PROSPECTUS

SOLSTAD OFFSHORE ASA

(*a public limited liability company incorporated under the laws of Norway*)

Listing of between 46,837,645 and 48,074,688 Private Placement 1 Shares
Listing of between 16,633,780 and 24,517,029 Private Placement 2 Shares
Subsequent Offering and listing of between 1,093,854 and 1,336,973 Offer Shares at a Subscription Price of between NOK 2.80 and NOK 3.20 per Offer Share
(all shares on a consolidated basis following a share consolidation whereby 1,000 shares have been consolidated into 1 share)

This prospectus (the "**Prospectus**") relates to and has been prepared by Solstad Offshore ASA ("**Solstad Offshore**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") in connection with:

A. the listing (the "**Listing**") on Oslo Børs, a regulated marked operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of
   (i) between 46,837,645 and 48,074,688 new Shares, each with a par value of NOK 1, to be issued in a private placement towards certain secured lenders, bondholders and other stakeholders with payable claims against the Group in connection with the equitisation and conversion of up to NOK 9.7 billion in debt at a conversion price of between NOK 3.73 and NOK 4.30 per Share to be settled by conversion of approximately NOK 202 in debt per new Share (the "**Private Placement 1**"), and of
   (ii) between 16,633,780 and 24,517,029 new Shares, each with a par value of NOK 1, to be issued in a private placement towards Aker Capital AS ("**Aker**"), Hemen Holding Limited ("**Hemen**"), Jarsteinen AS, a company controlled by Lars Peder Solstad with family ("**Jarsteinen**"), and Espedal & Co AS, a company controlled by the chairman of the Board of Directors ("**Espedal**"), at subscription prices of between NOK 2.60 and NOK 3.30 per Share (the "**Private Placement 2**" and together with the Private Placement 1, the "**Private Placements**"), and

B. a subsequent offering (the "**Subsequent Offering**") and listing on the Oslo Stock Exchange of between 1,093,854 and 1,336,973 new offer shares in the Company, each with a par value of NOK 1 (the "**Offer Shares**") at a subscription price of between NOK 2.80 and NOK 3.20 per Offer Share (the "**Subscription Price**").

The issuance of the Shares in the Private Placements (collectively, the "**Private Placement Shares**") are proposed to be resolved by the Company's extraordinary general meeting on 20 October 2020 (the "**EGM**"), subject to the final decision by the Board of Directors based on the level of subscription in the Private Placements.

The Company's shareholders as at the end of 20 October 2020, as documented by the shareholder register in the Norwegian Central Securities Depository (the "**VPS**") as of 22 October 2020 (T+2) (the "**Record Date**"), who are not resident in a jurisdiction where the Subsequent Offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action, and who do not participate in the Private Placements will be granted non-transferable subscription rights (the "**Subscription Rights**") to subscribe for and be allocated Offer Shares in the Subsequent Offering based on their shareholding as of that date ("**Eligible Shareholders**").

Each Eligible Shareholder will be granted between 5.19226278 and 8.33103381 Subscription Rights for each Share registered as held by such Eligible Shareholder as of the Record Date, on a consolidated basis, rounded down to 0 or to the nearest whole Subscription Right, as per the final decision by the Board. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering. Over-subscription is allowed for Eligible Shareholders. Subscription without Subscription Rights will not be allowed. **The Subscription Rights are non-transferable. Subscription Rights not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.**

The subscription period for the Subsequent Offering commences on 26 October 2020 at 09:00 CET and expires on 9 November 2020 at 16:30 CET (the "**Subscription Period**").

The Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares in any jurisdiction outside Norway. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers of the Offer Shares (pursuant to the exercise of Subscription Rights or otherwise) may lawfully be made. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under applicable securities laws of any state of the United States and are being offered and sold in the United States only to qualified institutional buyers ("**QIBs**"), as defined in, and in reliance on, Rule 144A under the U.S. Securities Act. Prospective investors that are QIBs are hereby notified that the sellers of the securities referred to herein may be relying on the exemption from registration provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside the United States, the securities referred to herein are being sold in reliance on Regulation S under the U.S. Securities Act. For more information regarding restrictions in relation to the Subsequent Offering pursuant to this Prospectus, please see Section 13 "*Selling and Transfer Restrictions*".

Investing in the Company involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "*Risk factors*" beginning on page 16 when considering an investment in the Company.

Sole manager

19 October 2020

IMPORTANT INFORMATION

This Prospectus is prepared solely in connection with the Listing and the Subsequent Offering, and in order to provide information about the Group and its business. For definitions of certain terms used throughout this Prospectus, see Section 16 "*Definitions and Glossary of Terms*".

This Prospectus is prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as implemented in Norway (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language.

The Company has engaged Arctic Securities AS as manager for the Private Placements and the Subsequent Offering (the "**Manager**").

The information contained herein is as of the date of this Prospectus and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares and which arises or is noted between the date of this Prospectus and before the Listing, will be presented in a supplement to this Prospectus. The publication of this Prospectus shall not create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing of the Private Placement Shares or the offering or listing of the Offer Shares, other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its affiliates, representatives or advisers.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating thereto, or any amendment or supplement thereto, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. Neither the Company or the Manager shall be responsible or liable for any violation of such restrictions by prospective investors. The restrictions and limitations listed and described herein are not exhaustive, and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into the Group, including the merits and risks involved. The Company and its representatives and advisors are not making any representation to any purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offer or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares or the use of the Subscription Rights to subscribe for Offer Shares.

This Prospectus and the terms and conditions of the Private Placements and the Subsequent Offering as set out herein are governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Private Placements, the Subsequent Offering or this Prospectus.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Private Placements or the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares or the Subscription Rights.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares or the Subscription Rights. The Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, on in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Shares or Subscription Rights may be relying on the exemption from the provisions of section 5 of the U.S. Securities Act provided by Rule 144A. See Section 13.2.1 "*United States*".

Any Shares or Subscription Rights offered in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 13.2.1 "*United States*".

Neither the Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Shares or using the Subscription Rights. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Manager or its representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Shares or Subscription Rights or subscribe for or otherwise acquire the Shares or Subscription Rights.

To the extent that the Manager intends to effect any offers or sales of shares in the United States or to U.S. persons, it will do so through its U.S. registered broker-dealer affiliates, pursuant to applicable U.S. securities laws.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Manager has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Shares and the Subscription Rights in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares and the Subscription Rights in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Regulation, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Subscription Rights and Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for an offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Shares or Subscription Rights which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Manager has authorised, nor do they authorise, the making of any offer of Shares or Subscription Rights through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to the Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Regulation; and

b) in the case of any Shares or Subscription Rights acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Shares or Subscription Rights acquired by it in Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where such Shares or Subscription Rights have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares or Subscription Rights to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Shares or Subscription Rights and in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any of the Shares or Subscription Rights, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

See Section 13 "*Selling and Transfer Restrictions*" for certain other notices to investors.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. It may be uncertain for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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1 SUMMARY

SECTION A | INTRODUCTION AND WARNINGS

(i) The securities:

The Company has one class of Shares, and all Shares are equal in all respects. The Shares are registered in the VPS with ISIN NO 0003080608.

(ii) The identity and contact details of the issuer:

Solstad Offshore ASA (business registration number 945 883 294), Nesavegen 39, 4280 Skudeneshavn, Karmøy, Norway. LEI: 5967007LIEEXZXHGO849

(iii) Competent authority:

The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*), Revierstredet 3, P.O. Box 1187 Sentrum, N-0107 Oslo, Norway

(iv) The date of approval of the Prospectus:

19 October 2020

(v) Warning

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

SECTION B | KEY INFORMATION ON THE ISSUER

(i) Who is the issuer of the securities?

The Company is a Norwegian public limited liability company incorporated in Norway under the Norwegian Public Limited Liability Companies Act with registration number 945 883 294. The Company's LEI is 5967007LIEEXZXHGO849.

The Group's core business is to provide services to petroleum-related offshore activities. Solstad Offshore is the parent company of the Group and operates, upon Closing, a core fleet consisting of 88 wholly and jointly owned vessels, including 26 CSVs, 20 AHTS and 42 PSVs. The majority of the vessels are equipped to carry out projects over and above traditional supply and anchor-handling services. Activities also include projects for development of offshore wind farms.

A significant portion of the Group's vessels are currently laid up or trading on shorter term contract or in the spot market.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Upon conclusion of the Private Placements to take place on Closing, the Company expects that Aker Capital AS will hold 15,524,111 Shares (21.3%), DNB Bank ASA will hold 8,187,721 Shares (11.2%), Hemen Holding Limited will hold 6,741,472 Shares, (9.3%), Nordea will hold 5,395,264 Shares (7.4%) and SFL will hold 4,393,759 Shares (6.0%), assuming full subscription. Save for the above, there are to the Company's knowledge, no person or entity that will upon Closing have a shareholding in the Company which is notifiable pursuant the Norwegian Securities Trading Act.

The Company's executive management team (the "**Management**") consists of seven individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position
Lars Peder Solstad	Chief Executive Officer
Kjetil Ramstad	Chief Financial Officer
Tor Inge Dale	Chief Operating Officer
Hans Knut Skår Jr.	Executive Vice President Subsea Construction
Kenneth Lande	Executive Vice President Global AHTS/PSV
Eivind Kvilhaug	Vice President Finance
Olaug Hillesland	Administration and Communication Director

The Company's independent auditor is Ernst & Young AS, with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway.

(ii) What is the key financial information regarding the issuer?

The following summary of consolidated financial data has been derived from the Company's audited consolidated financial statements as of and for the year ended 31 December 2019 with comparable figures for the financial year ended 31 December 2018, prepared in accordance with IFRS, and the unaudited interim consolidated financial statements as of and for the six months' period ended 30 June 2020 with comparable figures for the six months' period ended 30 June 2019, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 24) as adopted by the EU.

Consolidated statement of comprehensive income

(in NOK 1,000)	**Year ended 31 December**		**Six months' period ended 30 June**	
	2019 *(audited)*	**2018** *(audited)*	**2020** *(unaudited)*	**2019** *(unaudited)*
Total operating income	5,244,881	4,910,095	2,534,930	2,517,901
Operating result	-1,191,797	-3,986,972	-1,132,773	-234,390
Net result	-3,129,294	-5,887,730	-3,054,540	-870,954

Consolidated balance sheet

(in NOK 1,000)	**As per 31 December**	
	2019 *(audited)*	**2018** *(audited)*
Total assets	29,833,108	31,614,599
Total equity	-3,835,420	-850,672

Consolidated cash flow statement

(in NOK 1,000)	**Year ended 31 December**	
	2019 *(audited)*	**2018** *(audited)*
Net cash flows from operations	1,010,067	1,245,508
Net cash flows from investments	-301,559	-342,620
Net cash flows from financing	-928,340	-1,446,997

Pro forma financial information

Not applicable. The Prospectus does not contain any pro forma financial information.

Description of any qualifications in the audit report relating to the historical financial information

In the independent auditor's statement to the annual financial statements for 2019, Ernst & Young AS expressed the following material uncertainty related to the ability of the Group to continue as a going concern, please refer to page 76 of the annual report for 2019:

"***Material uncertainty related to going concern***

As described in note 1 to the financial statements and the Board of Directors· Report, the Group incurred a net loss of NOK 3 129 million during the year ended 31 December 2019. At the same date, the Group had NOK 33 669 million in total liabilities, and the Group's current liabilities exceeded current assets by NOK 26 264 million. Further, the Group's equity was negative with NOK 3 835 million and the Company's equity was negative with NOK 744 million. On 8 May 2020, the Group signed a Restructuring Implementation Agreement ("RIA") with the majority of the key stakeholders involved in the restructuring process, as outlined in Note 28. The RIA includes conversion of approximately NOK 10,9 billion of debt to equity and a new fleet loan. The effectiveness of the RIA is conditional on credit committee approvals with the key stakeholders involved in the restructuring process, and formal approval from both the bondholders and shareholders. The going concern assumption is dependent on a successful completion of the RIA. There is a risk that the required approvals of the RIA are not completed as expected, and in the event the Group should be forced to realize its assets, no assurance can be given that these will not be realized at a significantly lower value than their carrying value. These conditions, along with other matters as set forth in note 1, indicate that material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

(iii) What are the key risks that are specific to the issuer?

- At the end of the loan term pertaining to the Restructuring, there will be a large balloon due which the Group will not be able to refinance or repay unless the market for the Group's fleet has improved significantly
- If required, the Company expects the parties to the Restructuring to be prepared to negotiate a renewed financing facility at that time, but there can be no guarantee that such negotiations will be successful
- As a consequence of low fleet utilization and rates achieved, many of the Group's vessels have been laid up or generated revenue with low margins after deduction of cost which in turn has had a material effect on the Group's liquidity situation and financial results
- Under the terms of the Restructuring Agreements, the Group has restrictions related to investments in upgrades of current fleet
- The market value for the Group's vessels may decrease, which could cause the Group to incur losses if it is decided to sell them following a decline in their market values
- The Group has operations in high-risk areas where it is exposed to the risk of acts of piracy and other types of attacks, which could result in increasing costs of operations
- The Group's contract coverage estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations and thus may not be timely converted to revenues in any particular fiscal period, if at all, or be indicative of the Group's actual operating results for any future period
- The Group derives a significant portion of its revenue from its top five customers, and the loss of any such customers or default by any of these customers could result in a significant loss of revenue and adversely affect the Group's cash flow
- The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues
- The Group is exposed to contractual (counterparty) risks
- The Group may not be able to renew or obtain new and favourable contracts for vessels whose contracts are expiring or are terminated, which could materially adversely affect the Group's results of operation, cash flows and financial condition
- The Group is exposed to foreign exchange risk

SECTION C | KEY INFORMATION ON THE SECURITIES

(i) What are the main features of the securities?

All of the Shares are, and the Private Placement Shares and the Offer Shares will be, common shares in the Company created under the Norwegian Public Limited Liability Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO 0003080608.

The Subscription Rights will be registered in the VPS under ISIN NO 0010895873, and the Private Placement Shares, expected to be issued by the EGM on 20 October 2020, will be registered on the Company's ordinary ISIN.

As at the date of this Prospectus, Company's registered share capital is NOK 583,064,598 divided by 291,532,299 Shares, each with a par value of NOK 2. Upon Closing, the share capital will be decreased by NOK 582,773,065.701 to NOK 291,532.299, by a reduction in the par value of each Share from NOK 2 to

NOK 0.001. The reduction amount will be used to cover losses which cannot otherwise be covered. Subsequently, 701 new Shares will be issued and subscribed by Jarsteinen AS at a subscription price of NOK 0.00267 per Share. Immediately thereafter, a reverse share split in the ratio 1,000:1 will be completed by 1,000 shares being converted to 1 Share. As a consequence, the Company's share capital will be NOK 291,533 divided by 291,533 Shares, each with a par value of NOK 1.

Upon conclusion of the Private Placements to be completed on Closing, the Company's share capital will be NOK 72,883,250 divided by 72,883,250 Shares, each with a par value of NOK 1, assuming full subscription. Upon conclusion of the Subsequent Offering, assuming full subscription of the Offer Shares by the Eligible Shareholders (and full subscription in the Private Placements), the share capital will be NOK 74,220,223 divided by 74,220,223 Shares, each with a par value of NOK 1.

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all shares in that class provide equal rights in the Company. Each of the Shares carries one vote.

The Shares are freely transferable, subject to local regulatory transfer restrictions. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.

Under the terms of the Restructuring, the Company has undertaken not to distribute any dividends to shareholders for as long as any amount is outstanding under the Senior Secured Facilities Agreement. No dividend was paid by the Company during 2019.

(ii) Where will the securities be traded?

The Shares are, and the Private Placement Shares and the Offer Shares will be, traded on the Oslo Stock Exchange with ticker code "SOFF".

(iii) What are the key risks that are specific to the securities?

- The trading price of the Shares has fallen significantly in the last years and may continue to fluctuate
- As part of the Restructuring, the Company will issue financial instruments convertible or exercisable into Shares which may result in an additional dilution of shareholders not participating in the Private Placements

Major Shareholders may exert significant influence and certain investors will upon completion of the Restructuring hold securities which may be converted to Shares over the coming years

SECTION D | KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

(i) Under which conditions and timetable can I invest in this security?

The Subsequent Offering will consist of an offer by the Company to issue between 1,093,854 and 1,336,973 Offer Shares, each with a par value of NOK 1, at a Subscription Price of between NOK 2.80 and NOK 3.20 per Offer Share, to be near equal to the subscription price in the Private Placement 2 for investors who will not also participate in the Anti-Dilution Protection Loan. Shareholders of the Company as of 20 October 2020, as registered in the Company's shareholder register in the VPS on 22 October 2020 (the Record Date), and who are not allocated shares in the Private Placements (other than Vard Group AS), will be granted between 5.19226278 and 8.33103381 non-transferable Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date (on a consolidated basis), rounded down to 0 or to the nearest whole Subscription Right, as per the final decision by the Board. Each Subscription Right will, subject to applicable securities law, provide a preferential right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Subscription Price. Over-subscription will be allowed for Eligible Shareholders. Subscription without Subscription Rights will not be permitted.

No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager.

Subscription Rights and Offer Shares will not be issued or sold in certain jurisdictions or to residents of certain jurisdictions.

The Subscription Period will commence on 26 October 2020 at 09:00 CET and end on 9 November 2020 at 16:30 CET. The Subscription Period may not be shortened, and may only be extended by the Board of Directors if this is required by law due to the publication of a supplement to the Prospectus. The Subsequent Offering may not be suspended or revoked.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 26 October 2020. The Subscription Rights will be distributed free of charge. The Subscription Rights are non-transferable and will accordingly not be listed on any regulated market place.

