claim will be converted into shares in the Company.

8. Leasing agreements for two vessels owned by a subsidiary of Ocean Yield ASA, F Shiplease AS will be replaced by new lease agreements on amended terms. Claims under the existing lease agreements will be converted into shares in the Company. The charter rate payable under the new lease agreements shall be a reference rate equal to the average per vessel EBITDA in a pool of seven similar vessels. F-Shiplease AS will carry all upside/downside from the operation of its vessels during the charter period.

9. SOFF will issue shares and convertible loans in consideration for cash (to represent up to approximately 36% of the shares of Company upon completion of the restructuring) in an amount of up to approximately NOK 72.5 million.

10. Following completion of the Restructuring, the existing shares in SOFF will represent approximately 0.4% of the shares in the SOFF.

The effectiveness of the RIA is conditional on credit committee approvals with the Senior Finance Parties, to be obtained within 29 May 2020 or such later date as may be agreed with the Company. The implementation of the Restructuring is further subject to the approval of the general meeting of the Company and relevant bondholders' meetings, agreement on long form documentation with relevant stakeholders and related customary condition precedent documentation.

The closing of the Restructuring is expected to take place in July 2020, however the RIA has a long stop date which can be extended to 8 November 2020 if more time is required.

Some creditors in subsidiaries of Farstad Shipping AS and Solship Invest 3 AS have not yet acceded to the RIA. The inclusion in the restructuring of these companies and their debtors in the Group remains subject to further negotiations between the stakeholders. The Company expects that the Restructuring can be consummated in all material respect even if these creditors ultimately decide not to accede to the RIA.

All liabilities towards the financial creditors will be subject to standstill provisions in the period leading up to the closing (or termination, if relevant) of the Restructuring. Until the Restructuring is implemented, the Group continues its unilateral standstill towards certain creditors.

Other subsequent events

Saipem Portugal Comercio Maritimo Ltd has exercised the purchase option for the DLB Norce Endeavour, and the delivery of the barge took place in April 2020.

The vessel former named Normand Skude owned by a subsidiary Group company Sofo Skude AS was sold to a third party in May 2020. All debt relating to the vessel has been repaid in full. There will be no material accounting effect from this traction.

There is a potential risk connected to the impact of COVID-19 virus and the effect this will have on the global market where the Group is operating. This might affect the Group's financial performance as a consequence of both internal and external factors that could present possible challenges in the period of time. The Group has so far been able to continue normal operations of its vessels even if crew changes has become

difficult due to COVID-19. There is an increased risk in the sector of delays in execution of offshore projects as a result of COVID-19. It could be expected that both COVID19 and the oil price development will have a negative effect on the Group. Currently there are limited information available to provide clear data for calculating any estimates on financial exposure. The Group will continuously monitor financial exposure, taking measure to mitigate the risks and ensure timely recognition of all relevant estimates in financial reporting.

THE COMPANY AND ITS SHAREHOLDERS

As of today, Solstad Offshore ASA has 10,460 shareholders, and approximately 22% of the shares are owned by foreign shareholders.

The Company's market value at Oslo Stock Exchange is MNOK 119.

Board of Directors in Solstad Offshore ASA Skudeneshavn 27.05.2020



Harald Espedal
Chairman



Toril Eidesvik
Director



Frank O. Reite
Director



Merete Haugli
Director



Harald Thorstein
Director



Lars Peder Solstad
CEO

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(NOK 1,000)

	Note	2020 01.01-31.03	2019 01.01-31.03	2019 01.01-31.12
Operating income	2,3,4	1,203,386	1,145,519	5,244,881
Vessel operating expenses		-860,416	-865,904	-3,553,081
Administrative expenses		-103,886	-116,696	-417,962
Operating lease vessels		0	0	0
Total operating expenses	4	-964,302	-982,600	-3,971,043
Operating result before depreciations	3	239,084	162,918	1,273,838
Ordinary depreciation	5	-375,368	-371,277	-1,446,517
Impairment	5	0	0	-1,031,902
Net gain/ loss on sale of assets		0	0	12,784
Operating result		-136,284	-208,358	-1,191,797
Result from Joint Ventures	7	8,512	9,203	-44,787
Result from associated companies	7	11,703	10,938	40,766
Total other items		20,215	20,141	-4,021
Interest income		5,107	2,115	14,827
Realised currency gain/ -loss		31,901	-3,863	-17,241
Unrealised currency gain/ -loss		-1,392,670	29,725	-120,737
Interest charges		-408,433	-390,886	-1,644,510
Other net financial charges/ -income		-364,847	-4,759	-7,265
Net financing		-2,128,942	-367,668	-1,774,926
Ordinary result before taxes		-2,245,011	-555,885	-2,970,745
Taxes ordinary result	9	-4,729	27,470	-158,549
RESULT		-2,249,740	-528,415	-3,129,294
Other comprehensive income:				
Exchange differences on translating foreign operations		-284,961	14,601	54,087
Available-for-sale financial assets		0	0	0
Actuarial gain/ loss		0	0	42,165
OTHER COMPREHENSIVE INCOME		-2,534,700	-513,814	-3,033,042
Result attributable to:				
Non-controlling interests		5,812	-1,097	264
Majority share		-2,255,552	-527,318	-3,129,558
Earnings per share		-7.72	-1.81	-10.74
Other comprehensive income attributable to:				
Non-controlling interests		5,812	-1,097	264
Majority share		-2,540,513	-512,717	-3,033,306
Other comprehensive income per share		-8.70	-1.76	-10.41
EBITDA adjusted	3,4	283,701	222,898	1,410,694
Average number of shares (1,000)		291,407	291,407	291,407

