

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS

TO THE BONDHOLDERS IN:

| | |
|-----------------------|--|
| ISIN NO 001 0713548 – | FRN SOLSTAD OFFSHORE ASA SENIOR UNSECURED OPEN BOND ISSUE 2014/2019 (SOFF04) |
| ISIN NO 001 0840549 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 271218 |
| ISIN NO 001 0848716 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 250319 |
| ISIN NO 001 0858939 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 240619 |
| ISIN NO 001 0864762 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 240919 |
| ISIN NO 001 0872500 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 271219 |
| ISIN NO 001 0877905 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 240320 |
| ISIN NO 001 0894595 – | SOLSTAD OFFSHORE ASA NO0010713548 IN 240920 |

Oslo, 16 October 2020

Information to Bondholders regarding completion of the Restructuring

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue and the bonds issued thereunder (together with the bonds issued under the other Bond Issues, the "**Bonds**") by Solstad Offshore ASA (the "**Issuer**") under the amended and restated bond agreement dated 26 September 2016, as amended (the "**Bond Agreement**").

Reference is made to the Summons to Bondholders' Meeting dated 14 May 2020 (the "**Summons**"). Defined terms used in this summons shall have the meaning ascribed to them in the Bond Agreement and the Summons unless otherwise set out herein or required by the context.

1 BACKGROUND

The Proposal was adopted by the Bondholders on 29 May 2020. The Proposal was to accept redemption of all Bonds and settlement of all SOFF04 Bond Liabilities, against a part payment in cash of NOK 50,000,000 and conversion of the remaining SOFF04 Bond Liabilities in the amount of NOK 1,112,401,414 to shares in the Issuer ("**Shares**").

The cash payment and the Shares will be distributed:

- (i) to the Bondholders pro rata to their claim in the Issuer; and
- (ii) between the Bond Issues based on their relative claim,

in each case calculated as of the Cut-Off Date (and including accrued interest and any default interest).

All accrued interest (including any default interest) will be settled as part of the Restructuring.

The distributions below will be subject to rounding by VPS. No fractional Shares will be distributed.

The new Shares issued as part of the Restructuring will be issued as ordinary shares in the Issuer with ISIN NO 0003080608, and the Shares are listed on Oslo Børs. A 1000:1 reverse split of the Shares will be completed prior to delivery of the Shares to the Bondholders.

2 EXPECTED TIMELINE OF THE RESTRUCTURING

Subject to approval of the Restructuring by all stakeholders, including the EGM, the Issuer will proceed with the implementation and completion of the Restructuring under the following expected timeline, subject to change:

| Date | Action |
|-----------------|---|
| 16 October 2020 | The last day of trading of the Bonds with right to cash and Shares |
| 20 October 2020 | Approval of the Restructuring in the Extraordinary General Meeting of the Company ("EGM") |
| 20 October 2020 | Record Date for cash payment |
| 21 October 2020 | Record Date for delivery of Shares |
| 22 October 2020 | Settlement of cash payment |
| 23 October 2020 | Delivery of Shares |

3 DISTRIBUTIONS TO BONDHOLDERS

The following cash payments and delivery of Shares will be made as full and final settlement of the SOFF04 Bond Liabilities. The distributions will be made pro rata to the Bondholders as follows (subject to rounding):

| ISIN | Share | Shares (number) | Shares per NOK 1m holding (number)* | | Cash payment (NOK) | Cash per NOK 1m holding (NOK)* | |
|------------------|-------------|------------------|-------------------------------------|-----------------|--------------------|--------------------------------|------------------|
| NO 0010713548 | 92.15% | 5 079 095 | 4 746.41 | 4 746.41 | 46 076 623 | 43 058.58 | 43 058.58 |
| NO 0010840549 | 1.40% | 77 230 | 5 398.50 | 72.17 | 700 616 | 48 974.15 | 654.73 |
| NO 0010848716 | 1.32% | 72 732 | 5 266.14 | 67.97 | 659 814 | 47 773.68 | 616.60 |
| NO 0010858939 | 1.36% | 74 814 | 5 131.41 | 69.91 | 678 697 | 46 551.07 | 634.24 |
| NO 0010864762 | 1.25% | 69 090 | 5 002.87 | 64.56 | 626 776 | 45 385.42 | 585.72 |
| NO 0010872500 | 1.30% | 71 744 | 4 872.25 | 67.04 | 650 847 | 44 200.10 | 608.22 |
| NO 0010877905 | 1.21% | 66 869 | 4 751.65 | 62.49 | 606 627 | 43 106.36 | 566.89 |
| NO 0010894595 | 0.00% | - | - | - | - | - | - |
| All ISINs | 100% | 5 511 574 | 5 150.56 | 5 150.56 | 50 000 000 | 46 724.97 | 46 724.97 |

*) Left column: Per NOK 1m holding of the relevant ISIN. Right column: Estimated per NOK 1m holding of NO0010713548 if not traded following delivery of Interest Claims.

4 FURTHER INFORMATION

The Issuer has retained Arctic Securities AS as its financial advisor. Bondholders may contact them for further information.

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For further questions to the Bond Trustee, please contact

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Yours sincerely
Nordic Trustee AS


Lars Erik Lærum