The key dates in the Subsequent Offering are set out below:

Last day of trading in the Shares incl. Subscription Rights	20 October 2020
First day of trading in the Shares excl. Subscription Rights	21 October 2020
Record Date	22 October 2020
Start of Subscription Period	26 October 2020
End of Subscription Period	9 November 2020
Allocation of Offer Shares	On or about 10 November 2020
Distribution of allocation letters	On or about 10 November 2020
Publication of the results of the Subsequent Offering	On or about 10 November 2020
Payment Date	On or about 11 November 2020
Registration of share capital increase	On or about 16 November 2020
Delivery of Offer Shares	On or about 17 November 2020
Listing of the Offer Shares on the Oslo Stock Exchange	On or about 17 November 2020

The Shares are, and the Private Placement Shares and Offer Shares will be, admitted to trading on the Oslo Stock Exchange. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 23 October 2020. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

Allocation of the Offer Shares will take place on or about 10 November 2020 in accordance with the following criteria:

(i) Allocation of Offer Shares to subscribers will be made in accordance with granted Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

(ii) If not all Subscription Rights are validly exercised during the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

Shareholders not participating in the Private Placements will be diluted to approximately 0.22% of the Company's share capital. Assuming full subscription in the Subsequent Offering by the Eligible Shareholders, the holdings of these shareholders will increase to up to 2%. However, these shareholders risk further dilution as certain of the Group's secured lenders will be granted warrants and Aker, Hemen, LPS and the Solstad Family Entities (the "**Anchor Shareholders**") will be offered to grant the Company a convertible loan as part of the Restructuring. In aggregate, the conversion or exercise of such financial instruments may result in the issuance of up to 7,232,490 new Shares (assuming full subscription in the Private Placements), constituting up to approximately 9% of the Company's share capital. As a result, existing shareholders not participating in the Private Placements will be diluted down to a minimum of between approximately 1.69% and 1.80%, based on the level of subscription in the Private Placements.

Total minimum gross proceeds from the Private Placements and Subsequent Offering (assuming full subscription of the Offer Shares by the Eligible Shareholders) will be NOK 69,702,805.

No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Private Placements and Subsequent Offering.

(ii) Why is this Prospectus being produced?

The main purpose of the Restructuring, including the completion of the Private Placements, is to create a stable platform for the Group with respect to available liquidity, sufficient runway and industrial anchoring, with the following main components:

a. Simplify the current unsustainable corporate and loan structure that has four individual silos and well over 100 subsidiary companies by transforming it into a single unified group structure;
b. substantially reduce the debt load of the Group from the equivalent of approximately NOK 33 billion to approximately NOK 23 billion;
c. ensure that the Group has adequate liquidity and financial runway for an extended period of time, as well as free flow of liquidity; and
d. continue to ensure industrial backing for the Company with the Anchor Shareholders.

The Company will not receive any cash proceeds from the Private Placement 1, and the net proceeds from the Private Placement 2 will be used to finance the cash fee to be paid to the SOFF04 Bondholders as part of the Restructuring. The net proceeds from the Subsequent Offering will be used for working capital purposes.

The main purpose of the Subsequent Offering is to offer shareholders not participating in the Private Placements to subscribe for new shares in order for them to hold up to 2% of the Shares in the Company following the Restructuring.

The Manager or its affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the

Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Manager will not receive any fee of the gross cash proceeds raised in the Private Placements and, as such, does not have an interest in the Private Placements. In terms of the Subsequent Offering, the Manager will receive a fee of 1.75% of the gross cash proceeds raised from the retail tranche and Espedal and the Manager accordingly has an interest in the Subsequent Offering.

Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Private Placements or the Subsequent Offering.

2 RISK FACTORS

2.1 General

An investment in the shares issued by Solstad Offshore ASA ("**Solstad Offshore**" or the "**Company**", and together with its consolidated subsidiaries, the "**Group**") involves inherent risk. In this Section 2, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and risks relating to the Shares. If any of these risks or uncertainties would materialise, the business, prospects, financial position, reputation and results of operations of the Group could be materially and adversely affected. The risks presented herein are not exhaustive, and other risks not discussed herein, not currently known or not currently considered to be material, may also affect the Group's future operations, performance and financial position. Potential investors should carefully consider the information contained in this Section 2 and make an independent evaluation before making an investment in the Shares.

The risk factors are organised in the following categories:

2.2 Risk factors specific and material to the Company and the Group

2.2.1. Risks related to the Restructuring and the financial situation of the Group going forward
2.2.2 Risks related to the Group and its operations

2.3 Risk factors specific and material to the Shares

Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factor in a category is presented first under that category, where the materiality has been determined based on the probability of occurrence and expected magnitude of negative impact of the risk. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

2.2 Risk factors specific and material to the Company and the Group

2.2.1 Risks related to the Restructuring and the financial situation of the Group going forward

Risks related to the Group's current debt
As part of the Restructuring, the Group's total debt, amounting to the equivalent of approximately NOK 33 billion, will be reduced to approximately NOK 23 billion through a debt-equity swap. In addition, a super senior term loan facility of up to NOK 1.5 billion will be made available to the Group. Under the terms of the Restructuring, approximately NOK 4 billion of the debt shall continue to be served. For the remaining approximately NOK 18 billion of debt, there shall be no amortisation until 31 March 2023, except for a sweep mechanism with amounts over a certain threshold. During year four of its term, the debt shall be served quarterly based on a ten-year repayment profile according to an agreed repayment schedule. There will be a large balloon due at the end of the loan term on 31 March 2024. The Group will not be able to refinance or repay the balloon unless the market for the Group's fleet has improved significantly. If required, the Company expects the parties to the Restructuring to be prepared to negotiate a renewed financing facility at that time, but there can be no guarantee that such negotiations will be successful. Absent such success or the needed upswing in the market, the Group will default its obligations under its loan agreements with a risk of insolvency of the Company and/or one or several of the Group companies.

Of the NOK 4 billion that is not subject to the Restructuring, NOK 3 billion is debt pursuant to the financial lease for the vessel Normand Maximus. In the event that the Group is not able to secure new employment for Normand Maximus within 30 days of the termination of the time charter for such vessel by Saipem (Portugal) Comercio Maritimo LDA, the owner for Normand Maximus will be in position to require Normand Maximus Operations Ltd. (as the bareboat charterer) to purchase Normand Maximus. There is a risk that in these circumstances, Normand Maximus Operations Ltd. will not be able to finance the purchase price. As the obligations of Normand Maximus Operations Ltd. are guaranteed by Solstad Offshore, this could have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

The Group's financing of the vessels Bos Turmalina, Bos Turquesa, Sea Brasil and Normand Topazio with the Brazilian development bank, BNDES, is not part of the Restructuring, but amendments to these financing arrangements to meet the market conditions are required. Discussions with BNDES as financiers are ongoing. As of the date of this Prospectus, the financings of these vessels are not guaranteed by Solstad Offshore. There can be no guarantee that the discussions with BNDES or other financers, as applicable, will be successful, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

2.2.2 Risks related to the Group and its operations

Risks related to low fleet utilization and rates achieved

Although the offshore market has recovered slightly in the last years after its downturn in 2014, the market for offshore vessels is still characterised by an imbalance between supply and demand. As a consequence of low fleet utilization and rates achieved, many of the Group's vessels have been laid up or generated revenue with low margins after deduction of cost which in turn has had a material effect on the Group's liquidity position and financial results. A continued downturn in the market will have a material adverse effect on the Group's business, financial condition, results of operations and cash flow.

Under the terms of the Restructuring Agreements, the Group will be subject to restrictions related to investments in upgrades of current fleet

The market for the Group's services is characterized by continual and rapid technological developments that have resulted in, and will likely continue to result in, continuous improvements in equipment functions and performance. The Group can only make certain type of investments in the fleet with limited amounts to adhere to new technology – in particular directed against reductions of emissions to the air and for investments towards to reviewable sector. This implies that the Group may not be able to keep pace with the general technological developments and that the average age of the fleet will increase, which could have a material adverse effect on the Group's business.

The market value for the Group's vessels may decrease

As at the date of this Prospectus, the Group owns and operates 31 construction support vessels ("**CSVs**"), 39 anchor-handling tug supply vessels ("**AHTS**") and 56 platform supply vessels ("**PSVs**"). The fair market value of the Group's vessels or those vessels the Group may acquire in the future may increase or decrease depending on a number of factors such as:

- general economic and market conditions affecting the offshore industry, including competition from other offshore companies;
- types, sizes and ages of the vessels;
- supply and demand for vessels;
- cost of new buildings;
- prevailing and expected level of contract day rates; and
- technological advances.

At each balance sheet date, the Group assesses whether there is any indication that a vessel may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the vessel, and write down the vessel to the recoverable amount through the consolidated statement of comprehensive income. Fluctuation in vessel values may result in impairment charges or cause the Group to be unable to sell vessels at a reasonable value, either of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in high-risk areas which could result in increasing costs of operations

From time to time, the Group operates in or transits through areas categorized as high risk areas with respect to security. The areas are specifically Gulf of Guinea (Nigeria), Gulf of Aden, Strait of Hormuz and outside Zanzibar area in east Africa. For planning of such operations Solstad Offshore uses several 3rd parties (typically Bergen Risk, Norwegian Ship Owners Association and others) to gather updated security information to be able to plan for preventive actions on the vessel. If deemed needed, a Ship Security Plan is made in each case for the specific vessel and presented to and discussed with the crew and their unions. Depending on the risk level Solstad may use armed guards whenever found necessary in addition to use of guard vessels (where available), barbed wire, improved lightning, locked doors, improved surveillance, citadel for crew etc.

In September 2020 Solstad Offshore had 2-4 vessels that operate or transit such waters.

Acts of terrorism, civil war and acts of piracy could limit or disrupt the Group's operations, including disruptions from evacuation of personnel, cancellation of contracts or the loss of personnel or assets, and thereby have a material adverse effect on the Group's business, results of operations, cash flow and financial condition. Increased incidents of such events may also lead to higher insurance premiums for the Group's vessels.

COVID-19

The COVID-19 pandemic is affecting the operations of the Group and the markets the Group operate in negatively. The pandemic involves increased costs and delays the operations of the Group such as eg. crew changes. As long as this continues there is a risk that it will continue to impact the results of the Group negatively.

The Group's contract coverage estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations

The Group's order book (or backlog) represent those estimated future revenues relating to projects for which a customer has executed a contract and has a scheduled start date for the project. Order book estimates are based on a number of assumptions and estimates such as assumptions related to foreign exchange rates, to be received by the Group as payment under certain agreements. The realization of the Group's order book is affected by the Group's performance under its contracts. Consequently, there is a risk that the full contract value may not be obtained if the contract is terminated prior to completion. As a result, even if contracts are included in the order book, there can be no assurance that such contracts will be wholly executed by the Group, generate actual revenue or not be renegotiated at a lower price, or even that the total costs already incurred by the Group in connection with the contract would be covered in full pursuant to any cancellation clause. Even where a project proceeds as scheduled, it is possible that the customer may default and fail to pay amounts owed to the Group. Material delays, payment defaults and cancellations could reduce the amount of order book currently reported, and consequently, could inhibit the conversion of that order book into revenues which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group derives a significant portion of its revenue from its top five customers

The Group has a high customer concentration, where the top five customers for the six months period ended 30 June, represented 41% of its revenue (unaudited). Consequently, if the Group loses one of its top five customers or either of them fails to pay for its services, the Group's revenue could be adversely affected. Moreover, the Group's customers may terminate its contracts in certain circumstances, including if the delivery of the vessel is delayed beyond a specified time; outbreak of war occurs or the vessel's flag state becomes engaged in hostilities. If a customer terminates its charter agreement with the Group prior to expiry of the contract term or otherwise, the Group may be unable to re-employ the related vessel on terms as favourable to the Group, if at all. If the Group is unable to re-employ a vessel, it will not receive any revenue from this vessel, but the Group would still have to pay expenses as necessary to maintain the vessel in operating condition.

The loss of a significant customer, or a decline in rates under the Group's contracts with significant customers, will affect its revenue and cash flow, and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues

Operating revenues will fluctuate as a function of changes in supply and demand for the Group's services, which in turn affect charter rates. In addition, equipment maintenance costs fluctuate depending upon the type of activity each vessel is performing. In connection with new assignments, the Group might incur expenses relating to preparation for operations under a new contract. The expenses may vary based on the scope and length of such required preparations and the duration of the firm contractual period over which such expenditures are amortized. In a situation where a vessel faces longer idle periods, reductions in costs may not be immediate as some of the crew may be required to prepare vessels for stacking and maintenance in the stacking period. Should vessels be idle for a longer period, the Group may seek to redeploy crew members who are not required to maintain the vessels to active units to the extent possible in an attempt to reduce its costs. However, there can be no assurance that such attempt will be successful.

The Group is exposed to contractual (counterparty) risks

The Group is highly exposed to counterparty risks, inter alia and in particular under the Group's charter contracts. For various reasons, including adverse market conditions, decrease in demand, increase in competition, cost saving schemes and governmental or political restrictions, any of the Groups counterparties may seek to cancel or renegotiate chartering contracts, or invoke suspension of periods, at their discretion. A continued downturn in the offshore market may result in an increase in occurrences of renegotiations, suspension or termination of charter contracts. The Group's cash flows and financial conditions may be materially adversely affected should its counterparties terminate, renegotiate or suspend their obligations towards the Group under such contracts.

The Group may not be able to renew or obtain new and favourable contracts for vessels whose contracts are expiring or are terminated

All or a considerable portion of the Group's income will be dependent on contracts. As of the date of this Prospectus, 67 of Solstad Offshore's vessels are currently on medium- (>6 months) to long-term (<12 months) contracts, including contracts that have not yet commenced. The Group's results of operations and cash flows could be materially adversely affected if any of its customers fail to compensate the Group for its services, were to terminate the contract with or without cause, fail to renew the existing contract or refuse to award new contracts to the Group and the Group is unable to enter into contracts with new customers at comparable day rates.

Further, the Group's ability to extend or renew these contracts, or to obtain new contracts, will depend on the prevailing market conditions. In cases where the Group is not able to obtain new contracts in direct continuation, or where new contracts are entered into at day rates substantially below the existing day rates or on terms less favourable compared to existing contracts terms, the Group's business, results of operations, cash flows and financial condition could be materially adversely affected.

Currently, a large number of the Group's vessels are trading in the short-term contract market ("spot market"), where day rates fluctuates significantly and predictability is low as to future revenues.

The Group is exposed to foreign exchange risk

The Group's significant operations in foreign countries and the fact that the Group's interest-bearing debt, as refinanced is in both NOK and USD tranches, exposes it to risks related to foreign currency movements. The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group, NOK. The Group does not have any hedging arrangements in place as at the date of this Prospectus, but may attempt to do so in the future in order to minimize these risks, but will not be able to fully avoid these risks. Currency exchange rates are determined by forces of supply and demand in the currency exchange markets. These forces are affected by the international balance of payments, economic and financial conditions, government intervention, speculation and other factors. Changes in currency exchange rates relative to the NOK may affect the NOK value of the Group's assets and thereby impact the Group's total return on such assets. Changes in currency may also affect the Group's costs, e.g. related to salaries paid in local currency. The Group's expenses are primarily in USD, GBP and NOK. As such, the Group's earnings are exposed to fluctuations in the foreign currency market which may have a material adverse effect on the Group's business, result of operations, cash flow, financial condition and/or prospects.

2.3 Risk factors specific and material to the Shares

The trading price of the Shares has fallen significantly in the last years and may continue to fluctuate

The trading price of the Shares has fallen significantly in the last years and could continue to fluctuate significantly in response to a number of factors beyond the Group's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, or any other risk discussed in this Section 2 materializing or the anticipation of such risk materializing. Furthermore, limited liquidity in the trading market for the Shares could have a negative impact on the market price and ability to sell Shares.

As part of the Restructuring, the Company will issue financial instruments convertible or exercisable into Shares which may result in an additional dilution of existing shareholders not participating in the Private Placements

Shareholders not participating in the Private Placements will be diluted to approximately 0.22% of the Company's share capital. With the limited anti-dilutive effect of the Subsequent Offering, the holdings of these shareholders will increase to up to 2%, assuming full subscription of the Offer Shares by the Eligible Shareholders. However, these shareholders risk further dilution as certain of the Group's secured lenders will be granted warrants and the Anchor Shareholders will be offered to grant the Company a convertible loan as part of the Restructuring. In aggregate, the conversion or exercise of such financial instruments may result in the issuance of up to 7,232,490 new Shares, constituting up to approximately 9% of the Company's share capital. As a result, these shareholders will be diluted down to a minimum of between approximately 1.69% and 1.80%, based on the level of subscription in the Private Placements.

Major Shareholders may exert significant influence, and certain investors will upon completion of the Restructuring hold securities which may be converted to Shares over the coming years

Upon completion of the Restructuring, the Group's secured lenders that are participating in the Restructuring and Anchor Shareholders will in aggregate control up to 50.1% and 33.34% respectively of the share capital of the Company. In addition, the conversion of warrants to be issued to certain of the Group's secured lenders and the convertible loan to be offered to be issued to the Anchor Shareholders, as well as a management incentive plan giving Lars Peder Solstad the right to acquire additional Shares, will allow these parties to further increase their shareholding in the Company.

A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company, which in turn could have a material and adverse effect on the fair market value of the Shares. Further, the interests of Shareholders exerting a significant influence over the Company's Management and affairs and over matters requiring shareholder approval, including the election of the Company's Board of Directors and approval of significant corporate transactions, which may not in all matters be aligned with the interests of the Company and the other shareholders of the Company. Major Shareholders may also decide to sell large blocks of Shares, thereby reducing the market price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing and the Subsequent Offering.

The Board of Directors of Solstad Offshore ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm, after having taken all reasonable care to ensure that such is the case, that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Skudeneshavn, 19 October 2020

The Board of Directors of Solstad Offshore ASA

Harald Espedal *(Chairperson)*	Toril Eidesvik *(Director)*
Frank Ove Reite *(Director)*	Merete Haugli *(Director)*

4 GENERAL INFORMATION

4.1 Information sourced from third parties

In this Prospectus, the Company has used industry and market data from independent industry publications and market research as well as other publicly available information. These include IEA and BP Statistical Review (2019), Rystad Energy (September 2020), IHS Petrodata (September 2020) and Arctic Securities AS' Research Department (September 2020). While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the abovementioned data. Unless otherwise indicated in this Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. However, by source references to websites the websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

4.2 The approval of the Prospectus by the Norwegian Financial Supervisory Authority of Norway

This Prospectus has on 19 October 2020 been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*; the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval shall not be considered as an endorsement of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. The Prospectus is valid for a period of 12 months from the date of approval by the Norwegian FSA.

4.3 Partly simplified prospectus procedure in accordance with the EU Prospectus Regulation

For the purpose of the registration document for the Company and the securities note relating to the Shares, both forming part of the Prospectus, the Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

4.4 Statutory auditor

Since June 2002, the Company's statutory auditor has been Ernst & Young AS, a limited liability company registered in Norway with registration number 976 389 387 and registered business address at Dronning Eufemias gate 6, 0191 Oslo, Norway. Ernst & Young AS is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*).