CONDENSED STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

	Note	2020 31.03	2019 31.03	2019 31.12
ASSETS				
Fixed Assets:				
Intangible assets		45,558	173,116	69,961
Tangible fixed assets	5	22,331,906	24,156,509	22,601,638
Right-of-use assets	6	4,083,351	3,864,335	3,771,906
Investment in associated companies and Joint Ventures	7	466,441	665,754	386,405
Financial fixed assets		193,701	241,352	173,153
Total fixed assets		27,120,956	29,101,066	27,003,062
Current Assets:				
Stocks		229,436	169,606	177,226
Accounts receivables		989,894	1,117,168	889,032
Other receivables		652,724	584,555	621,546
Market based shares		4,392	11,357	8,215
Deposits, cash, etc	8	987,218	788,386	1,134,028
Total current assets		2,863,663	2,671,072	2,830,046
Assets held for sale	5	872,319	22,727	0
TOTAL ASSETS		30,856,939	31,794,864	29,833,108
EQUITY AND LIABILITIES				
Equity:				
Paid-in equity		4,602,782	4,602,782	4,602,782
Other equity		-10,981,406	-5,937,636	-8,440,894
Non-controlling interests		8,504	1,330	2,691
Total equity		-6,370,121	-1,333,524	-3,835,420
Liabilities:				
Long-term provisions		82,635	262,520	77,939
Other long-term debt	8	12,368	13,092	12,172
Debt to credit institutions	8	4,737,754	5,105,115	4,484,329
Total long-term debt		4,832,757	5,380,727	4,574,439
Current portion of long-term debt	8	30,192,015	25,961,534	27,632,528
Other current liabilities		2,202,288	1,786,128	1,461,561
Total current liabilities		32,394,303	27,747,661	29,094,089
Total liabilities		37,227,060	33,128,388	33,668,529
TOTAL EQUITY AND LIABILITIES		30,856,939	31,794,864	29,833,108

STATEMENT OF CASH FLOW

(NOK 1,000)

CASH FLOW FROM OPERATIONS	2020 31.03	2019 31.03	2019 31.12
Result before tax	-2,245,011	-555,885	-2,970,745
Taxes payable	2,893	9,782	-35,634
Ordinary depreciation and write downs	375,368	371,277	2,478,419
Gain (-)/ loss long-term assets	-277,811	-39,413	50,276
Interest income	-5,107	-2,115	-14,827
Interest expense	408,433	390,886	1,644,510
Effect of change in pension assets	-526	-621	-38,304
Change in value of financial instruments	-170,224	-949	-107,062
Unrealised currency gain/ -loss	1,331,531	-22,088	125,283
Change in short-term receivables and payables	-264,500	-83,273	272,565
Change in other accruals	947,231	-308,407	-394,414
Net cash flow from operations	102,277	-240,807	1,010,067
CASH FLOW FROM INVESTMENTS			
Investment in tangible fixed assets	-4,693	-8,891	-48,471
Payment of periodic maintenance	-121,582	-86,847	-363,662
Consideration sale of fixed assets (vessels)	25,477	0	73,640
Payment of long-term receivables	-6,364	-15,956	28,429
Received interests	2,432	2,327	8,505
Net cash flow from investments	-104,730	-109,367	-301,559
CASH FLOW FROM FINANCING			
Paid leases	-123,305		-490,706
Paid interests	-36,598	-130,477	-165,790
Drawdown long-term debt	571,072	154,722	972,972
Repayment of long-term debt	-674,190	-229,266	-1,244,816
Net cash flow from financing	-263,021	-205,021	-928,340
Effect of changes in foreign exchange rates	118,663	-7,765	2,514
Net change in cash	-265,474	-555,195	-219,832
Cash at 01.01	1,134,028	1,351,346	1,351,346
Cash at balance sheet date	987,218	788,386	1,134,028

STATEMENT OF CHANGES IN EQUITY

(NOK 1,000)

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
Equity 01.01.2020	583,065	-281	3,698,350	321,648	401,259	-8,842,152	-3,838,111	2,691	-3,835,420
Result	-	-	-	-	-	-2,255,552	-2,255,552	5,812	-2,249,740
Translation adjustments	-	-	-	-	-284,961	-	-284,961	-	-284,961
Other comprehensive income	0	0	0	0	-284,961	-2,255,552	-2,540,513	5,812	-2,534,700
Equity 31.03.2020	583 065	-281	3 698 350	321 648	116,298	-11,097,705	-6,378,624	8,504	-6,370,121