The historical financial information relating to the Group for the financial year ended 31 December 2019 has been audited by Ernst & Young AS. The audit has been conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing.

A statement of audited historical financial information is given by Ernst & Young AS in the annual report for 2019, pages 76 - 80, available at the Company's website, https://www.solstad.com/wp-content/uploads/2020/05/Annual-Report-2019.pdf. Please refer to Section 15 "*Cross Reference List*" for complete references.

In the independent auditor's statement to the annual financial statements for 2019, Ernst & Young AS expressed the following material uncertainty related to the ability of the Group to continue as a going concern, please refer to page 76 of the annual report for 2019:

> "***Material uncertainty related to going concern***
> *As described in note 1 to the financial statements and the Board of Directors· Report, the Group incurred a net loss of NOK 3 129 million during the year ended 31 December 2019. At the same date, the Group had NOK 33 669 million in total liabilities, and the Group's current liabilities exceeded current assets by NOK 26 264 million. Further, the Group's equity was negative with NOK 3 835 million and the Company's equity was negative with NOK 744 million. On 8 May 2020, the Group signed a Restructuring Implementation Agreement ("RIA") with the majority of the key stakeholders involved in the restructuring process, as outlined in Note 28. The RIA includes conversion of approximately NOK 10,9 billion of debt to equity and a new fleet loan. The effectiveness of the RIA is conditional on credit committee approvals with the key stakeholders involved in the restructuring process, and formal approval from both the bondholders and shareholders. The going concern assumption is dependent on a successful completion of the RIA. There is a risk that the required approvals of the RIA are not completed as expected, and in the event the Group should be forced to realize its assets, no assurance can be given that these will not be realized at a significantly lower value than their carrying value. These conditions, along with other matters as set forth in note 1, indicate that material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter*."

4.5 Notice regarding forward-looking statements

Section 2 "*Risk Factors*", Section 7 "*Description of the market in which the Group operates*" and Section 8 "*Business overview*" include "forward-looking" statements, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives. All forward-looking statements included in this document are based on information available to Solstad Offshore, and views and assessment of Solstad

Offshore, as of the date of this Prospectus. Solstad Offshore expressly disclaims any obligation or undertaking to release any updates or revisions of the forward-looking statements contained herein to reflect any change in Solstad Offshore's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless such update or revision is prescribed by law.

When used in this document, the words "anticipate", "believe", "estimate", "expect", "seek to", "may", "plan" and similar expressions, as they relate to Solstad Offshore, its subsidiaries or its Management, are intended to identify forward-looking statements. Solstad Offshore can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Solstad Offshore and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Solstad Offshore's present and future business strategies and the environment in which Solstad Offshore and its subsidiaries are operating or will operate. Some of the factors that could cause Solstad Offshore's actual results, performance or achievements to materially differ from those in the forward-looking statements are described in Section 2 "*Risk Factors*". The information contained in this Prospectus, including the information set out under Section 2 "*Risk Factors*", identifies additional factors that could affect Solstad Offshore's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "*Risk Factors*" for a more complete discussion of the factors that could affect Solstad Offshore's future performance and the industry in which Solstad Offshore operates when considering an investment in Solstad Offshore.

Given the aforementioned uncertainties, readers are cautioned not to place undue reliance on any of these forward-looking statements.

5 THE RESTRUCTURING

5.1 Background for the Restructuring

5.1.1 Introduction

The industry for offshore service vessels has been characterized by great uncertainty and low utilization of the fleet since 2015. The oil price has remained volatile and has yet to stabilize above USD 60/bbl, and as a consequence the major oil companies have continued to prioritize shareholder distributions over E&P spending increases. Exploration and development activity in the oil and gas sector have thus continued at a depressed level since 2015, and the markets for platform supply vessels (PSVs), anchor-handling, tug, supply vessels (AHTS') and construction services vessels (CSVs) have continued to be characterized by overcapacity and weak earnings for the fleet.

On 8 May 2020, a restructuring implementation agreement (the "**RIA**") setting out the key elements of a proposed fully financed restructuring of the Group's debt and equity (the "**Restructuring**") was entered into by the Group, its relevant secured lenders (the "**Banks**"),[1] Aker Capital AS ("**Aker**"), Lars Peder Solstad ("**LPS**") and entities controlled by LPS with family, being Jarsteinen AS ("**Jarsteinen**"), Soff Invest AS, Ivan AS, Vindbalen AS and Solhav Invest X AS (together, the "**Solstad Family Entities**"), F-Shiplease AS (a wholly-owned subsidiary of Ocean Yield ASA; "**OCY**", which in turn is controlled by Aker), SFL Corporation Ltd. ("**SFL**") and five of its subsidiaries (collectively, the "**SFL Entities**") and Vard Group AS ("**Vard**"). On 29 May 2020, Sterna Finance Limited ("**Sterna**") and Hemen Holding Limited ("**Hemen**") acceded to the RIA on certain conditions. The RIA was declared effective on 9 June 2020 upon the credit committee approvals from the Banks.

Furthermore, in bondholder meetings on 29 May 2020, the bondholders in the SOFF04 Bond (the "**SOFF04 Bondholders**") and the bondholders in the REM Bond (the "**REM Bondholders**", and together with the SOFF04 Bondholders, the "**Bondholders**") separately resolved to approve the Restructuring (the "**Bondholder Resolutions**").

Subsequently, on 8 June 2020, the Group and the Banks signed a Restructuring confirmation letter implementing a Restructuring term sheet setting out the principal terms for the Restructuring, including the main terms of the refinancing of the Group's debt.

On 16 September 2020, the Company, Solstad Shipholding AS (as the "**Borrower**"), the relevant Group companies and the relevant Banks, including DNB Bank ASA acting as both agent and security agent, signed a senior secured facilities agreement setting out the detailed terms of the refinancing of the Group's secured debt as part of the Restructuring (the "**Senior Secured Facilities Agreement**"). On the same day, the Company entered into a warrant agreement pursuant to which the Company shall issue warrants to the relevant Banks that have claims against the Group secured in certain vessels planned to be sold or scrapped as further detailed in Section 5.6 below (the "**Warrant Agreement**").

Furthermore, on 17 October 2020, a convertible loan agreement was entered into by the Company, Aker and Jarsteinen pursuant to which the aforementioned shareholders shall be offered to grant the Company the Anti-Dilution Protection Loan Agreement as defined in Section 5.7 below. On the same day, a warrant agreement was entered into by the

[1] The Oslo Stock Exchange has in a letter dated 19 June 2020 confirmed that the Restructuring does not constitute a basis for consolidation of the Banks for the purpose of a mandatory bid obligation pursuant to section 6-5, cf. section 2-5 no. 5 of the Norwegian Securities Trading Act. The confirmation does not exclude that other coordinated behaviour later could lead to a conclusion that the Banks are acting in concert.

Company and LPS in connection with LPS' management incentive plan (the "**LPS Warrant Agreement**"), as further detailed in Section 5.8 below.

The RIA, the Bondholder Resolutions, the Senior Secured Facilities Agreement, the Warrant Agreement, the Anti-Dilution Protection Loan Agreement and the LPS Warrant Agreement are together referred to as the "**Restructuring Agreements**".

Completion of the Restructuring is expected to take place on or about 20 October 2020, being the date the Company's extraordinary general meeting (the "**EGM**") inter alia resolves to issue the Private Placement Shares (the "**Closing**"), with delivery and listing of such Shares shortly thereafter.

5.1.2 Purpose of the Restructuring

The main purpose of the Restructuring is to create a stable platform for the Group with respect to available liquidity, sufficient runway and industrial anchoring, with the following main components:

- Simplify the current unsustainable corporate and loan structure that has four individual silos and well over 100 subsidiary companies by transforming it into a single unified group structure;
- substantially reduce the debt load of the Group from the equivalent of approximately NOK 33 billion to approximately NOK 23 billion;
- ensure that the Group has adequate liquidity and financial runway for an extended period of time, as well as free flow of liquidity; and
- continue to ensure industrial backing for the Company with the Anchor Shareholders.

5.2 Corporate restructuring

In connection with the Restructuring, the Group will complete an organisational corporate restructuring with a view to dissolve the prior silo structure of the Group, which was a result of the combinations with the REM Offshore, Farstad Shipping and Deep Sea Supply groups during recent years. The purpose of the corporate restructuring is to create a new simplified group structure which also reflects the requirements under the Group's new financing structure. The restructuring also reduces complexity in the daily operations and cash management for the Company's Management.

A key element of the corporate restructuring is the incorporation of a new intermediate holding company, Solstad Shipholding AS (the "**Borrower**"), as a direct wholly-owned subsidiary of the Company, which will hold the position as borrower for all re-instated senior secured bank debt post-Closing (see Section 5.4 below) and as holding company for six new sub-holding companies, under which most of the existing companies of the Group will be regrouped.

The Group's structure following completion of the corporate restructuring is included in Appendix B.

5.3 Restructuring of the Group's liabilities – overview

As per 30 June 2020, the total interest bearing debt of the Group amounted to the equivalent of NOK 33 billion. Of this amount, NOK 4 billion is excluded from or remains unaffected by the Restructuring. Of the remaining NOK 29 billion, 1 billion has been settled in a debt buy-back auction between the Group's lenders, NOK 18 billion will be refinanced and reinstated in the form of the Senior Reinstated Term Facilities (see Section 5.4 below) while the remaining NOK 10 billion will be equitized by conversion to Shares in Private Placement 1, see Section 5.9 below.

In addition, certain Banks will make available to the Borrower the Super Senior Term Loan of up to NOK 1.5 billion, see Section 5.5 below.

Of the reinstated debt, NOK 0.9 billion will be subject to a potential delayed equitisation pursuant to the terms of the Warrant Agreement, as further detailed in Section 5.6 below.

As part of the Restructuring, the Group will pay out a total of approximately NOK 261-276 million to certain creditors, depending on their participation in the Private Placements, financed partly by available cash and partly by the proceeds from Private Placement 2 and from the Anti-Dilution Protection Loan, see Sections 5.10 and 5.7 respectively below.

5.4 Senior Reinstated Term Facilities

Pursuant to the Senior Secured Facilities Agreement, certain Banks have agreed to make available to the Borrower senior secured multicurrency term loan facilities and to refinance the secured debt subject to the Restructuring, amounting to approximately NOK 18 billion (the "**Senior Reinstated Term Facilities**"). The main commercial terms of the Senior Reinstated Term Facilities are set out below:

Lenders	The relevant Banks
Borrower	Solstad Shipholding AS
Facilities and amounts	A NOK facility in the amount of NOK 6,350,272,996 (the "**NOK Facility**") and a USD facility in the amount of USD 1,278,191,273 (the "**USD Facility**"), both as divided in sub-tranches
Termination date	31 March 2024
Status	Senior secured liabilities ranking only behind the Super Senior Term Loan (see Section 5.5 below)
Repayment	No amortisation until 31 March 2023, and any amortisation thereafter subject to available funds and in accordance with the terms of the agreement governing the Senior Reinstated Term Facilities. Each tranche shall be repaid quarterly in equal instalments based on a ten year repayment profile on each payment date, from and including 31 March 2023. All amounts outstanding shall be repaid in full no later than on the termination date.
Interest	– The NOK Facility: 3 months NIBOR + a margin of 2% p.a. – The USD Facility: 3 months LIBOR+ a margin of 2.15% p.a. If the reference rate is less than zero, it shall be deemed to be zero
Security	Customary security, including cross-collateralised mortgages over relevant vessels, assignment of insurances and earnings, pledges over shares, assignment over any relevant intra-group loans, assignment over any monetary claims under any hedging arrangements (if relevant), pledge over bank accounts, pledge over machinery and plant or similar security available under relevant jurisdictions, step-in rights/direct agreements with respect to management agreements and such other security as reasonably required by the Banks; in addition to new on-demand cross-guarantees to guarantee the obligations and liabilities under the Senior Secured Facilities Agreement to be granted as per the terms of the Senior Secured Facilities Agreement.

Main financial covenants	The Borrower and relevant subsidiaries (the "**Borrower Group**") shall at all times (i) maintain a positive working capital, (ii) maintain available cash in excess of NOK 500,000,000 (or its equivalent in other currencies) and (iii) ensure that its interest coverage ratio for any period of four consecutive fiscal quarters shall be no less than 1.0x commencing in July 2022 and first tested on 30 September 2022. Compliance with the financial covenants will be tested quarterly on the basis of the consolidated financial statements of the Borrower Group. The Borrower Group shall also be subject to a collateral maintenance test to be calculated on a semi-annual basis, pursuant to which the aggregate fair market value of the Collateral Vessels (as defined in the Senior Secured Facilities Agreement) shall at all times equal at least 100% of the aggregate loans outstanding under the Senior Secured Facilities Agreement.

5.5 Super Senior Term Loan

Pursuant to the Senior Secured Facilities Agreement, certain Banks have agreed to make available to the Borrower a new super senior term loan facility for general corporate and working capital purposes (the "**Super Senior Term Loan**"). The main commercial terms of the Super Senior Term Loan are set out below:

Lenders	The relevant Banks
Borrower	Solstad Shipholding AS
Facility and amount	Super senior term loan facility of up to NOK 1.5 billion, to be confirmed prior to entering into the Senior Secured Facilities Agreement
Termination date	31 March 2024
Status	Super senior to all other liabilities of the obligors, subject to certain exceptions
Repayment	Non-amortizing bullet loan. All amounts outstanding shall be repaid in full in a single instalment on the termination date
Interest	3 months NIBOR + a margin of 4.75% p.a. paid quarterly. If the reference rate is less than zero, it shall be deemed to be zero
Security	Same as for the Senior Reinstated Term Facilities, see Section 5.4 above, but with senior priority
Main financial covenants	Same as for the Senior Reinstated Term Facilities, see Section 5.4 above

5.6 The Warrants

Of the reinstated debt, NOK 0.9 billion, pertaining to certain vessels designated for post-Closing sale (including sale for scrapping), will be subject to a potential delayed equitisation. Any vessel-specific debt which is not covered by the proceeds of such sale shall, unless assumed by the buyer or written-off and extinguished by the relevant Banks, be converted to newly issued Shares, using the same conversion ratio as for all other equitized debt in the Private Placement 1. To facilitate such conversion, it is proposed that the EGM resolves to issue a total of 4,422,026 standalone subscription rights (warrants) to the relevant Banks upon Closing, each giving the right to subscribe for one Share at a conversion price equal to the subscription price in the Private Placement 1, with a maturity date on 31 December 2024 and otherwise on the terms and conditions set out in the Warrant Agreement (the "**Warrants**"). The Warrants may be exercised upon completion of the Subsequent Offering and in connection with the conversion of any remaining debt after the realization of the relevant vessels.

The number of Warrants to be granted reflects a hypothetical scenario in which there are no net proceeds from any of the vessel sales. However, in practice, the Company expects the number of Shares issued on the basis of the exercise of the Warrants to be lower. To compensate for the dilutive effect the exercise of the Warrants will have on the shareholdings of the Anchor Shareholders, Aker, Hemen and Jarsteinen will be offered to grant the Company the Anti-Dilution Protection Loan (both terms as defined in Section 5.7 below).

5.7 Anchor Shareholders, new equity capital and ownership fully diluted

As part of the Restructuring, Aker, Hemen, LPS and the Solstad Family Entities (the "**Anchor Shareholders**") and Espedal will be offered to subscribe for Shares in the Private Placement 2 in the amount of between NOK 51,608,099 and NOK 65,959,281 (see Section 5.9 below). Furthermore, Aker, Hemen and Jarsteinen will be offered to grant the Company an unsecured and fully subordinated zero-interest convertible loan in the amount of between NOK 1,862,618 and NOK 2,810,464, subject to the Board's final decision based on the level of subscription in the Private Placements (the "**Anti-Dilution Protection Loan**").

The combined amount will be used in part to settle certain claims in connection with the Restructuring. Assuming maximum conversion, the Anti-Dilution Protection Loan will be converted to between 1,862,618 and 2,810,464 new Shares at a conversion price equal to the par value of the Shares on Closing (NOK 1). In addition, the Subsequent Offering will contribute with up to between NOK 3,500,322 and NOK 3,743,525 in cash and the issuance of between 1,093,854 and 1,336,973 new Shares, assuming full subscription and subject to the Board's final decision (see Section 6 below).

Upon completion of the Private Placements and the Subsequent Offering (assuming full subscription), the Banks and the Anchor Shareholders will hold in aggregate up to 50.1% and 33.34% respectively of the Shares.

Under the terms of the Restructuring Agreements, each of the Anchor Shareholders will, to the extent they accede to the agreement for the Anti-Dilution Protection Loan, have the right to maintain their shareholdings as per completion of the Private Placements, regardless of the dilutive effects of the Subsequent Offering and the conversion of Warrants to Shares. The purpose of the Anti-Dilution Protection Loan is to counterbalance such dilutive effect. Accordingly, Aker, Hemen and Jarsteinen will have the right to convert to Shares such part of the Anti-Dilution Protection Loan as is necessary to maintain such shareholding. Conversion may be declared simultaneously with the completion of the Subsequent Offering and of any conversion of Warrants.

The Shares to be issued in the Private Placement 2 and upon conversion of the Anti-Dilution Protection Loan are subject to a lock-up period of three years, or, as regards Aker and Hemen, to the extent they subscribe for Shares in the Private Placement 2, until the earlier date that Aker or Hemen is no longer offered a Board position.

The maximum number of Shares which may be issued on the basis of the Warrants and the Anti-Dilution Protection Loan is 7,232,490, which constitutes approximately 9% of the total number of Shares upon completion of the Subsequent Offering (assuming full subscription of the Offer Shares by the Eligible Shareholders).

5.8 Management Incentive Plan

In addition to the Shares to be issued in the Private Placement 2 to LPS and the Solstad Family Entities, and LPS and the Solstad Family's share of the Anti-Dilution Protection Loan (see Section 5.7 above), the Company shall issue between 4,389,074 and 5,038,187 warrants to LPS on Closing as an element in his management incentive plan, subject to the approval by the EGM and the Board's final decision (the "**LPS Warrants**"). The LPS Warrants will give LPS (including the Solstad Family Entities) the right to regain a total shareholding of up to 10% of the Shares (including any Shares already held by LPS or the Solstad Family Entities) within three years from Closing. In total, the Restructuring will give LPS and the Solstad Family Entities an overall compensation package on market terms.

Espedal will be offered to subscribe for between 573,866 and 655,949 Shares as part of Private Placement 2, constituting up to 0.9% of the Company's share capital on Closing, subject to the Board's final decision.

5.9 Information concerning the Private Placements

5.9.1 Description of the Private Placement Shares

The between 63,471,425 and 72,591,717 Private Placement Shares, as proposed to be issued by the EGM on 20 October 2020 and subject to the Board's final decision, will be registered on the Company's ordinary ISIN NO 0003080608.

The Private Placement Shares will be issued with a par value in NOK.

The rights attached to the Private Placement Shares are the same as those attached to the Company's existing Shares. The Private Placement Shares will be issued electronically as ordinary Shares in the Company in accordance with the Norwegian Public Limited Liability Companies Act and rank *pari passu* with the existing Shares in all respects. The Private Placement Shares will be listed on the Oslo Stock Exchange without application following the publication of this Prospectus. The Private Placement Shares carry the right to receive dividends from the date of registration of the share capital increase pertaining to the Private Placements, i.e. on or about 20 October 2020.

See Section 9.10 "*Certain aspects of Norwegian corporate law*" for more details regarding shareholding in a Norwegian public limited liability company.

5.9.2 Resolution regarding the Private Placements

5.9.2.1 The Private Placement 1

The Board of Directors has proposed that the EGM passes the following resolutions regarding the Private Placement 1:

A. Share capital decrease | Reduction of par value of each Share from NOK 2 to NOK 0.001

1) *The share capital is reduced by NOK 582,773,065.701 from NOK 583,064,598 to NOK 291,532.299 by reducing the nominal value of the shares by NOK 1.999 per share, from NOK 2 to NOK 0.001.*

   The description of share capital and the number of shares in § 4 of the Articles of Association are amended accordingly.

2) *The reduction amount shall be used to cover losses which cannot otherwise be covered, cf. the NPLCA section 12-1 (1) number 1.*

3) *The resolution to reduce the share capital shall be registered in the Norwegian Register of Business Enterprises in accordance with the NPLCA section 12-4 and is deemed effective when the notification under section 12-4 has been registered. A resolution to distribute dividends may in such case not be adopted until three years have elapsed from the registration in the Norwegian Register of Business Enterprises, unless the share capital subsequently has been increased by an amount equal to the reduction.*

4) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and upon such proposals being completed.*

B. Share capital increase | Issuance of 701 new Shares

1) *The share capital shall be increased by NOK 0.701 from NOK 291,532.299 to NOK 291,533 by issuance of 701 new shares, each with a par value of NOK 0.001, so that the new total number of shares is 291,533,000.*

   The share capital and the number of shares in the Articles of Association section 4 shall be amended accordingly.

2) *NOK 0.00267 shall be paid per share, of which NOK 0.001 is share capital while NOK 0.00167 is premium, which implies a total subscription amount of NOK 1.87167 of which NOK 0.701 is share capital and NOK 1.17067 is premium.*

3) *The new shares may be subscribed by Jarsteinen AS. The shareholders' pre-emption rights pursuant to the NPLCA section 10-4 first paragraph, to subscribe for the new shares, are consequently waived, cf. the NPLCA section 10-5.*

4) *The shares are subscribed for in a separate subscription form at the same day as the extraordinary general meeting. The Board of Directors is authorized to extend the subscription period.*

5) *The subscription amount shall be paid to the Company's bank account no. 5083.06.08254 with DNB Bank ASA.*

6) *The new shares shall rank equal with the existing shares in the Company and shall carry dividend rights from the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.*

7) *The Company estimates that there are no additional costs relating to this share capital increase.*

8) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and upon such proposals being completed.*

C. Reverse share split | Consolidation of 1,000 Shares to 1 Share

1) *The Company carries out a share consolidation, where 1000 shares are merged to 1 share. The nominal value of each share is changed from NOK 0.001 to NOK 1. As a result, the Company's share capital is NOK 291,533 divided into 291,533 shares each with a nominal value of NOK 1.*

2) *The description of share capital and the number of shares in § 4 of the Articles of Association are amended accordingly.*

3) *Fractions of shares shall be rounded down to the nearest whole share per VPS account. The fractions shall be combined in VPS and sold by the Company over the stock exchange. The proceeds shall be donated to charity as per the Board of Director's decision.*

4) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and such proposals being completed.*

D. Share capital increase | Conversion of debt

1) *The share capital is increased by between NOK 46,837,645 NOK 48,074,688 as per the Board of Director's decision, by subscription of between 46,837,645 and 48,074,688 new shares each with a nominal value of NOK 1.*

   The share capital and number of shares set out in section 4 of the Articles of Association are amended accordingly.

2) *Between NOK 3.73 and NOK 4.30 shall be paid per share, of which NOK 1 is share capital and the remaining amount is premium, and the total subscription amount shall be between NOK 179,318,586 and NOK 201,401,874, of which between NOK 46,837,645 and NOK 48 074 688 is share capital and the exceeding amount is share premium, as per the Board of Director's decision.*

3) *The new shares shall be subscribed by the investors listed in Appendix 5 to this notice, subject to accession to required agreements for the Restructuring (referred to as the "**Investors**" in this item on the agenda).*

   The Board of Directors is authorized to set the exact distribution in accordance with agreement with the Investors.

4) *The shareholders' pre-emption rights pursuant to the NPLCA section 10-4 first paragraph, to subscribe for the new shares, is waived, cf. the NPLCA section 10-5.*

5) *The subscription shall take place at the same day as the extraordinary general meeting. The shares shall be subscribed on a separate subscription form. The Board of Directors is authorized to extend the subscription period.*

6) *The contribution shall be settled by the above mentioned investors setting off claims against the Company and/or transferring accounts receivable against other Group companies to the Company totaling between NOK 9,453,244,473 and NOK 9,702,916,988, as per the Board of Directors' decision, so that approximately NOK 202 in nominal debt is converted to one share. Such set-off and transfer are declared upon subscription and imply the immediate settlement of the subscription price and, as regards the set-off, that the claims are reduced accordingly. The contributions are described further in the Expert Report enclosed to the notice to the shareholders' meeting.*

7) *The new shares shall be ranked equal with the existing shares and carry dividend rights from registration of the capital increase in the Norwegian Register of Business Enterprises.*

8) *The Company expects to incur costs in connection with the share capital increase in the total amount of approximately NOK 100,000, which also covers parts of expenses accumulated for the preparation of the prospectus.*

9) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and such proposals being completed.*

5.9.2.2 The Private Placement 2

The Board of Directors has proposed that the EGM passes the following resolutions regarding the Private Placement 2:

1) *The share capital shall be increased by between NOK 16,633,780 and NOK 24,517,029 by issuance of between 16,633,780 and 24,517,029 new shares, each with a par value of NOK 1, as per the Board of Directors' decision.*

   The share capital and the number of shares in the Articles of Association article 4 shall be amended accordingly.

2) *Between NOK 2.60 and NOK 3.30 shall be paid per share, of which NOK 1 is share capital and the exceeding amount is premium, and the total subscription amount shall be between NOK 51,608,098 and NOK 65,959,281, of which between NOK 16,633,780 and NOK 24,517,029 is share capital and the exceeding amount is share premium, as per the Board of Directors' decision.*

3) *The new shares may be subscribed for by the following investors, subject to accession to required agreements for the Restructuring (referred to as the "**Investors**" in this matter on the agenda):*

   1. Aker Capital AS
   3. Hemen Holding Limited
   4. Jarsteinen AS
   5. Espedal & Co AS

   The Board of Directors is authorized to set the exact distribution.

   The shareholders' pre-emption rights pursuant to the NPLCA section 10-4 first paragraph, to subscribe for the new shares, are consequently waived, cf. the NPLCA section 10-5.

4) *The shares are subscribed for in a separate subscription form at the same day as the extraordinary general meeting. The Board of Directors is authorized to extend the subscription period.*

   The subscription amount shall be settled at the same day as the extraordinary general meeting by payment to the Company's bank account no. 5083.06.08254 with DNB Bank ASA. The Board is authorized to extend the deadline.

5) *The new shares shall rank equal with the existing shares in the Company and shall carry dividend rights from the date of registration of the share capital increase in the Norwegian Register of Business Enterprises.*

6) *The Company expects to incur costs in connection with the share capital increase in the total amount of approximately NOK 100,000, which also covers parts of expenses accumulated for the preparation of the prospectus.*

7) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and such proposals being completed.*

5.9.3 Transferability of the Private Placement Shares

The Shares in the Company are freely transferable. However, the Shares to be issued in the Private Placement 2 and upon conversion of the Anti-Dilution Protection Loan (see Section 5.7) are subject to a lock-up period of three years, or as regards each of Aker and Hemen, until the earlier date that Aker or Hemen respectively is no longer offered a Board position.

5.9.4 Dilution

The Private Placements will in aggregate result in a dilution of 99.6% of the Company's existing shareholders not participating in the Private Placements, assuming full subscription.

As of 31 December 2019, the Company's total equity was approximately NOK -3.6 billion and thus the net asset value per Share was below NOK 0.

5.9.5 Interests of natural and legal persons involved in the Private Placements

The Manager and its affiliates may have interests in the Private Placements as they have provided from time to time, and may provide in the future, services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager, its respective employees and any affiliate may currently own Shares in the Company. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

According to the mandate agreement entered into by the Company and the Manager, there is a carve out for new equity raised from Anchor Shareholders, and also for new equity issued due to conversion of debt. Thus, the Manager will not receive any fee of the gross cash proceeds raised in the Private Placements, and, as such, does not have an interest in the Private Placements. In terms of the Subsequent Offering, the Manager will receive a fee of 1.75% of the gross cash proceeds raised from the retail tranche and Espedal, and the Manager accordingly has an interest in the Subsequent Offering.

5.9.6 Proceeds, expenses, and use of proceeds from the Private Placements

The Private Placement 1 will not provide any cash proceeds to the Company, while the gross proceeds from the Private Placement 2 is expected to amount to between NOK 51,608,098 and NOK 65,959,281, depending on the investors' participation and the final decision by the Board of Directors.

Transaction costs and all other directly attributable costs in connection with the Private Placements that will be borne by the Company are estimated to approximately NOK 2 million, thus resulting in net proceeds of approximately NOK 49.6-64.0 million from the Private Placements. The aforementioned costs are mainly related to legal assistance and costs relating to the preparation of expert statements in connection with the conversions.

The net cash proceeds from the Private Placement 2, together with the proceeds from the Anti-Dilution Protection Loan, will be used partly to finance the cash payment offered to the SOFF04 Bondholders and the buy-back of debt as described in Section 5.7 above.

The Company will not charge any expenses directly to any investor in connection with the Private Placements.

5.9.7 Advisors in connection with the Private Placements

Arctic Securities AS is acting as manager for the Company in connection with the Private Placements and the Subsequent Offering and as financial advisors to the Company in the Restructuring. Wikborg Rein Advokatfirma AS is acting as legal advisor to the Company in relation to the Private Placements, the Subsequent Offering and the Restructuring.

6 THE SUBSEQUENT OFFERING

6.1 Background

Upon Closing, shareholders not participating in the Private Placements will be diluted to approximately 0.22% of the Company's share capital. In order for these shareholders to maintain an aggregated holding of up to 2% of the Company's share capital, it has been proposed that the EGM resolves to authorise the Board to conduct a subsequent offering of between 1,093,854 and 1,336,973 Offer Shares at a subscription price of between NOK 2.80 and NOK 3.20 per Offer Share (the "**Subscription Price**"), with gross proceeds of up to between NOK 3,500,322 and NOK 3,743,525, subject to the Board's final decision (the "**Subsequent Offering**").

6.2 Terms of the Subsequent Offering

6.2.1 Overview

The Subsequent Offering will be directed at eligible shareholders in the Company, being the holders of Shares as at the end of trading on 20 October 2020, as registered in the VPS as of 22 October 2020 (the "**Record Date**"), who are not allocated Shares in the Private Placements (other than Vard) and who are not resident in a jurisdiction where the Subsequent Offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action (the "**Eligible Shareholders**"). The Subsequent Offering may not be suspended or revoked.

The Offer Shares will be issued with a par value in NOK.

Eligible Shareholders will, based on their registered holding of Shares in the VPS at the end of the Record Date, be granted non-tradable subscription rights providing a preferential right to subscribe and be allocated Offer Shares in the Subsequent Offering (the "**Subscription Rights**"). The Company will issue between 5.19226278 and 8.33103381 non-tradable Subscription Rights per 1 (one) share in the Company (on a consolidated basis) registered as held in the VPS on the Record Date, as per the final decision by the Board.

The subscription period for the Subsequent Offering commences on 26 October 2020 at 09:00 CET and expires on 9 November 2020 at 16:30 CET, subject to extension at the Board's discretion (the "**Subscription Period**").

The below timetable sets out certain expected key dates for the Subsequent Offering:

Last day of trading in the Shares incl. Subscription Rights	20 October 2020
First day of trading in the Shares excl. Subscription Rights	21 October 2020
Record Date	22 October 2020
Start of Subscription Period	26 October 2020
End of Subscription Period	9 November 2020
Allocation of Offer Shares	On or about 10 November 2020
Distribution of allocation letters	On or about 10 November 2020
Publication of the results of the Subsequent Offering	On or about 10 November 2020
Payment Date	On or about 11 November 2020
Registration of share capital increase	On or about 16 November 2020
Delivery of Offer Shares	On or about 17 November 2020
Listing of the Offer Shares on the Oslo Stock Exchange	On or about 17 November 2020

The above dates are indicative and subject to change. No action will be taken to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction outside Norway.

6.2.2 Resolution regarding the Subsequent Offering

Issuance of the Offer Shares will be made pursuant to a resolution by the Board of Directors to issue the Offer Shares. Such resolution will be based on the following authorisation to the Board of Directors to increase the Company's share capital as proposed to be granted by the EGM:

1) *The Board of Directors is authorised to carry out increase in the share capital where the maximum increase amount shall be between NOK 1,093,854 and NOK 1,336,973 as per the Board of Directors' decision, by subscription of up to between 1,093,854 and 1,336,973 shares each with a par value of NOK 1.*

   The authorisation may only be applied for issuance of shares in connection with a subsequent repair issue directed towards those shareholders of Solstad Offshore ASA who are not participating in the equity transactions in the preceding items on the agenda who were shareholders as per 20 October 2020 as registered in VPS on 22 October 2020 (record date).

2) *Between NOK 2.80 and NOK 3.20 shall be paid per share, of which NOK 1 is share capital and the exceeding amount is premium, and the total maximum subscription amount shall be between NOK 3,500,322 and NOK 3,743,525, of which between NOK 1,093,854 and NOK 1,336,973 is share capital and the exceeding amount is share premium, as per the Board of Directors' decision.*

   The Board of Directors resolves the remaining subscription conditions.

3) *The authorisation is in force until 31 December 2020.*

4) *The shareholders' pre-emption rights pursuant to the NPLCA section 10-4 first paragraph to subscribe for the new shares is consequently waived, cf. the NPLCA section 10-5.*

5) *The authorisation only applies to issuance of shares against cash payment. The authorisation does not apply to resolutions regarding mergers, cf. the NPLCA section 13-5.*

6) *The resolution is conditional upon the general meeting resolving the other proposals related to the Restructuring and such proposals being completed.*

The existing shareholders' pre-emptive rights pursuant to section 10-4 of the Norwegian Public Limited Liability Companies Act are deviated from in order to give the Eligible Shareholders the opportunity to minimise the dilution they experience as a result of the Private Placements.

6.2.3 Subscription Rights and Offer Shares

Eligible Shareholders will receive non-transferable Subscription Rights equal to their pro rata shareholding in the Company as registered in the VPS as of the Record Date. The Company will issue between 5.19226278 and 8.33103381 non-tradable Subscription Rights per 1 (one) Share in the Company (on a consolidated basis) registered as held in the VPS on the Record Date, as per the final decision by the Board. The number of Subscription Rights issued to each Eligible Shareholder will be rounded down to 0 or to the nearest whole number of Subscription Rights.

Each Subscription Right grants the owner the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering.

Over-subscription will be allowed for Eligible Shareholders through subscribing for a higher number of Offer Shares than the received number of Subscription Rights.

The Subscription Rights will be distributed free of charge, and the recipient of Subscription Rights will not be debited any cost. The Subscription Rights will be registered in the VPS under ISIN NO 0010895873 and will be distributed to each Eligible Shareholders' VPS account on or about 26 October 2020.

The Subscription Rights will be non-transferable and hence not listed on the Oslo Stock Exchange during the Subscription Period.

After the expiry of the Subscription Period, the Subscription Rights will be of no value and will automatically lapse without compensation to the holder. Eligible Shareholders not utilizing their Subscription Rights will have no further Subscription Rights after expiry of the Subscription Period.

Shareholders holding their shares in the Company through a nominee will not be allocated Offer Shares on the basis of the Subscription Rights credited to such nominees VPS accounts or otherwise, unless such nominees have provided the Company with information inter alia of (i) the identity of each shareholder holding shares through the nominee, (ii) the shareholdings of such shareholder as of the end of 20 October 2020, as documented by the shareholder register in the VPS as of the Record Date, and (iii) the number of Offer Shares each such shareholder intends to subscribe for in the Subsequent Offering. The purpose is to enable the Company to verify that the underlying shareholder is an Eligible Shareholder. The nominees have been sent a notification from the Company whereby the nominees have been requested to provide such information together with the Subscription Form. To the extent that it is verified that the underlying shareholder is an Eligible Shareholders, the Company will allocate Offer Shares to the underlying shareholder on the basis of the allocation criteria set out in Section 6.2.8. The Manager and the Company assume no liability for any postal delays or other circumstances that prevent any shareholders holding their shares through a nominee to participate in the Subsequent Offering.

Subscription Rights to shareholders who are resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts application or subscription for Offer Shares ("**Ineligible Jurisdiction**") will initially not be credited to such persons' ("**Ineligible Shareholders**") VPS accounts. If the relevant Ineligible Shareholder by 16:30 CET on 9 November 2020 documents to the Company a right to receive the Subscription Rights, the Manager will distribute the relevant Subscription Rights to the VPS account of the relevant Ineligible Shareholder.

6.2.4 Subscription Period

The Subscription Period in the Subsequent Offering will commence on 26 October 2020 at 09:00 CET and expire on 9 November 2020 at 16:30 CET. The Subscription Period may not be shortened and may only be extended by the Board of Directors if this is required by law due to the publication of a supplement to the Prospectus.