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
Equity 31.12.2018	583,065	-281	3,698,350	321,648	347,172	-5,803,053	-853,099	2,427	-850,672
IFRS 16 implementation effect	-	-	-	-	-	30,962	30,962	-	30,962
Equity 01.01.2019	583,065	-281	3,698,350	321,648	347,172	-5,772,091	-822,137	2,427	-819,710
Result	-	-	-	-	-	-527,318	-527,318	-1,097	-528,415
Translation adjustments	-	-	-	-	14,601	-	14,601	-	14,601
Other comprehensive income	0	0	0	0	14,601	-527,318	-512,717	-1,097	-513,814
Equity 31.03.2019	583,065	-281	3,698,350	321,648	361,773	-6,299,409	-1,334,854	1,330	-1,333,524

	Share capital	Treasury shares	Share premium	Other paid-in capital	Other changes	Other equity	Total majority shares	Non-controlling interests	Total equity
Equity 31.12.2018	583,065	-281	3,698,350	321,648	347,172	-5,803,053	-853,099	2,427	-850,672
IFRS 16 implementation effect	-	-	-	-	-	37,269	37,269	-	37,269
Equity 01.01.2019	583,065	-281	3,698,350	321,648	347,172	-5,765,784	-815,830	2,427	-813,403
Annual result	-	-	-	-	-	-3,129,558	-3,129,558	264	-3,129,294
Actuarial gain/ loss (-)	-	-	-	-	-	42,165	42,165	-	42,165
Translation adjustments	-	-	-	-	54,087	-	54,087	-	54,087
Other comprehensive income	0	0	0	0	54,087	-3087,393	-3,033,306	264	-3,033,042
Other adjustments	-	-	-	-	-	11,025	11,025	-	11,025
Equity 31.12.2019	583,065	-281	3,698,350	321,648	401,259	-8,842,152	-3,838,111	2,691	-3,835,420

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 1 - GENERAL

Solstad Offshore ASA (SOFF) has its head office in Skudeneshavn, Norway. The main activities of the company are operation and ownership of offshore service and construction vessels. The Group is listed on Oslo Stock Exchange. The quarterly accounts are prepared using the same accounting principles as last year's accounts and in compliance with IAS 34 Interim Financial Reporting.

The Company has implemented IFRS 16 Leases as of January 1, 2019. The nature and effects of the implementation are disclosed in the notes below. Further reference is made to Note 1 to the 2018 Annual accounts.

The interim accounts are prepared on the assumption of a going concern. However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the group's business depends on the Company finding a solution to its financial situation. On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation, and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels. Based on the information above the board of Director would like to emphasize that there is material uncertainty related to the going concern assumption. For further information, please see Note 10.



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NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 2 - OPERATING INCOME

The Group's revenues mainly derives from offering vessels and maritime personnel to customers world wide. Basically all contracts with customers are contracts with day rate. Contract with day rate is contract where income is earned on a day-by-day basis, based on an agreed day rate with the customer. Revenue from contracts with day rate is recognized accordingly.

The agreed day rate is divided into a service element and a lease element. The service element includes the maritime services provided to navigate the vessel according to the customers requirements, while the lease element is the estimated rental of the vessel (equipment).

Some of the contracts also includes victualling and onshore project management. Victualling is meals and bedding provided to the customers personnel onboard the vessel. The Group also provides ordinary management services, such as technical services, crewing, insurance and commercial management for vessels not owned by the Group. Revenue on services, mentioned above, are recognized over time, as the performance obligation is satisfied over time.

	2020	2019	2019
	01.01-31.03	01.01-31.03	01.01-31.12
Service element from contracts with day rate	455,608	511,441	2,050,887
Management fee	14,818	5,134	27,616
Victualling	16,908	20,069	116,828
Project management	4,253	-	4,253
Other	5,838	9,164	79,798
Revenue from contracts with customers	497,425	545,808	2,279,381
Lease element from contracts with day rate	705,961	599,710	2,965,500
Total operating income	1,203,386	1,145,519	5,244,881
Contract balances	01.01-31.03	01.01-31.03	01.01-31.12
Trade receivables from charters	1,162,728	1,114,168	889,032
Contract assets	-	-	-
Contract liabilities	40,984	32,608	34,710

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 3 - REPORTING PER SEGMENT

	Q1 2020			Q1 2019		
	AHTS/PSV	Subsea	Total	AHTS/PSV	Subsea	Total
Revenue from contracts with customers	322,869	174,556	497,425	349,831	195,977	545,808
Lease element from contracts with day rate	337,327	368,635	705,961	290,361	309,349	599,710
Total operating income	660,196	543,191	1,203,386	640,193	505,326	1,145,519
Crew expenses	357,743	153,565	511,308	393,549	193,209	586,758
Other expenses	235,372	167,689	403,061	216,591	139,640	356,232
Total operating expenses	593,114	321,254	914,368	610,141	332,849	942,990
Bunkers	33,659	16,275	49,934	22,263	17,348	39,611
Operating result before depreciations	33,422	205,662	239,084	7,789	155,130	162,918
Excess and less values freight contracts	17,675	6,726	24,402	28,524	11,315	39,838
Net result from Joint Venture	-	8,512	8,512	-	13,949	13,949
Adjusted Operating result before depreciations	51,097	220,901	271,998	36,312	180,394	216,706