6.2.5 Subscription Price

The Subscription Price is between NOK 2.80 and NOK 3.20 per Offer Share, subject to the Board's final decision. The Subscription Price will be set near equal to the subscription price in the Private Placement 2 for investors who will not also participate in the Anti-Dilution Protection Loan (see Section 5.7 above), in order to ensure, insofar as practically possible, that the Company's shareholders are treated equally. The subscription price in the Private

Placement 2 has been set based on negotiations between the various stakeholders that are parties to the Restructuring Agreements.

No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering.

6.2.6 Subscription procedures and subscription offices

Subscriptions for Offer Shares must be made on the Subscription Form included as Appendix A hereto.

Subscribers who are residents of Norway with a Norwegian personal identification number may also subscribe for Offer Shares by following the link www.arctic.com/secno/en/offerings, which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian residents by entering their national identity number (*Nw.:* "*fødsels- og personnummer*").

Online subscriptions must be submitted, or accurately completed Subscription Forms must be received by the Manager, by 16:30 CET on 9 November 2020. None of the Company or the Manager may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber.

Properly completed and signed Subscription Forms may be mailed or delivered to the Manager at the address set out below:

Arctic Securities AS
Haakon VII's gate 5
P.O. Box 1833 Vika
N-0123 Oslo
Norway
Tel: +47 21 01 30 40
E-mail: subscription@arctic.com

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether they are placed by delivery of a Subscription Form to the Manager or through the VPS online subscription system.

Subscriptions are binding and irrevocable and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager. The subscriber is responsible for the correctness of the information filled into the Subscription Form. By signing and submitting a Subscription Form, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

By making a subscription, the subscriber irrevocably confirms its order to purchase and subscribe, at the Subscription Price, the number of Offer Shares allocated to such subscriber up to the relevant subscription amount, and irrevocably authorises and instructs the Manager (or someone appointed by them) to formally subscribe for any Offer Shares allocated to such subscriber and to take all actions required to ensure delivery of the Offer Share to such subscriber in the VPS, on behalf of the subscriber.

There is no minimum subscription amount for which subscription in the Subsequent Offering must be made. Over-subscription is allowed for Eligible Shareholders through subscribing for a higher number of Offer Shares than the received number of Subscription Rights. Subscription without Subscription Rights is not allowed.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are permitted. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

6.2.7 Financial Intermediaries

All persons or entities holding Shares or Subscription Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares or Subscription Rights are held.

If an Eligible Shareholder held Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Ineligible Shareholders holding their Shares through a financial intermediary will not be entitled to exercise their Subscription Rights.

The time by which notification of exercise instructions for subscriptions for Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

Any shareholder in the Company who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the shareholders of their exercise instructions.

Please refer to Section 13 "*Selling and Transfer Restrictions*" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Manager in accordance with Section 6.2.9 "*Payment for the Offer Shares*" no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

6.2.8 Allocation of Offer Shares

Allocation of the Offer Shares is expected to take place on or about 10 November 2020. The following allocation criteria will be used for allocation of Offer Shares in the Subsequent Offering:

i) Allocation of Offer Shares to Eligible Shareholders will be made in accordance with granted Subscription Rights which have been validly exercised during the Subscription Period. One Subscription Right will give the right to subscribe for and be allocated one Offer Share.
ii) If not all Subscription Rights are validly exercised in the Subscription Period, subscribers having exercised their Subscription Rights and who have over-subscribed will have the right to be allocated remaining Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by the subscriber. In the event that pro rata allocation is not possible the Company will determine the allocation by drawing lots.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria.

General information regarding the result of the Subsequent Offering is expected to be published on or about 10 November 2020 in the form of a stock exchange release through www.newsweb.no.

All subscribers being allocated Offer Shares will receive a letter from the Manager confirming the number of Offer Shares allocated to the subscriber and the corresponding amount which will be debited the subscriber's account. This letter is expected to be mailed on or about 10 November 2020. Investors with access to VPS Investor Services will also be able to see their allocated Offer Shares through such service.

6.2.9 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on or about 11 November 2020 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below.

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Manager with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorised to debit such account once, but reserve the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in the subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. If payment for the allotted Offer Shares is not received when due, the Offer Shares will not be delivered to the subscriber, and the Board of Directors in the Company reserves the right, at the risk and cost of the subscriber, to cancel the subscription in respect of the Offer Shares for which payment has not been made, or to sell or otherwise dispose of the Offer Shares, and hold the subscriber liable for any loss, cost or expense suffered or incurred in connection therewith. The original subscriber remains liable for payment of the entire amount due, including interest, costs, charges and expenses accrued, and the Manager may enforce payment of any such amount outstanding.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Manager with a one-time irrevocable authorisation to directly debit the specified bank account for the entire subscription amount.

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Manager for further details and instructions.

Overdue and late payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 9.50% per annum. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Liability Companies Act and at the discretion of the Manager, not be delivered to the subscriber.

6.2.10 Publication of information relating to the Subsequent Offering

Publication of information related to any changes in the Subsequent Offering and the results of the Subsequent Offering, will be published on www.newsweb.no under the Company's ticker "SOFF", and will also be available on the Company's website www.solstad.com. The announcement regarding the results of the Subsequent Offering is expected to be made on or about 10 November 2020.

6.2.11 VPS registration of the Offer Shares

The Offer Shares will be registered electronically in book-entry form with VPS under ISIN NO 0003080608. The Offer Shares will not be delivered to the subscribers' VPS accounts before they are fully paid by the subscriber and registered in the VPS. The Company's registrar is DNB Bank ASA, Registrars Department, 0021 Oslo.

6.2.12 Delivery and listing of the Offer Shares

All subscribers subscribing for Offer Shares must have a valid VPS account (established or maintained by an investment bank or Norwegian bank that is entitled to operate VPS accounts) to receive Offer Shares. Assuming that payments from all subscribers are made when due, it is expected that delivery of the Offer Shares to the subscribers and admitted to trading on the Oslo Stock Exchange on or about 17 November 2020. The Shares will not be sought or admitted to trading on any other regulated market than the Oslo Stock Exchange.

6.2.13 Transferability of the Offer Shares

The Offer Shares may not be transferred or traded before they are fully paid by the subscriber, the share capital increase has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The Offer Shares are expected to be delivered to the subscribers' VPS accounts on or about 17 November

2020. For further details on selling and transfer restrictions, please refer to Section 13 "*Selling and Transfer Restrictions*".

6.2.14 Expenses and net proceeds

Transaction costs and all other directly attributable costs in connection with the Subsequent Offering that will be borne by the Company are estimated to approximately NOK 0.5 million, thus resulting in net proceeds of up to approximately NOK 3.2 million (assuming all of the Offer shares are fully subscribed by the Eligible Shareholders).

The net proceeds from the Subsequent Offering will be used to strengthen the Company's balance sheet and liquidity position as well as for general corporate purposes.

6.2.15 Dilution

As a consequence of the issuance of the Private Placement Shares, the shareholders who do not participate in the Private Placements will be diluted to approximately 0.22% of their current shareholding. The immediate dilutive effect of the Subsequent Offering for the Company's shareholders who do not participate in the Subsequent Offering is expected to be between approximately 1.69% and 1.80%, based on the level of subscription in the Private Placements.

As of 31 December 2019, the Company's total equity was approximately NOK -3.6 billion and thus the net asset value per Share was below NOK 0.

6.2.16 Shareholders' rights attached to the Offer Shares

The rights attached to the Offer Shares will be the same as those attached to the Company's existing Shares. The Offer Shares will be issued electronically as ordinary Shares in the Company in accordance with the Norwegian Public Limited Liability Companies Act and will rank *pari passu* with existing Shares in all respects from the time the share capital increase pertaining to the Subsequent Offering is registered with the Norwegian Register of Business Enterprises. The holders of the Offer Shares will be entitled to dividend from and including the date of registration of the share capital increase with the Norwegian Register of Business Enterprises.

The Offer Shares will be registered electronically in book-entry form in the VPS under ISIN NO 0003080608.

Please see Section 9.10 "*Certain aspects of Norwegian corporate law*" for more details regarding shareholding in a Norwegian public limited liability company.

6.2.17 Mandatory anti-money laundering procedures

The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 13 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "**Anti-Money Laundering Legislation**").

6.2.18 Interest of natural and legal persons in the Subsequent Offering

The Manager and its affiliates have provided from time to time, and may provide in the future, services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own existing Shares in the Company. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Furthermore, the Manager will receive a fee of 1.75% of the gross cash proceeds raised from the retail tranche and Espedal in the Subsequent Offering, and, as such, has an interest in the Subsequent Offering.

Other than what is set out above, the Company is not aware of any other interests (including conflict of interests) of natural and legal persons involved in the Subsequent Offering.

6.2.19 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to apply for Offer Shares in the Subsequent Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

6.2.20 Manager and advisor

The Manager for the Subsequent Offering is Arctic Securities AS.

Wikborg Rein Advokatfirma AS is acting as legal advisor to the Company in relation to the Subsequent Offering.

6.2.21 National Client Identifier and Legal Entity Identifier

In order to participate in the Subsequent Offering, applicants will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**").

<u>NCI code for physical persons:</u> Physical persons need an NCI code to participate in a financial market transaction. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit personal ID (*Nw: fødsels- og personnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

<u>LEI code for legal entities</u>: Legal entities need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI Company, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

6.2.22 Governing law and jurisdiction

This Prospectus, the Application Form and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Application form or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District court as the legal venue.

7 DESCRIPTION OF THE MARKET IN WHICH THE GROUP OPERATES

7.1 Introduction

Six months after the corona crisis erupted in earnest, the oil and oil services markets remain in a state of shock and high uncertainty. The COVID-19 virus, commonly called the "corona", has caused a plunge in economic activity and oil demand, which was the key, but not only, factor in triggering a collapse in oil prices down to below $15 during March and April 2020. Since then, prices have rebounded meaningfully with Brent crude trading consistently between $40-45 from June 2020 onwards. Oil demand has rebounded from its spring low while the world's three biggest producers – Saudi Arabia, Russia and the US - all reduced production sharply. In addition, major oil companies have all cut their E&P spending budgets by 20-30% for this year and most have lowered their long-term price assumptions, indicating that supply growth will remain subdued going forward.

As of this writing, market fundamentals are improving but the exceptional dislocation of same during Q2 means that there is a large inventory overhang needed to be worked off before the market can be said to have made a full recovery. The still high level of corona cases in many economies, for some even a revival during the summer, means that the outlook for the world economy, the key driver of oil demand, still remains clouded by uncertainty.

7.1.1 Oil supply and demand

Despite the high uncertainty, there is no doubt that global oil demand is going through its largest-ever contraction in 2020. Data for the first half of the year is now mostly in and the preliminary figure from the IEA is a decline of 11 mbd or abt 12%, year-on-year, with a full year forecast for a decline of 8 mbd (8%). Such a drop is unprecedented for the past sixty years on both an absolute and relative scale.

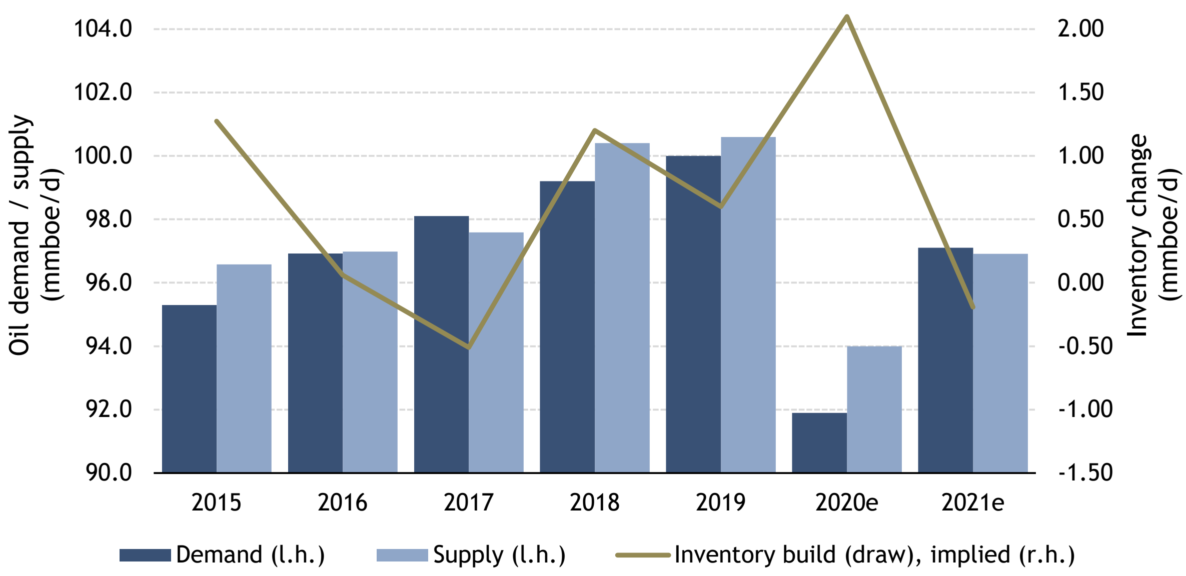
On a somewhat positive note, the drop in demand has been centred on the months of April and May, with subsequent months showing a sharp rebound although levels still remained well down year-on-year during Q3. This is a potential positive because it indicates that main reason for the decline was the lockdown of around half of the global population under various regulatory regimes restraining mobility. Hence the assumption has been, and is, that once such lockdowns ease and life start to go back to normal it would have a noticeable positive effect on oil demand. That has indeed occurred, with current global oil demand seen in the low 90s mbd (million barrels per day). This compares to a normal, pre-corona level of 100 mbd but also with the trough during Q2 of around 80 mbd. Importantly, forecasting agencies have revised up their initial estimates for Q2 oil demand by around 7 mbd as more complete data has emerged, indicating that the crisis, while bad, was not quite as bad as expected. Going forward, demand is expected to continue its improvement, as lockdowns are seen to be easing further. Economic growth will get a further boost from the lagged effects of the authorities' unprecedented stimulant efforts, while the sharp drop in oil prices also should contribute to a rebound in demand. The risk of new waves of the corona virus as well as potential long-term changes to people's mobility and transportation habits remain the key risks to the outlook.

Major changes have taken place on the supply side of the market as well. In March and early April, the situation looked grave as Saudi Arabia had announced it would maximize its production in response to the breakdown if Opec's supply management with Russia. Following the price collapse, Opec and leading non-Opec producers, including Russia, agreed to a historic cut in oil production of 10 mbd, or 20% of the group's total, in May and June with a long-term plan for continued, but gradually smaller, cuts through March 2022. The execution of the plan has been near flawless with compliance with the cuts of more than 90% through July.

Oil production among non-Opec producers not part of this alliance is also being affected. The sharp decline in prices, and still relatively low level compared to the past ten years, means that capital expenditures are being cut back sharply. Several major oil companies have announced spending cuts of up to 30% for 2020. As Arctic has been expecting, such cuts look very likely to quickly impact production, particularly in the US, which has a majority of short-cycle shale oil projects. In its latest forecast the IEA assumes a decline in US output of 0.9 mbd, or 5% in 2020 from 2019 and, importantly, it sees the decline continuing into next year when the agency expects a further 0.5 mbd drop to 15..8 mbd. Output in other non-Opec countries like Canada and Brazil is also being impacted as the current crisis is hitting an oil industry still recovering from the 2015 crises. In total, non-Opec production, including Russia and the rest of the FSU, is expected to decline by 2.9 mbd this year (-4.4%) before making a moderate rebound of +0.5 mbd next year, as per the IEA's forecast published in August.

Furthermore, the IEA has long been expecting a sharp slowdown in non-Opec production growth from 2022 onwards, as the capex cuts from the previous industry downturn in 2015\16 lead to a drop in new project start-ups. The outlook was dealt a further setback by the many oil majors announcing lower long-term oil price expectations in their Q2 earnings calls as well as underlining their strategic shifts towards “greener” spending budgets, at the expense of fossil fuels collapse. The IEA, in its mid-summer Energy Investment update said that its non-Opec production target for 2025 had already been lowered and could fall by much more unless there was a recovery in spending.

Figure 7.1: Global oil balance summary (million barrels per day)



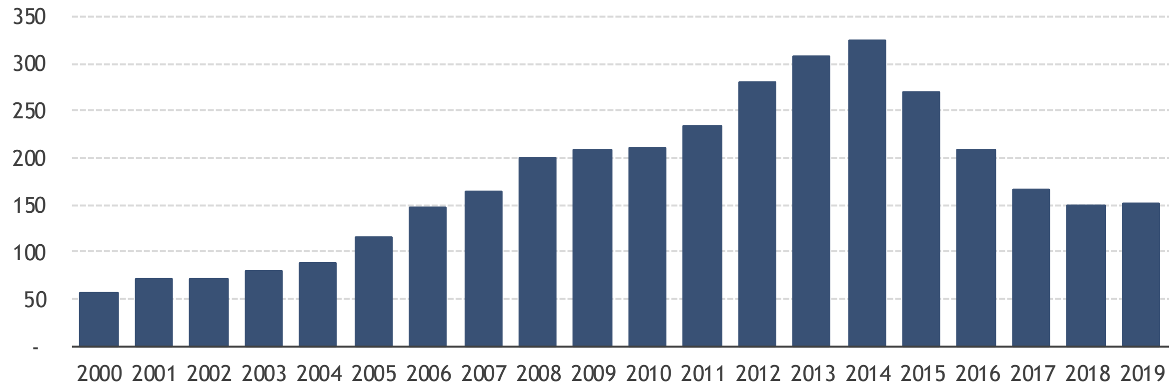
Source: Manager's Research, based on IEA and BP statistical review (2019)

7.1.2 Oil service market drivers

At the onset of the cyclical downturn in 2014, oil and gas companies reduced their upstream offshore exploration and production spending to adjust for the new reality. This was the start of a five-year downturn, where capital preservation, cost reductions and increased efficiency moved to the top of the oil and gas companies agenda. The global offshore exploration and production spending was USD 325 billion at peak in 2014. Since that it has declined by ~50% to around USD 155 billion in 2019. During these years, there has been a complete shift in mentality in the oil and gas industry, especially within the cost aspect. Break even oil prices have in some cases declined more than 50%, and third party data now expects offshore fields to be increasingly competitive towards US shale.