Internally the Group reports and monitors its operation in the following segments:

- AHTS/PSV, anchorhandling- and platform supply vessels
- Subsea, construction vessels operating subsea construction and renewable contracts

Figures are exclusive share result from Joint Ventures.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 4 - EBITDA

	2020 01.01 - 31.03	2019 01.01 - 31.03	2019 01.01 - 31.12
Total operating income	1,203,386	1,145,519	5,244,881
Total operating expenses	-964,302	-982,600	-3,971,043
EBITDA	239,084	162,919	1,273,838
Excess and less values freight contracts	24,402	39,838	138,461
Net result from Joint Venture	8,512	9,203	-44,787
Net result from associated companies	11,703	10,938	40,766
Accrual loss accounts receivable	-	-	2,416
EBITDA adjusted	283,701	222,898	1,410,694

In connection with the merger with Rem Offshore, Farstad Shipping and Deep Sea Supply, the purchase price allocation analysis identified several long-term freight contracts where the daily rates were higher or lower than the market rate at the time of acquisition. A part of the purchase price was thus allocated to these excess / less values and capitalized. In line with the fulfillment and revenue recognition of freight contracts, the capitalized excess / less value is derecognized. The adjustment has no cash effect, and thus comes as an addition to booked freight income when calculating EBITDA.

NOTE 5 - FIXED ASSETS

	Vessels	Periodic maintenance	Other	Total
Opening balance 01.01.2020	21,824,314	666,179	111,144	22,601,638
Additions	5,152	121,582	81	126,814
Transferred	16,003	-	-41,909	-25,906
Asset held for sale	-872,319	-	-	-872,319
Translation adjustment	818,314	31,661	-4,673	845,301
Depreciation	-247,890	-69,260	-4,666	-321,816
Closing balance 31.03.2020	21,543,573	750,162	59,977	22,353,712

Vessels are depreciated over 20 years to a residual value equal to 50% of the original cost. Initially residual value is set to 50% of cost price, expected cost of sale deducted, and adjusted for age and changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old. Other assets are depreciated at rates of 10-25%.

The Company has signed Memorandum of Agreements for the sale of the the DLB Norce Endeavour. The vessel is classified as held-for-sale assets in Condensed Statement of Financial Position. Total book value is MNOK 872,319. The delivery of the barge took place in April 2020.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 5 - FIXED ASSETS - (CONTINUED)

Impairment testing of vessels

Summary

The Company has performed impairment testing of the fleet in accordance with IAS 36. Indicators such as slow market recovery and declining price/ book ratio form, according to IAS 36, the need for revaluation of the Company's assets.

Based on value-in-use-calculations the Company has not recognized any impairment of assets.

Impairment testing

Impairment testing (value-in-use-calculation) was performed for all vessels where book value exceeds 65% of broker value. Broker value is set as an average of 3 acknowledged, independent brokers. Each vessel is considered a separate cash generating unit. The value-in-use-calculations are based on the long-term forecast for 2020-2023, updated with events during Q1 2020.

The main assumptions used in the computations are charter rates, utilization, escalation of expenses, operational area, interest rate, weighted average cost of capital (WACC) and performance in Q1 2020 compared to forecast.

Discounting rate

The discounting rate is based on a common WACC for the Company. The cost of equity is derived from the 10-year interest rate for state bonds (risk-free interest rate), the Company's own market risk premium and an unlevered beta. The debt element of the discounting rate is based on the risk-free interest rate, plus the Company's average margin for secured debt, as well as a premium equivalent to the difference between risk-free interest rate and the bank's lending rates. The discounting rate used for Q1 2020 remains at 9%.

Revenue assumptions

For vessels having firm contracts, revenue is based on the current contracts. For vessels without firm contracts, and for vessels where the firm contract expires during the period, revenue is based on historical data. For the first period it is expected that the day rates for the PSV- and AHTS segment will remain low. From 2024 to 2026 it is assumed a gradual increase of revenue to a level which correspond to the average rates for the past 7-10 years. It is expected that the markets are normalized within 2026.

Inflation

Escalation of revenue is expected to be marginal for the coming year. Hence, it is used a low (<1%) or no inflation of revenue in 2020. Operating cost is adjusted for inflation by 2%. Inflation of revenue correspond to cost from 2024.