Over the past year the optimism in the offshore industry has been gradually growing, however this came to a sudden stop during the first months of 2020 as the spread of the COVID-19 virus became a global pandemic. The oil market is currently recovering from the massive oversupplied due to supressed demand and still strong production during the mist of the COVID-19 situation. However, as discussed in the previous chapter, the market has started to normalize, and will with time take us back to a recovering oil market. The oil companies' response to this has been swift and brutal, and early indication points to 2020 investment budgets having been reduced by 20-25% from the original plans, resulting in a year over year decline of around 20%. This is based on communicated response from around 34 offshore focused oil and gas companies. In addition to this, several of the oil majors – most notable the European – has launched ambitious energy transition strategies, resulting in even less favourable capital allocation towards oil and gas projects.

Figure 7.2: Global offshore E&P spending (USD billion)



Source: Manager's Research, based on Rystad Energy (September 2020)

7.2 Offshore vessel market

The offshore service market can be divided into several sub-segment, where the largest asset-heavy segments include seismic, FPSO, offshore drilling, subsea and offshore support. Of these, Solstad Offshore operates vessels within the offshore support and subsea segments. The former includes offshore support vessels ("**OSV**"), which comprises platform supply vessels ("**PSV**") and anchor handling tug supply vessels ("**AHTS**"). The vessels operating in the subsea space is called offshore construction vessels ("**OCV**") and are divided in the following assets classes: inspection, maintenance and repair vessels ("**IMR**"), diving support vessels ("**DSV**"), heavy construction vessels ("**heavy OCV**") and field development ship ("**FDS**"). Solstad Offshore offerings comprise PSV, AHTS, IMR and heavy OCV. In addition, several of its subsea vessels are working within the offshore renewable sector, where its offerings ranges surveys, walk-to-work and general supporting activity.

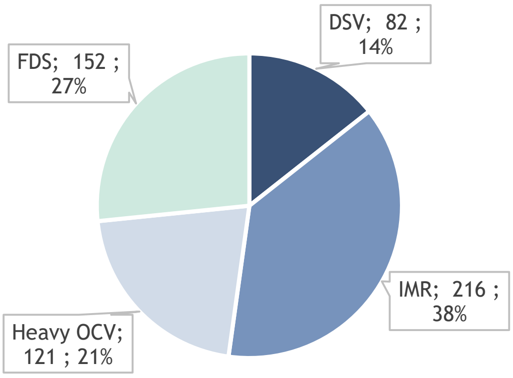
7.2.1 Offshore Construction vessels

Offshore construction vessels are used for installation, maintenance and inspection of subsea equipment, as well as related offshore structures, e.g. platforms and buoys. OCVs perform work related to, installation of mooring systems, laying of pipe and construction of offshore structures as well as removal of such equipment. The subsea vessels are also engaged in work related to other offshore installations such as electrical cables and offshore wind turbines.

OCV are often chartered out to subsea contractors, such as Subsea 7, Technip and Saipem, on long-term contracts. Ship owners typically supply the vessel and marine crew, while the remaining crew and equipment (e.g. ROVs) are provided by the subsea contractor. The subsea contractors offers the vessels with full crew and all equipment to the end-user, normally oil companies. Subsea vessels on long-term charters (up to 10 years) are often modified to meet the contractor's requirements, while the smaller vessels can often be charted to the subsea contractors on a project-by-project basis.

The global fleet of OCVs consist of approximately 570 vessels, comprising 14% DSVs, 38% IMRs, 21% heavy OCVs and 27% FDSs as shown in the figure below. Following the downturn in the oil service industry the past five-six years, new vessel orders have decreased to a minimum. The order book currently consists of approximately 15 vessels which are scheduled for delivered over the next years (source: Manager's Research, based on IHS Petrodata (September 2020)).

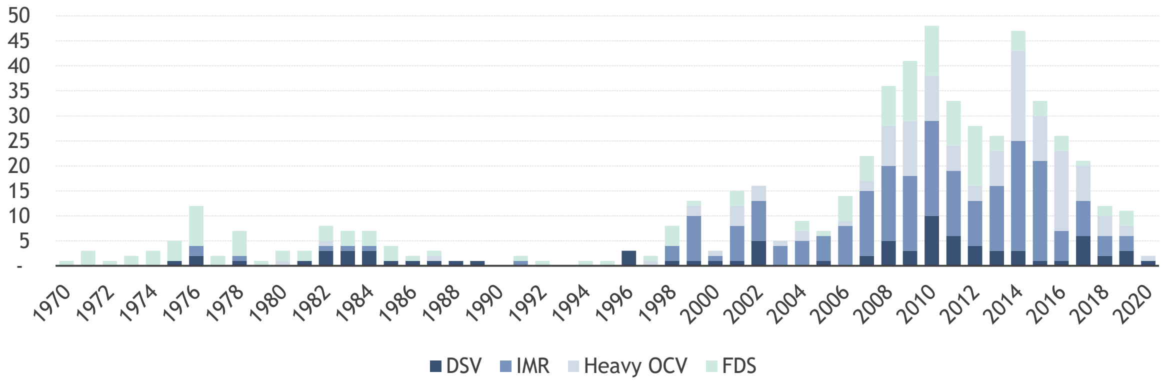
Figure 7.3: Global subsea fleet by year of construction



Source: Manager's Research, based on IHS Petrodata (September 2020)

The following graph illustrates the age profile of the current fleet and shows that the fleet average age is around 15 years. The oldest vessel group is the FDS with an average age of ~20 years (skewed by some very old heavy lift barges operating in benign waters), the IMR and heavy OCV fleet is considerably younger at 11 and 9 years respectively, while the average age for the DSV fleet is 16 years.

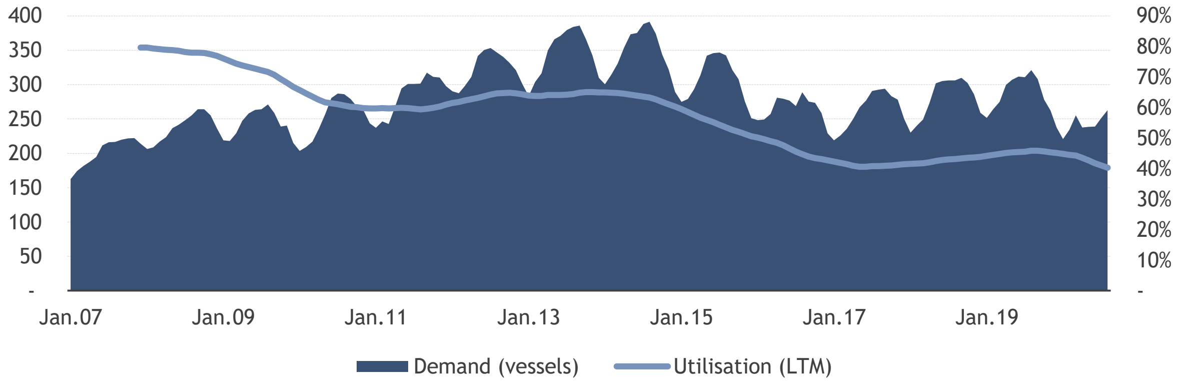
Figure 7.4: Global subsea fleet by year of construction



Source: Manager's Research, based on IHS Petrodata (September 2020)

As the graph below illustrates, the OCV activity has also fallen significantly after the cyclical downturn started in 2014. Before the downturn the industry utilisation stood at 60-70%, this declined towards 40% at the bottom in 2017; not just as a reflection of declining activity, but also due to newbuildings that was ordered before the downturn. As the graph illustrates, the activity and utilisation improved somewhat from the bottom in 2019 as more traditional offshore vessels have been working within the renewable sector. However, as discussed above, with the COVID-19 pandemic and oil market turmoil the activity has declined sharply (~20% YOY); resulting in a LTM utilisation never seen in the subsea OCV segment before. The duration of today's crisis is too early to conclude on, but operations that are most exposed are greenfield development not yet sanctioned and brownfield services not related to mandatory maintenance.

Figure 7.5: Global OCV activity (l.h) and utilisation (r.h)



Source: Manager's Research, based on IHS Petrodata (September 2020)

Solstad Offshore owns a fleet of 29 OCVs, with an average age of approximately 12 years. Of these, 16 are charted out on long-term contracts and 5 are currently in either warm or cold lay-up. Of the subsea vessels, 6 are currently working in the renewable sector, mainly supporting construction and operation of offshore wind projects.

7.2.2 Anchor handling tug supply vessels

AHTS vessels are specially designed vessels for anchor handling and towing offshore platforms. Furthermore, some AHTS vessels are equipped for firefighting, rescue operations and oil recovery. The vessels normally also have supply capacities like the PSVs but with less capacity, e.g. in terms of free deck space and number of tanks.

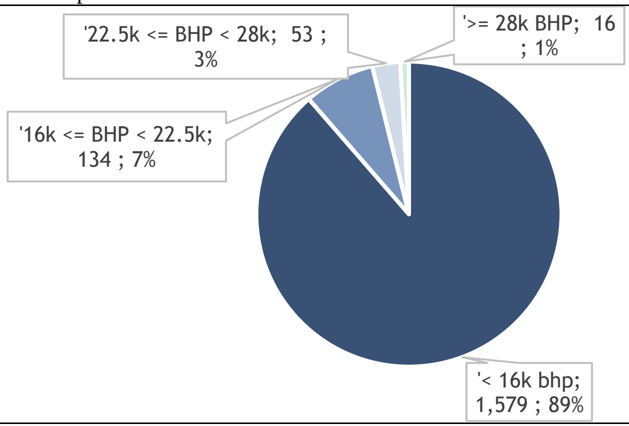
AHTS vessels are designed with high horsepower to tow offshore assets and perform anchor handling operations. Over the past decades, drilling activity has moved further offshore and into deeper waters, which has increased the demand for high-end AHTS vessels with higher horsepower to handle the heavier gear required to operate in deeper waters. In the offshore service vessel fleet, new larger, high-horsepower AHTS vessels have evolved to move these large new sophisticated drilling rigs, handle their anchors, chain and mooring lines, and meet all kinds of service demands of the new generation of deep-water rigs and production platforms.

AHTS vessels are in general classified mainly according to their towing capacity (bollard pull in tons), but other parameters are also considered: Engine (break horse power) winch capacities (tons), dynamic positioning systems, cargo carrying capacity (tanks and deck space), rescue characteristics and fire-fighting and oil recovery capabilities.

Break horse power ("**BHP**") is the most common yardstick for categorising of AHTS vessels. The fleet is normally divided into four categories: less than 16,000 BHP (small), 16,000 ≤ BHP < 22,500 (medium sized), 22,500 ≤ BHP < 28,000 (large) and BHP above 28,000 (very large).

The global fleet of AHTS currently counts ~1,800 vessels, where the lion share is smaller vessels predominantly operating in shallow waters and beguine conditions (~90%). Solstad Offshore and its Scandinavian competitors mostly focus on vessels with above 16,000 BHP which is a considerable more consolidated market. The medium, large and very large vessel segments totals approximately 200 vessels respectively; equivalent to ~10% of the total AHTS market. The newbuilding book currently counts ~60 vessels, where the majority is smaller vessels that have been under construction for more than five years.

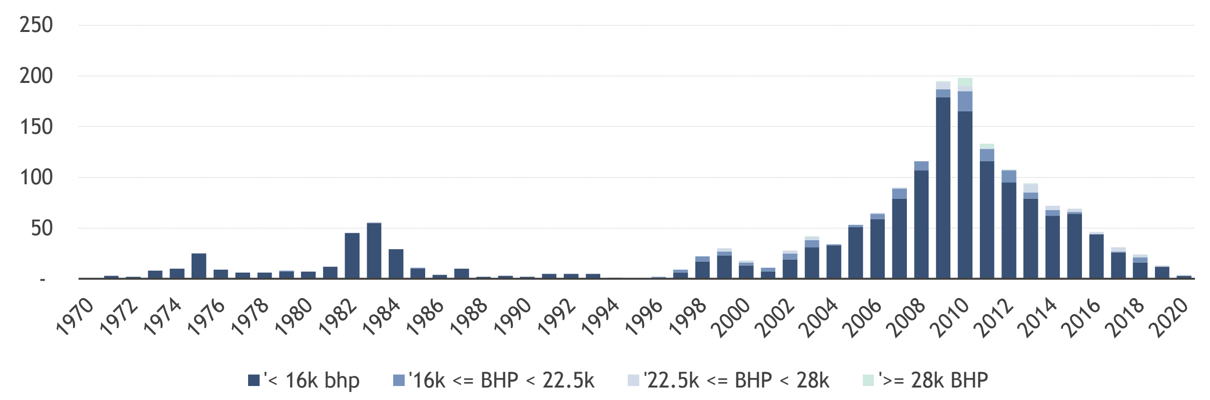
Figure 7.6: AHTS fleet composition



Source: Manager's Research, based on IHS Petrodata (September 2020)

The graph below illustrates the age profile of the current fleet. The average age is currently ~15 years, while the age profile moves from the smallest vessels being the oldest (~15 year) to the largest being the youngest (~10 years). The normal lifetime of an AHTS vessel is generally considered to be 25-30 years.

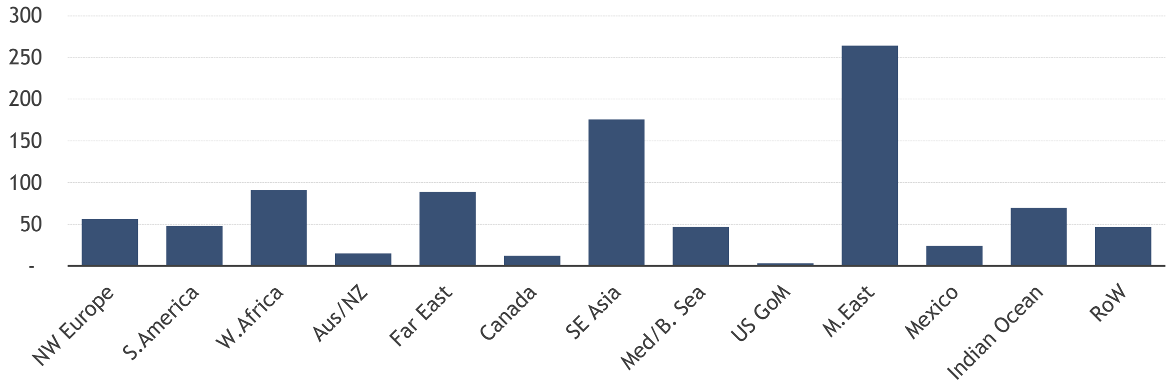
Figure 7.7: Global AHTS fleet by year of construction



Source: Manager's Research, based on IHS Petrodata (September 2020)

The graph illustrates the geographical distribution of AHTS activity for year to date 2020. The highest activity, in terms of number of vessels are Middle East and South East Asia, While the most important high-end markets remains the North Sea, South America and Australia/New Zealand.

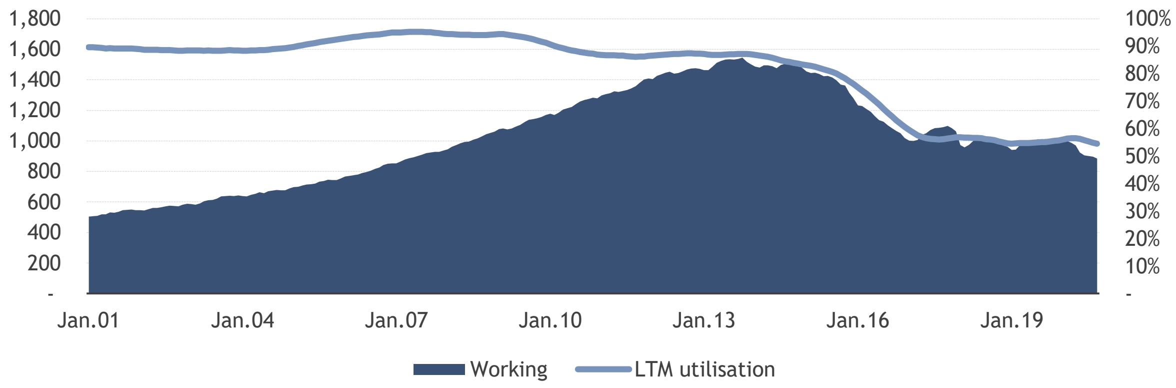
Figure 7.8: Global AHTS activity for year to date by region



Source: Manager's Research, based on IHS Petrodata (September 2020)

As the graph illustrates, both the AHTS activity and utilisation have flattened out over the past years after falling significantly in 2015 and 2016. The industry utilisation averaged at ~90% in the years before the downturn, while YTD has been 54%.

Figure 7.9: Global AHTS activity (l.h.) and utilisation (r.h.)



Source: Manager's Research, based on IHS Petrodata (September 2020)

Solstad Offshore owns a total of 38 AHTS vessels. Three of these are smaller AHTS vessels (all below 11,000 BHP) located in South East Asia. Average age for the three South East Asian vessels is approximately 13 years. The remaining 35 AHTS vessels are larger (all above 12,000 BHP) designed for operations in all regions. Average age for the larger AHTS vessels is approximately 15 years.

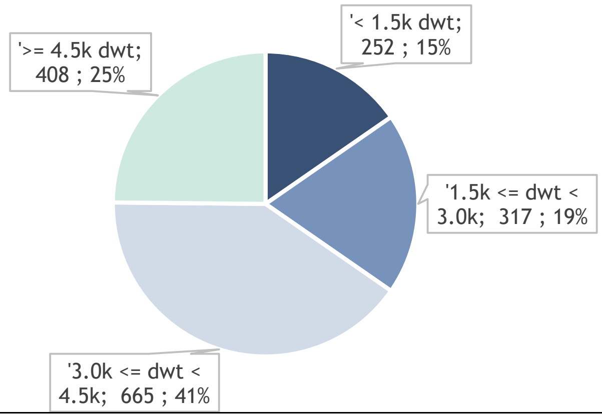
7.2.3 Platform Supply Vessel

PSVs are specially designed for transport of supplies to and from offshore installations. On deck the vessels carry containers, equipment and pipes Under deck the vessels transport a variety of different fluids in separate tanks, like mud & brine, cements or other dry bulk, water, fuel and drill-cut. Furthermore, some vessels have tanks for special fluids, e.g. methanol.

PSVs are classified according to their carrying capacities, i.e. size of free deck space (m^2), total carrying capacity in dead weight tons ("**DWT**") and type and capacity of special tanks. We divide the PSV fleet into four categories, less than 2,000 DWT (small), 2,000 ≤ DWT < 3,000 (medium), 3,000 ≤ DWT < 4,000 (medium+) and larger than 4,000 dwt (large). In terms of deck area this corresponds to approximately 600-800 m^2 for medium-sized vessels, and above 1000 m^2 for large vessels.

The total PSV currently counts about 1,640 vessels, where ~25% are small vessels, ~40% are medium sized vessels and 35% are large PSVs. The current newbuilding book stands at ~110 vessels; primarily vessels with more than 3,000 dwt where all has been under construction for more than five years.

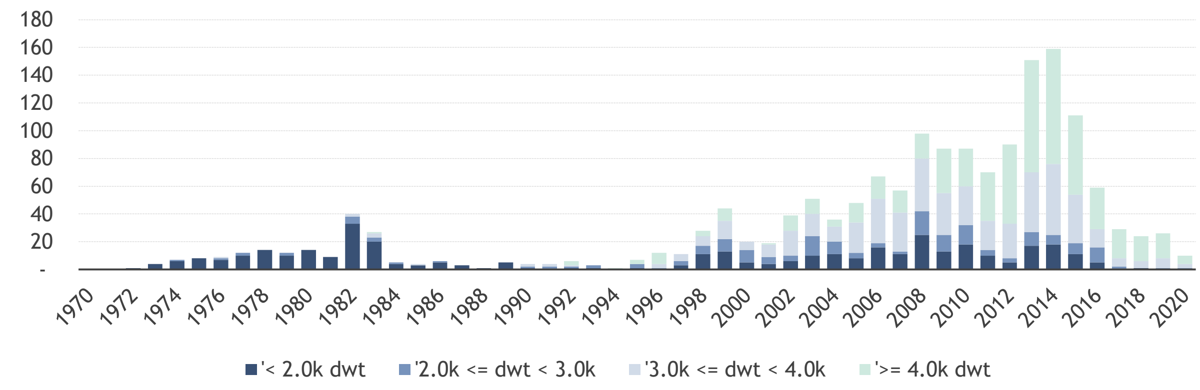
Figure 7.10: Global PSV fleet composition



Source: Manager's Research, based on IHS Petrodata (September 2020)

The figure below summarizes the world fleet of PSVs by year of construction. The growth in the PSV fleet has been significant over the past 15 years with increased degree of specialization in the OSV market. As vessels are becoming larger, more powerful and costs more, one wishes to use the other, more expensive vessels for the tasks for which they are built for, and leave the cargo duties primarily to the PSVs. Consequently the average age for the smaller vessels are the oldest at 24 years, while the medium sized vessels are 12-16 years, and the larger vessels are on average about 9 years.

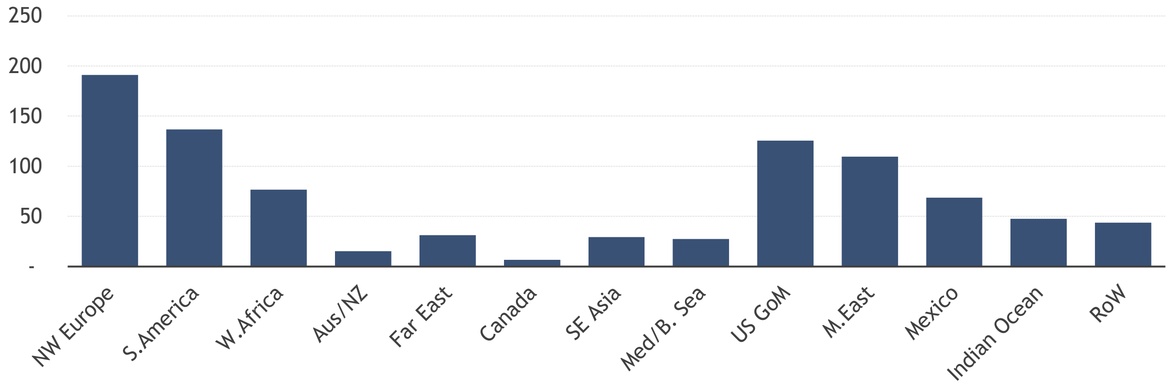
Figure 7.11: Global PSV fleet by year of construction



Source: Manager's Research, based on IHS Petrodata (September 2020)

The graph illustrates the geographical distribution of PSV activity for 2020 year to date,. The markets with the highest vessel count are North West Europe, US Gulf of Mexico, South America and Middle East. The most important high-end markets includes the North Sea, South America and US Gulf of Mexico.

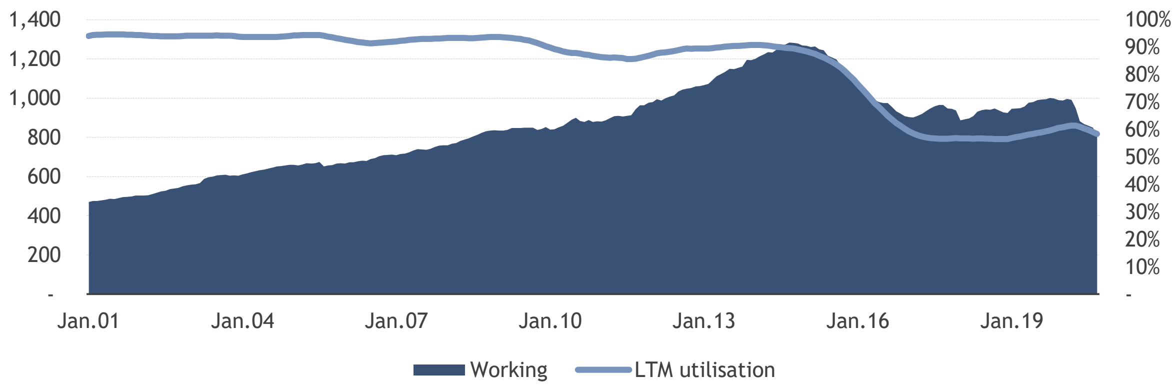
Figure 7.12: Global PSV activity for 2019 by region



Source: Manager's Research, based on IHS Petrodata (September 2020)

The PSV activity has since 2001 increased steadily, but this came to a sudden halt as the oil and gas downturn started in 2014/2015. After a 30% fall from the peak, activity has over the past few years recovered somewhat, and average 2019 activity was ~10% higher than the bottom in February 2018. Consequently, utilisation also improved; 2019 utilisation ended at 60%, which is a slightly positive trend form the bottom. That said, the onset of the COVID-19 and the oil turmoil in March sent activity in free fall, and we are now at a lower level than what we saw after the crises in 20142015. The current LTM utilisation stands at 58%, which is only 1%-point above the bottom in 2017, while the utilisation for August came in at 53%, which is the lowest ever recorded in the PSV segment

Figure 7.13: Global PSV activity (l.h.) and utilisation (r.h.)



Source: Manager's Research, based on IHS Petrodata (September 2020)

Solstad Offshore owns 56 PSVs, with an average age of 10 years. 28 of Solstad Offshore's PSVs are large vessels with carrying capacity of 4,000 DWT or more, and an average deck area of around 1,000 m^2.

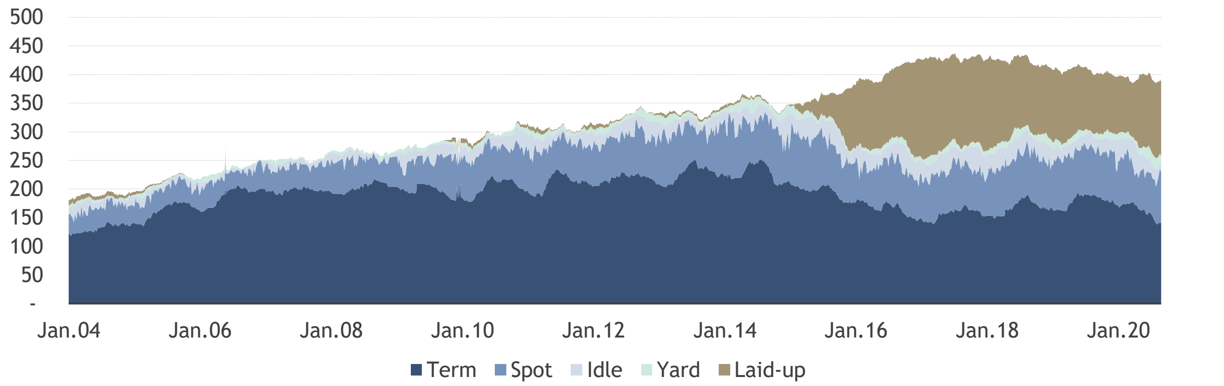
7.3 Principal markets for Solstad Offshore

The principal markets in which Solstad Offshore operates is currently the North Sea, Brazil, Australia and the Mediterranean.

7.3.1 The North Sea

The North Sea is the largest market for high-end OSV tonnage in the world, and has the only well-functioning spot market for these kinds of vessels world-wide. The total fleet counts approximately 400 vessels, of which approximately 250 are considered to be "high-end". Demand consists predominantly of longer term, multi-year contracts (60-70% of total demand), but there is also a liquid spot market in the North Sea where short term work can be found. As this is the home region for many of the Norwegian OSV companies, their idle vessels globally is often moved back home when their firm contract expires, this is clear in the graph below from 2015 and onwards.

Figure 7.14: North Sea OSV activity (number of vessels)

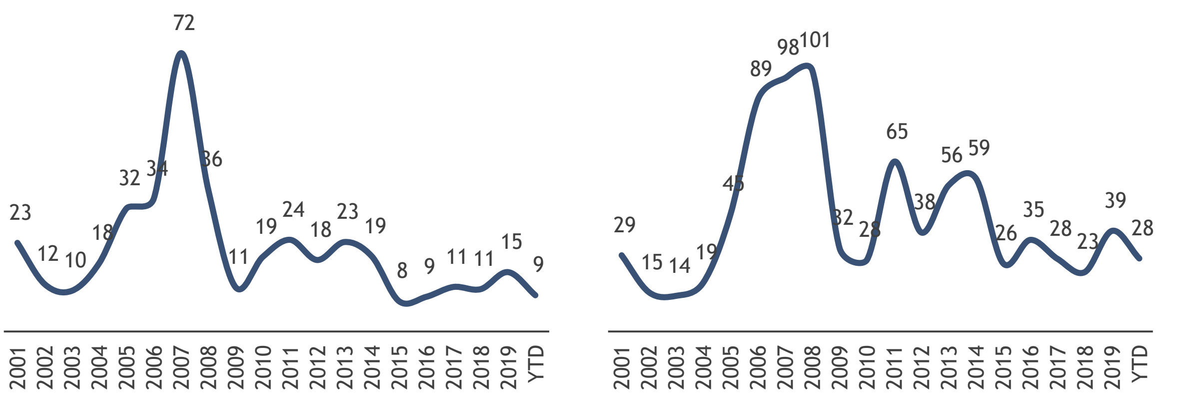


Source: Manager's Research, based on IHS Petrodata (September 2020)

Day rates in the spot market are highly volatile, and e.g. AHTS day rates can move from USD 10,000 per day in a slow market to over USD 120,000 per day in just one day if the spot market gets tight and demand surpasses supply. The existence of this spot market in the North Sea has made it "the heart" of the global OSV market since vessel owners can use the North Sea spot between longer term charters and move vessels in and out of the market quite easily. As a result, the day rates in the North Sea spot sets the agenda for the other offshore basins around the world.

The largest clients in the North Sea are Equinor, Shell and Aker BP as well as smaller companies like Wintershall, Maersk and EnQuest. Spot rates for large AHTS has been just shy of USD 30,000 per day YTD, while in August it was USD 51k per day. For PSVs the spot rates have on average been USD 9,000 per day YTD, which is a tad higher that the 8,300 for August.

Figure 7.15: North Sea spot day rates for large PSVs to the left and large AHTSs to the right (USDk/d)

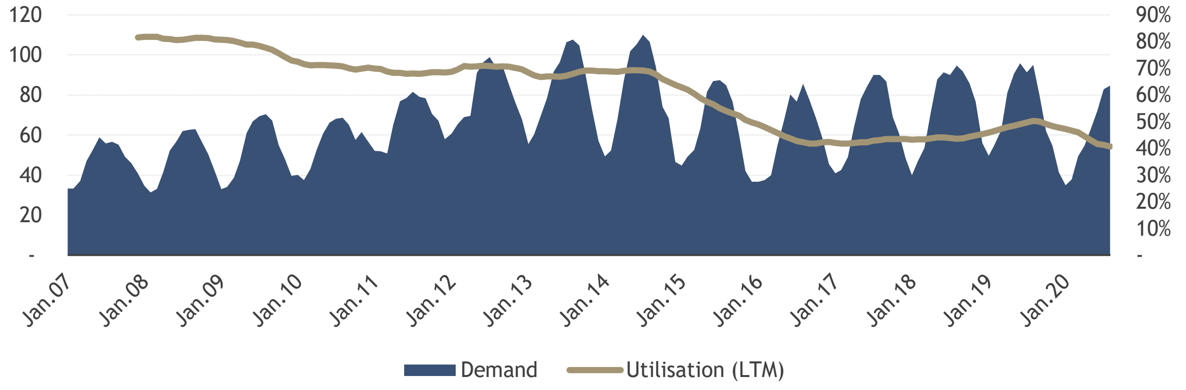


Source: Manager's Research, based on IHS Petrodata (September 2020)

Demand for offshore construction vessels (OCVs) in the North Sea has been steadily rising over the last 15 years due to increasing appetite for subsea field developments, and especially subsea tie-backs have been attractive in the North Sea. This increasing installed base of subsea trees demands maintenance, which in turn results in demand for IMR (Inspection, Maintenance, Repairs) vessels in addition to the larger OCVs performing installation, pipe-laying and hook-up work. The North Sea market for OCVs is dominated by longer term charters to Tier 1 and Tier 2 subsea companies, which again tend to charter in vessels from vessel providers (offshore supply companies) when their own fleet is sold out. Some spot-like work are also available, but to a lesser extent.

As the graph below illustrates, the demand for OCV in the North Sea is highly seasonal. But when smoothing the numbers we find that the activity has been growing over the past few years, mainly drinven by increased offshore wind work. That said, the COVID-19 situation has also impacted this segment, and LTM YOY actovoty growth has been around 20-25%.

Figure 7.16: North Sea OCV activity (number of vessels)



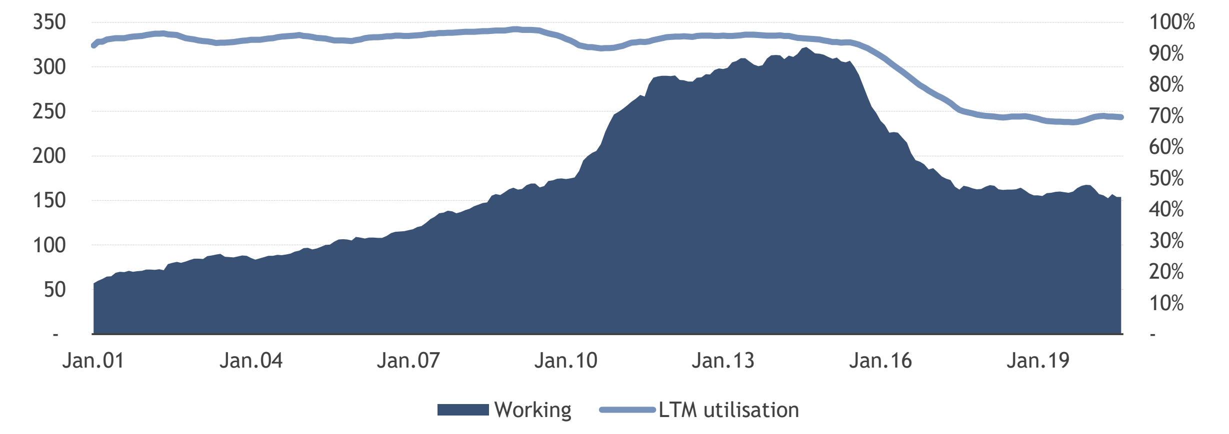
Source: Manager's Research, based on IHS Petrodata (September 2020)

Solstad Offshore is a leading operator in the North Sea with predominantly high-end vessels, and is among the leading OSV and subsea vessel players by number of high-end vessels. Solstad Offshore currently has 48 vessels in operation in this region, which contributed 45% of group revenues in 2019.

7.3.2 Brazil

Brazil is the second largest market world-wide for high-end OSV tonnage. Year to date 2020, there has on average been ~160 vessels operating in the country, whereof ~120 PSVs and ~40 AHTSs, this is down from above 300 in the peak years of 2014-2015 The dominant charterer is Petrobras. Petrobras have historically chartered in vessels on multi-years contract with similar options attached.

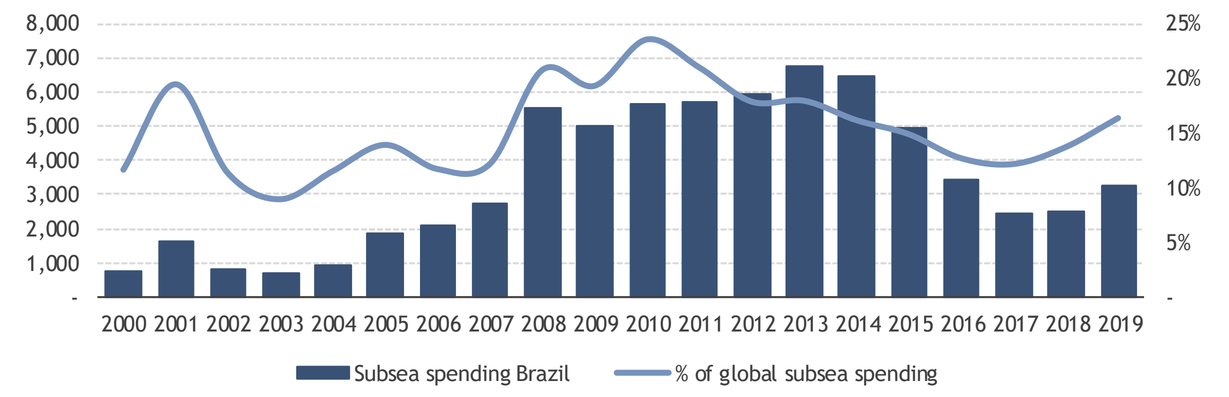
Figure 7.17: Brazil OSV activity and available vessels



Source: Manager's Research, based on IHS Petrodata (September 2020)

Brazil is the most important subsea market in the world, accounting for ~15% of overall demand in terms of subsea spending. Historically, Petrobras has offered long term contracts for OCVs (similar to PSVs and AHTS), normally through one of the larger SURF companies, which again either owns the vessel or charters from a sub-supplier like Solstad Offshore. Given the rather extreme water depths in some of the petroleum basins in Brazil, demand has been tilted towards high-end construction and pipe-lay tonnage, often specifically built towards a long term contract.