Residual values

Estimated residual values used in the value-in-use-calculations are set using the same principle as for the ordinary depreciations. Initially the value is set to 50% of cost price, expected cost of sale deducted, and adjusted for age and changes in broker valuations. The assumption is that the broker values decline by 2.5% per year, until the vessel is 20 years old.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 6 - RIGHT-OF-USE ASSETS

	Right-of-use assets			Lease liabilities
	Vessels	Office	Total	
Opening balance 01.01.2020	3,521,309	250,597	3,771,906	4,284,283
Other adjustments		-22,077	22,077	
Disposals	-324,093		-324,093	-631,797
Translation adjustment	644,102	-3,410	640,692	691,279
Depreciation	-46,618	-2,420	-49,038	-
Interest expense	-	-	-	63,055
Lease payments	-	-	-	-123,305
Closing balance 31.03.2020	3,794,700	266,844	4,061,544	4,283,515

Summary new accounting policies

Right-of-use-assets

Right-of-use-assets are recognized at cost, less depreciation and impairment losses at the commencement of the lease. The cost of the assets includes the recognized lease liabilities, initial direct costs, and lease payments made prior to commencement. Straight-line depreciations are used, unless the Company is reasonably certain to obtain ownership over the vessel at the end of the leasing period. The assets are subject to impairment under the same principles as other assets.

Lease liabilities

Lease liabilities are recognized at the commencement of the lease measured at the present value of lease payments over the lease period. The lease payments includes both fixed and variable lease payments. If an purchase option is likely to be exercised, the option price is included. Variable lease payments that do not depend on an index are recognized as expense in the period when the payment trigger occurs.

When calculating present value of the lease the incremental borrowing rate at the beginning of the lease is used, if the implicit rate is unavailable. Subsequently, the amount of the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. The liability is remeasured if modifications or changes to the lease terms occur.

Contracts with renewal options

The Company determines the lease term as the non-cancellable part of the lease. In addition any periods covered by an option for extended lease that is reasonably certain to be exercised are included.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 7 - INVESTMENT IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group had the following shares in joint ventures (JV) and associated companies (AC) at balance sheet date:

AC	JV
Solstad Offshore Crewing Services Philippines (25 %)	Normand Installer SA (50 %)
Maximus Limited (25 %)	

	AC	JV	TOTAL
Opening balance	293,846	92,559	386,405
Share of result year to date	11,703	8,512	20,215
Additions	-	-	-
Disposals	-	-	-
Other adjustments	40,958	18,863	59,821
Closing balance	346,507	119,933	466,441

NOTE 8 - INTEREST BEARING DEBT

	2020 31.03	2019 31.03	2019 31.12
Long term debt	4,750,122	5,118,208	4,496,501
Current portion of long term debt	30,192,015	25,961,534	27,632,528
Total interest bearing debt (*)	34,942,137	31,079,741	32,129,029
Bank deposits	987,218	788,386	1,134,028
Net interest bearing debt	33,954,919	30,291,355	30,995,001

Long term debt is divided as follows: 40% NOK, 55.5% USD, 3% GBP and 1.5% AUD. At the end of the quarter, fixed interest agreement loans, in addition to hedging agreements with remaining maturity of up to 0.5 years, were entered into for around 24% of interest bearing debt.

Long term debt of about MNOK 25,000 have in accordance with IFRS been classified as Current portion of long term debt as per March 31, 2020, due to the standstill agreements with the banks and bond holders where the covenant waiver period is less than 12 months. The waiver period end March 31, 2020, subsequently prolonged to May 8, 2020. Reference to note 10 for further details.

*Inclusive recognized debt relating to IFRS 16 Leases MNOK 4,284 (MNOK 4,393), whereof MNOK 699 (MNOK 1,200) are leases from related parties, and debt to related parties MNOK 1,105 (MNOK 574). Certain IFRS 16-leases are terminated in 2020, resulting in a charge to Other net financial charges/-income.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 9 - TAX EXPENSE

The Group's operations are mainly subject to Norwegian tonnage tax. Estimated tax thus consists mainly of taxes on operations conducted abroad involving sedentary, local taxation. The tax is based on the best estimate.

NOTE 10 - SUBSEQUENT EVENTS

Restructuring Implementation Agreement

Solstad Offshore ASA (the "Company") and its subsidiaries ("SOFF" or the "Group") have since Q3 2018 worked with their creditors towards a consensual financial restructuring. On 8 May 2020 the Company signed a Restructuring Implementation Agreement (the "RIA") for a restructuring of the Group (the "Restructuring"). The key features of the Restructuring are:

- Debt to equity conversion of approximately NOK 10.9 billion
- New fleet loan maturing after 4 years
- Financing of additional liquidity
- Industrial shareholders to retain ownership of up to 33.34%
- Streamlining of corporate structure

The RIA has been entered into with a majority of the Restructuring's key stakeholders, including all of its secured finance providers except for three financial providers in the Solship Invest 3 AS and Farstad Shipping AS silos (the "Senior Finance Parties")

The RIA reconfirms the key elements of the Restructuring as described in the notice dated 31 March 2020:

1. The Group's balance sheet and liquidity will be notably strengthened.
2. Debt in an amount equivalent to approximately 10.9 billion (based on fixed foreign exchange rates) will be converted into equity. The debt converted to equity consists of secured debt, leasing obligations, bond obligations and other unsecured debt. All debt converted to equity will have the same conversion rate.
3. The Group's fleet will be refocused, and 37 vessels of the older and less sophisticated vessels are envisaged to be sold or scrapped over a period of time. The long-term business of the Group will be based on a core fleet of approximately 90 vessels.
4. The Group's financial and company structure will be simplified. Apart from certain ring-fenced structures, surviving secured debt of the Company will be included in a fleet loan maturing after four years. The fleet loan will be made available in NOK and USD. At prevailing foreign exchange rates, the consolidated surviving debt of the Group will be in an amount equivalent to approximately NOK 9,058 million and USD 886 million.

A part of the new fleet loan in an amount equivalent to approximately NOK 0.9 billion, will be secured by the non-core vessels that are likely to be sold or scrapped within a limited period of time following completion of the Restructuring. The net proceeds from such sales will be used to repay the relevant part of the fleet loan, and any remaining amount will subsequently be converted into equity at the same conversion rate as the debt being converted into equity at completion of the restructuring.

5. The SOFF 04 bonds will receive a fee of NOK 50 million financed by new equity, and the residual claim will be converted to equity in the Company. A bondholder meeting to resolve the Restructuring will be convened as soon as possible.
6. The bondholders in Solship Invest 1 AS will be repaid an amount equal to Solship Invest 1 AS' corporate cash (which amounts to approximately NOK 26 million). The residual claim will be converted to equity in the Company. A bondholder meeting to resolve the Restructuring will be convened as soon as possible.
7. The leasing agreements for five vessels owned by subsidiaries of SFL Corp Ltd. have been terminated. The relevant lessors will receive a fee of NOK 10 million, and the residual claim will be converted into shares in the Company.
8. The leasing agreements for two vessels owned by a subsidiary of Ocean Yield ASA, F-Shiplease AS will be replaced by new lease agreements on amended terms. Claims under the existing lease agreements will be converted into shares in the Company. The charter rate payable under the new lease agreements shall be a reference rate equal to the average per vessel EBITDA in a pool of seven similar vessels. F-Shiplease AS will carry all upside/downside from the operation of its vessels during the charter period.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 10 - SUBSEQUENT EVENTS - (CONTINUED)

9. Upon completion of the restructuring, the existing shares will represent 0.4%, and the converted debt will represent at least 64-75% of the Company's shares.

10. Existing industrial shareholders including Lars Peder Solstad and companies controlled by him ("LPS") will continue to support the Company, and will be offered to subscribe for shares so as to retain an ownership of up to 1/3 of the shares in the Company upon completion of the restructuring. The industrial shareholders will also be offered to subscribe for a convertible loan in the Company which will be converted into shares in so far as necessary for them to maintain their shareholding following the conversion of the part of the new fleet loan that will be converted into equity upon the sale or scrapping of the Group's non-core vessels (cf. item 4 above).

The remaining shareholders will be offered to subscribe for shares so as to retain a total ownership of up to 2%.

The Chairman of the Board Mr. Harald Espedal will be offered to subscribe for shares representing 0.9% of the shares in the Company. Fausken Invest AS, a company controlled by board member Frank O. Reite, will enter into a put/call agreement with Aker for shares with a subscription amount of NOK 1 million.

The shares to be subscribed by the industrial shareholders and Harald Espedal will be subject to a three year lock up period.

The total subscription amount for the shares and convertible loan to be issued in consideration for cash (to represent up to approximately 36% of the shares of Company upon completion of the restructuring) will be up to approximately NOK 72,5 million.

11. LPS will be granted warrants through an incentive program, to achieve up to a 10% share of the Company (based on the shares outstanding, and including LPS' shares, in the Company at completion of the Restructuring).

The effectiveness of the RIA is conditional on credit committee approvals with the Senior Finance Parties, to be obtained within 29 May 2020 or such later date that may be agreed with the Company.

The implementation of the Restructuring is further subject to the approval of the general meeting of the Company and relevant bondholders meetings, agreement on long form documentation with relevant stakeholders and related customary condition precedent documentation.

The closing of the Restructuring is expected to take place in July 2020, however the RIA has a long stop date which can be extended to 8 November 2020 if more time is required.

Some creditors in subsidiaries of Farstad Shipping AS and Solship Invest 3 AS have not yet acceded to the RIA. The inclusion in the restructuring of these companies and their debtors in the Group remains subject to further negotiations between the stakeholders. The Company expects that the Restructuring can be consummated in all material respect even if these creditors ultimately decide not to accede to the RIA.

All liabilities towards the financial creditors will be subject to standstill provisions in the period leading up to the closing of the Restructuring. Until the Restructuring is implemented, the Group continues its unilateral standstill towards certain creditors. In the bondholder meetings to be held in May, the bondholders will be asked to waive the current defaults in SOFF 04 and the Solship Invest 1 AS bond loan as were advised in the notice by the Company 31 March 2020.

Other subsequent events

Saipem Portugal Commercio Maritimo Ltd has exercised the purchase option for the DLB Norce Endeavour, and the delivery of the barge took place in April 2020.

The vessel former named Normand Skude owned by a subsidiary Group company Sofo Skude AS was sold to a third party in May 2020. All debt relating to the vessel has been repaid in full. There will be no material accounting effect from this traction.

NOTES TO CONDENSED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

(NOK 1,000)

NOTE 10 - SUBSEQUENT EVENTS - (CONTINUED)

There is a potential risk connected to the impact of COVID-19 virus and the effect this will have on the global market where the Group is operating. This might affect the Group's financial performance as a consequence of both internal and external factors that could present possible challenges in the period of time. The Group has so far been able to continue normal operations of its vessels even if crew changes has become difficult due to COVID-19. There is an increased risk in the sector of delays in execution of offshore projects as a result of COVID-19. It could be expected that both COVID19 and the oil price development will have a negative effect on the Group. Currently there are limited information available to provide clear data for calculating any estimates on financial exposure. The Group will continuously monitor financial exposure, taking measure to mitigate the risks and ensure timely recognition of all relevant estimates in financial reporting.

NOTE 11 - ALTERNATIVE PERFORMANCE MEASUREMENT DEFINITIONS

Solstad Offshore ASA has included the below Alternative Performance Measures (APM), which are commonly used in the business, as they are used internally by management to understand the Group's financial performance. Hence, it is deemed that the APM's also will provide useful information to the reader.

Operating margin - Operating result before depreciation in percentages of total operating income

EBITDA - Operating result before depreciation.

EBITDA adjusted - Operating result before depreciation adjusted for Joint Ventures, Associated Companies, excess values charter parties from mergers and other non-cash related items

Adjusted Operating result before depreciations - Operating result before depreciation adjusted excess values charter parties from mergers and result from Joint Ventures

Earning on equity - Result before tax, in percentage of average equity, including minority interests

Earning on capital employed - Operating result plus interest income and result from associated company divided by average book shareholders' equity and interest-bearing debt

Current ratio - Current assets divided by current liabilities

Equity ratio - Booked equity including minority interests in percentage of total assets

Earnings per share - Result for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

Comprehensive income per share - Comprehensive income for the period for the Group divided by weighted average number of shares at the end of the reporting period, adjusted for treasury shares

Equity per share - Shareholders' equity divided by outstanding number of shares at the end of the reporting period

Working capital - Current assets less current liabilities, excluding current portion of long-term debt

Interest-bearing debt - Current and long-term interest-bearing liabilities

Net interest-bearing debt - Interest-bearing liabilities less bank deposits

AHTS EMPLOYMENT

Vessel name	Design	Year built	BHP	Employment *) at 27.05.20	1H - 2020	2H - 2020	1H - 2021	2H - 2021
BOS Turmalina	UT 722 L	2006	14 416	Apr. 21 + opt.	█	█	█	█
BOS Turquesa	UT 722 L	2007	18 088	Spot	█	█	█	█
Far Sagaris	UT 731 CD	2009	23 664	Jun. 20 + opt.	█	█	█	█
Far Sapphire	UT 732 CD	2007	27 472	Spot	█	█	█	█
Far Saracen	UT 731 CD	2010	23 664	Aug. 20 + opt.	█	█	█	█
Far Scout	UT 722 L	2001	16 823	Aug. 20 + opt.	█	█	█	█
Far Senator	UT 731 CD	2013	24 371	Aug. 20 + opt.	█	█	█	█
Far Sigma	UT 731 CD	2014	24 371	Oct 20 / Spot	█	█	█	█
Far Statesman	UT 731 CD	2013	24 371	May. 20 / Spot	█	█	█	█
Far Stream	UT 712 L	2006	16 005	Dec. 20 + opt.	█	█	█	█
Far Sword	UT 712 L	2006	16 005	Idle				
Nor Captain	Khiam Chuan	2007	10 880	Idle				
Normand Drott	AH 12	2010	32 792	Dec. 20 / Spot	█	█	█	█
Normand Ferking	VS 490	2007	20 700	Nov. 20 + opt.	█	█	█	█
Normand Prosper	AH 12	2010	32 600	Dec. 20 / Spot	█	█	█	█
Normand Ranger	VS 490	2010	28 000	Sep. 20 / Spot	█	█	█	█
Normand Scorpion	UT 731 CD	2009	24 143	Feb. 23 + opt.	█	█	█	█
Normand Sirius	UT 731 CD	2014	24 371	Feb. 23 + opt.	█	█	█	█
Normand Topázio	UT 728 L	2005	12 240	Jun. 22 + opt.	█	█	█	█

Certain freight contracts contain clauses which give the charterer the right to cancel the contract.

█ Contract █ Charterer's option █ Spot

IN LAY-UP

Vessel name	Design	Year built	BHP	Vessel name	Design	Year built	BHP
Elang Laut 1	Khiam Chuan	2009	12 240	Normand Atlantic	UT 740	1997	18 600
Far Sabre	UT 712 L	2008	15 953	Normand Borg	UT 722 L	2000	16 800
Far Santana	UT 730	2000	19 203	Normand Ivan	VS 480	2002	20 000
Far Scimitar	UT 712 L	2008	15 950	Normand Mariner	A 101	2002	23 330
Far Sound	UT 712 L	2007	16 157	Normand Master	A 101	2003	23 478
Far Sovereign	UT 741	1999	27 401	Normand Neptun	UT 740	1996	18 600
Far Strait	UT 712 L	2006	16 157	Normand Titan	UT 712 L	2007	16 320
Lady Astrid	UT 722	2003	12 240	Sea Ocelot	Khiam Chuan	2007	10 880
Lady Caroline	UT 722	2003	12 240	Sea Panther	KMAR 404	1998	15 000
Nor Tigerfish	Khiam Chuan	2007	5 422	Sea Tiger	KMAR 404	1998	15 000



NORMAND RANGER - VS 490

PSV EMPLOYMENT

Vessel name	Design	Year built	DWT	Employment *J at 27.05.20	1H - 2020	2H - 2020	1H - 2021	2H - 2021
Far Scotsman	PSV 08 CD	2012	4 000	Dec. 21				
Far Searcher	UT 751 E	2008	5 127	Sep. 22 + opt.				
Far Seeker	UT 751 E	2008	4 905	May 20 + opt.				
Far Solitaire	UT 754 WP	2012	6 336	Jun. 20 / Spot				
Far Spica	PSV 08 CD	2013	4 000	Spot				
Far Swan	VS 470 Mk II	2006	3 628	Oct. 21				
Far Symphony	P 105	2003	4 929	Dec. 20 + opt.				
Normand Arctic	PSV 12 LNG	2011	4 900	Jun. 20				
Normand Aurora	P 105	2005	4 929	Dec. 20 + opt.				
Normand Carrier	HY 832 CD	2010	3 735	Idle				
Normand Falnes	VS 485	2011	5 492	May. 22 + opt				
Normand Flipper	UT 745 E	2003	4 340	Sep. 21 / Spot				
Normand Fortune	VS 485	2013	5 275	Apr. 22 + opt.				
Normand Leader	VS 499	2013	6 164	Nov. 20				
Normand Naley	VS 485	2011	5 506	Feb. 22 + opt.				
Normand Serenade	UT 751 CD	2009	5 944	Spot / Oct. 20				
Normand Server	PSV 06 CD	2011	5 300	Jan. 22 + opt.				
Normand Service	PX 105	2014	4 459	Jun. 20 + opt.				
Normand Sitella	PSV 08 CD	2013	4 000	Oct. 20 / Idle				
Normand Skimmer	PSV 08 CD	2012	4 000	May 20 / Spot				
Normand Skipper	VS 4420	2005	6 608	Jan. 23 + opt.				
Normand Springer	PX 105	2014	4 459	Jun. 20 + opt.				
Normand Starling	PSV 08 CD	2013	4 000	Mar. 21				
Normand Sun	Vard 1 07	2014	5 635	Jul. 23 + opt.				
Normand Supporter	PSV 06 CD	2012	5 300	Feb. 22 + opt.				
Normand Supra	PX 105	2014	4 459	Oct. 20 + opt.				
Normand Surfer	PX 105	2014	4 459	Oct. 20 + opt.				
Normand Swan	PX 105	2014	4 459	May 20 + opt.				
Normand Swift	PX 105	2014	4 459	Jul. 20				
Normand Sygna	Vard 1 07	2014	5 700	Sep. 23 + opt.				
Normand Titus	PSV 05-L CD	2014	4 047	Idle				
Normand Tortuga	PSV 05-L CD	2014	4 047	Feb. 21 + opt				
Sea Brasil	PSV 09 CD	2012	4 700	Dec. 20 + opt.				
Sea Falcon	PX 105	2013	4 419	Nov. 20 + opt.				
Sea Flyer	PX 105	2013	4 419	Jan. 21 + opt.				
Sea Forth	PX 105	2013	4 419	Jan. 21 + opt.				
Sea Frost	PX 105	2013	4 419	Jul. 23 + opt.				
Sea Spark	PX 105	2013	4 419	Jul. 20				
Sea Spear	PX 105	2014	4 459	Spot / Oct. 20				
Sea Tantalus	PSV 05-L CD	2013	4 047	Idle				

Certain freight contracts contain clauses which give the charterer the right to cancel the contract.

Contract Charterer's option Spot

IN LAY-UP

Vessel name	Design	Year built	BHP	Vessel name	Design	Year built	BHP
Far Spirit	VS 470 Mk II	2007	3 624	Normand Vibran	UT 755 LN	2008	3 375
Far Splendour	P 106	2003	3 503	Sea Angler	UT 755L	2007	3 250
Far Strider	VS 483	1999	3 965	Sea Bass	UT 755 L	2008	3 250
Normand Corona	MT 6000 MK II	2006	4 348	Sea Pollock	UT 755 L	2008	3 250
Normand Provider	UT 755	2007	3 326	Sea Triumph	PSV 05-L CD	2014	4 047
Normand Sira	MT 6009	2008	3 642	Sea Trout	VS 470 MK II	2007	3 570
Normand Supplier	UT 755	2010	3 268	Sea Turbot	UT 755 L	2008	3 250
Normand Swan	PX 105	2014	4 459	Sea Witch	UT 755 L	2008	3 520
Normand Trym	UT 755 LN	2006	3 298				



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