Figure 7.18: Brazil subsea spending and share of global subsea spending



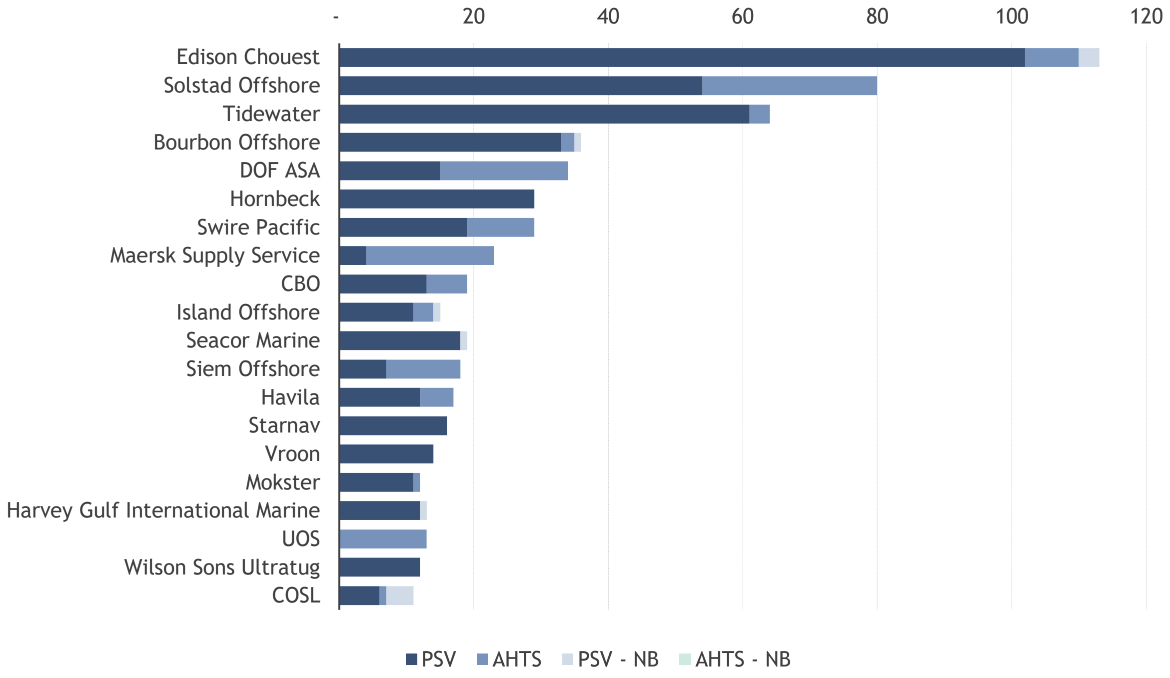
Source: Manager's Research, based on Rystad Energy (January 2020)

Solstad Offshore has historically had a significant presence in Brazil with a local operation and several vessels operating. Currently, the Group has 14 vessels in operation. In 2019 Brazil constituted 15% of revenue for Solstad Offshore.

7.4 Competitors

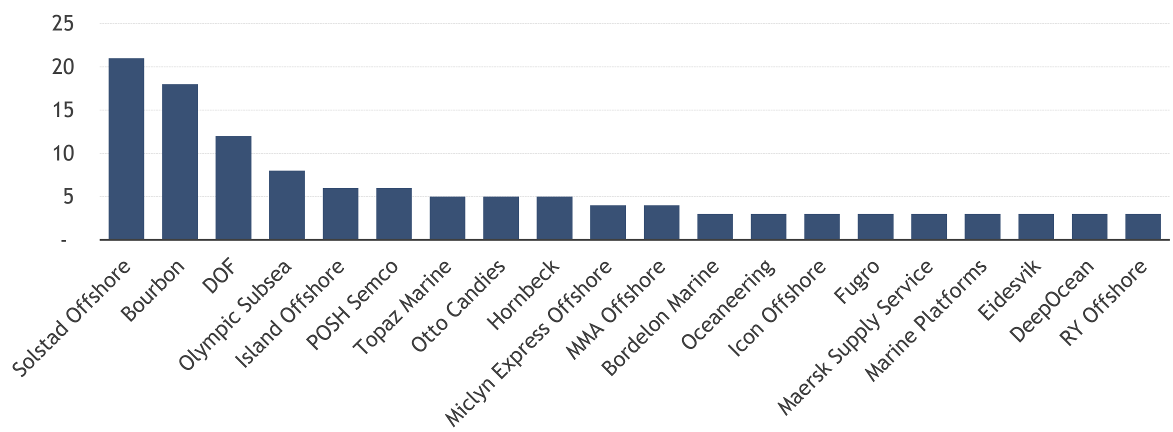
Both the OSV and subsea vessel markets are highly competitive markets, with many vessel operators in all regional markets. Although number of operators vary between regions from ~20 to >100, no regional market is really consolidated sufficiently to have any kind of price discipline. Below is an overview of the 20 largest OSV players (by number of high-end OSVs) and the 20 largest subsea vessel players (by number of IMR vessels) globally:

Figure 7.20: Number of high-end OSVs



Source: Manager's Research, based on IHS Petrodata (September 2020)

Figure 7.21: Number of light subsea vessels



Source: Manager's Research, based on IHS Petrodata (September 2020)

Solstad Offshore is one of the large, international vessel owners and operators, with the North Sea, Brazil, Asia Pacific and the GoM as its main regional markets.

Main competitors to Solstad Offshore are the other OSV and subsea vessel operators with a global presence and focus. In the subsea vessel segment this is Bourbon, DOF Subsea, Siem, Olympic Shipping, and Maersk. In the OSV segment this is DOF, Maersk, Siem Offshore, Bourbon, Tidewater, Edison Chouest and Swire.

8 BUSINESS OVERVIEW

8.1 Key principal activities of the Group

8.1.1 General

The Group's core business is to provide services to petroleum-related offshore activities. Solstad Offshore is the parent company of the Group and will, upon Closing, operate a core fleet consisting of 87 wholly and jointly owned vessels, including 25 OSV/CSVs, 20 AHTS and 42 PSVs. The majority of the vessels are equipped to carry out projects over and above traditional supply and anchor-handling services. Activities also include projects for development of offshore wind farms.

A significant portion of the Group's vessels are currently laid up or trading on shorter term contract or in the spot market, as further detailed in Section 8.1.3 below.

Solstad Offshore has primarily two types of customers. The first and largest group of customers are oil companies, e.g. Equinor, Total, ConocoPhillips and Petrobras. The second group are engineering, construction and services companies, predominantly within the subsea segment. Clients are typically companies such as Subsea 7, TechnipFMC, Saipem and McDermott.

The main regional markets of the Group are the North Sea, Brazil, Asia Pacific and the GoM in which its main competitors are the other OSV and subsea vessel operators with a global focus and presence. In the subsea vessel segment, main competitors include Bourbon, DOF Subsea, Siem, Olympic Shipping, and Maersk, while DOF, Maersk, Siem Offshore, Bourbon, Tidewater, Edison Chouest and Swire are considered as the Group's main competitors in the OSV segment. For further details, please refer to Section 7.4 "*Competitors*" above.

8.1.2 The Vessels

Solstad Offshore's vessels, as listed in the table below, are managed by the Group from the offices in Skudeneshavn (head office), Aberdeen, Rio de Janeiro, Singapore and Perth. All vessels, except for Normand Maximus, Normand Installer, Bos Turmalina, Bos Turquesa, Normand Topazio, Far Superior, Normand Tonjer and Sea Brasil (the "**Excluded Vessels**"), are financed through the Senior Secured Facilities Agreement described in Section 5.1.1 above. The Excluded Vessels are not subject to the Restructuring, and the liabilities related to these vessels will be unaffected and remain in full force and effect on its current terms.

Further details on the Group's vessels are available at https://www.solstad.com/our-fleet/.

#	Vessel name	Built	BHP	DWT	Deck (m^2)	DP class	Cabin capacity	Owned /BB	Manager	Owner/BB Charter	Flag
	OSVs/CSVs										
1)	**Far Saga**	2001	10812	3086	510	2	62	Owned	Solstad Shipping AS	Farstad Supply AS	BRA
2)	**Far Samson**	2009	47627	6103	1450	3	100	Owned	Solstad Shipping AS	Farstad Construction AS	NIS
3)	**Far Scotia**	2001	5454	2634	468	2	45	Owned	Farstad Shipping AS	Farstad Construction AS	IOM
4)	**Normand Sentinel**	2015	22794	9200	1800	3	130	Owned	Solstad Shipping AS	Farstad Construction AS	NIS
5)	**Normand Navigator**	2015	22549	9200	1800	3	130	Owned	Solstad Shipping AS	Farstad Construction AS	NIS
6)	**Far Superior**	2017	14667	4200	875	2	85	Owned	Solstad Shipping AS	Far Superior AS	NIS

#	Vessel name	Built	BHP	DWT	Deck (m^2)	DP class	Cabin capacity	Owned /BB	Manager	Owner/BB Charter	Flag
7)	**Nor Valiant**	2008	5470	3111	681	2	120	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
8)	**Normand Australis**	2009	5400	3227	775	2	118	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
9)	**Normand Baltic**	2010	11736	4050	970	2	80	Owned	Solstad Shipping AS	Solstad Rederi AS	UK
10)	**Normand Clipper**	2002	14000	4069	765	2	70	Owned	Solstad Shipping AS	Trym Titan AS	NOR
11)	**Normand Commander**	2006	31360	9511	1272	2	102	Owned	Bahia Grande SA (on BB out)	Solstad Rederi AS	NOR
12)	**Normand Cutter**	2002	14000	4069	765	2	70	Owned	Solstad Shipping AS	Trym Titan AS	NIS
13)	**Normand Flower**	2002	14000	4069	960	3	86	Owned	Solstad Shipping AS	Normand Flower AS	NOR
14)	**Normand Fortress**	2006	10759	4170	800	2	100	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
15)	**Normand Frontier**	2014	20651	2532	1400	2	100	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
16)	**Normand Installer**	2006	31360	9511	1272	3	102	Owned	Solstad Shipping AS	Normand Installer S.A	NIS
17)	**Normand Jarl**	2013	14552	6400	1170	2	116	Owned	Solstad Shipping AS	REM Ship AS	NIS
18)	**Normand Jarstein**	2014	17232	6674	1230	2	110	Owned	Solstad Shipping AS	REM Ship AS	NIS
19)	**Normand Maximus**	2016	39111	13598	2400	3	180	Owned	Solstad Shipping AS	Normand Maximus Operations Ltd	NIS
20)	**Normand Mermaid**	2002	14000	4069	765	3	70	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
21)	**Normand Ocean**	2014	17476	6000	1170	2	90	Owned	Solstad Shipping AS	REM Ship AS	NIS
22)	**Normand Pacific**	2010	22073	6719	1400	2	120	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
23)	**Normand Pioneer**	1999	27920	5292	1000	2	73	Owned	Solstad Shipping AS	Pioneer Offshore Ltd	NIS
24)	**Normand Poseidon**	2009	10196	4247	1046	2	74	Owned	Solstad Shipping AS	REM Ship AS	NIS
25)	**Normand Progress**	1999	27920	5292	1000	2	73	Owned	Solstad Shipping AS	Progress Offshore Ltd	IOM
26)	**Normand Energy**	2007	25017	14120	2000	3	100	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
27)	**Normand Subsea**	2009	19800	5158	705	2	90	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
28)	**Normand Tonjer**	2010	11600	5260	1030	2	67	Owned	Solstad Shipping AS	SOFO Tonjer IS	NIS
29)	**Normand Vision**	2014	27850	10751	2100	3	140	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
	AHTS										
30)	**BOS Turmalina**	2006	14416	2800	465	1	30	Owned	Solstad Shipping AS	Farstad Shipping Ltda	BRA
31)	**BOS Turquesa**	2007	18088	2665	474	1	30	Owned	Solstad Shipping AS	Farstad Shipping Ltda	BRA
32)	**Connector**	2011		12180	2100	2	140		Solstad Shipping AS	Ocean Yield ASA	PAN
33)	**Elang Laut 1**	2009	12240	2181	518	2	40	Owned	Solstad Shipping AS	PT. Perusahaan Pelayaran Equinox	IDN
34)	**Far Sabre**	2008	15953	2350	540	2	28	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
35)	**Far Sagaris**	2009	23664	3912	754		40	Owned	Solstad Shipping AS	Farstad Supply AS	IOM
36)	**Far Sapphire**	2008	27472	4583	798	2	55	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
37)	**Far Scimitar**	2008	15950	2913	540	1	28	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
38)	**Far Scout**	2001	16823	2806	570	2	35	Owned	Solstad Shipping AS	Farstad Supply AS	REB
39)	**Far Senator**	2013	24371	3934	754	2	40	BB	Solstad Shipping AS	Farstad Supply AS	NIS
40)	**Far Sigma**	2014	24371	3954	754	2	40	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
41)	**Far Sound**	2007	16157	2350	540	2	28	Owned	Farstad Shipping AS	Farstad Supply AS	IOM
42)	**Far Sovereign**	1999	27401	3961	619	2	63	Owned	Farstad Shipping AS	Farstad Supply AS	NIS
43)	**Far Statesman**	2013	24371	3954	765	2	40	BB	Solstad Shipping AS	Farstad Supply AS	NIS

#	Vessel name	Built	BHP	DWT	Deck (m^2)	DP class	Cabin capacity	Owned /BB	Manager	Owner/BB Charter	Flag
44)	**Far Strait**	2006	16157	2965	540	2	28	Owned	Solstad Shipping AS	Farstad Shipping Pte Ltd	SING
45)	**Far Stream**	2006	16005	3068	540	2	28	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
46)	**Far Sword**	2006	16005	3024	510	2	28	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
47)	**Lady Astrid**	2003	12240	2656	510	2	24	Owned	Farstad Shipping AS	P/R International Offshore Services ANS	NIS
48)	**Lady Caroline**	2003	12240	2656	510	2	24	Owned	Farstad Shipping AS	P/R International Offshore Services ANS	NIS
49)	**Nor Captain**	2007	10880	2099	462		52	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
50)	**Nor Spring**	2008	7956	2585	475	2	60	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
51)	**Nor Tigerfish**	2007	5422	1824	444	2	58	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
52)	**Normand Atlantic**	1997	18600	4200		2	48	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
53)	**Normand Borg**	2000		2846			35	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
54)	**Normand Drott**	2010	32792	5000	760	2	70	Owned	Solstad Shipping AS	REM Ship AS	NOR
55)	**Normand Ferking**	2007	20700	4559	745	2	32	Owned	Solstad Shipping AS	Solstad Offshore UK Ltd	NOR
56)	**Normand Ivan**	2001	20000	4138		1	52	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
57)	**Normand Mariner**	2002	23330	3694			55	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
58)	**Normand Master**	2003	23478	3694	619	2	55	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
59)	**Normand Neptun**	1996	18600	4200		2	40	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
60)	**Normand Prosper**	2010	32600	4710	756	2	70	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
61)	**Normand Ranger**	2010	28000	3954	810	2	54	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
62)	**Normand Santana**	2000	19203	2964	497	1	40	Owned	Solstad Shipping AS	Farstad Supply AS	BRA
63)	**Normand Saracen**	2010	23664	3954	754	2	40	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
64)	**Normand Scorpion**	2009	24143	3934	754	2	40	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
65)	**Normand Sirius**	2014	24371	3814	754	2	40	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
66)	**Normand Titan**	2007		3060	510		28	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
67)	**Normand Topazio**	2005	12240	2750	558	1	30	Owned	Solstad Shipping AS	Farstad Shipping Ltda	BRA
68)	**Sea Ocelot**	2007	10880	2150	800		40	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Labuan II Ltd	RMI
69)	**Sea Panther**	1999	15000	2854	560		26	Owned	Deep Sea Supply Navegacao Maritima S.A.	Deep Sea Supply Shipowning I AS	CYP
70)	**Sea Tiger**	1998	15000	2802	560	2	26	Owned	Deep Sea Supply Navegacao Maritima S.A.	Deep Sea Supply Shipowning I AS	CYP
	PSVs										
71)	**Far Scotsman**	2012	9996	2537	810	2	30	Owned	Solstad Shipping AS	Farstad Marine AS	BRA
72)	**Far Searcher**	2008	9466	5127	1091	2	25	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
73)	**Far Seeker**	2008	9466	4905	1091	2	25	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
74)	**Normand Carrier**	2010	7507	3735	800	2	25	Owned	Solstad Shipping AS	Farstad Marine AS	NIS
75)	**Far Solitaire**	2012	11281	6336	1023	2	25	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
76)	**Far Spica**	2013	9996	4000	810	2	30	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
77)	**Far Spirit**	2007	6528	3624	725	2	32	Owned	Solstad Shipping AS	Farstad Marine AS	IOM
78)	**Far Splendour**	2003	7446	3503	691	1	24	Owned	Farstad Shipping AS	Farstad Supply AS	IOM

#	Vessel name	Built	BHP	DWT	Deck (m^2)	DP class	Cabin capacity	Owned /BB	Manager	Owner/BB Charter	Flag
79)	**Far Strider**	1999		3965	902	1	22	Owned	Solstad Shipping AS	Farstad Marine AS	BRA
80)	**Far Swan**	2006	5522	3628	704	2	34	Owned	Solstad Shipping AS	Farstad Shipping Pte Ltd	SING
81)	**Far Symphony**	2003	9928	4929	950	2	24	Owned	Solstad Shipping AS	Farstad Supply AS	NIS
82)	**Normand Arctic**	2011	10649	4900	1026	2	28	Owned	Solstad Shipping AS	Solstad Rederi AS	NOR
83)	**Normand Aurora**	2005	10265	4929	952	2	23	Owned	Solstad Shipping AS	Solstad Offshore UK Ltd	NIS
84)	**Normand Corona**	2006	9057	4348	940		24	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
85)	**Normand Falnes**	2011		5492	986	2	22	Owned	Solstad Shipping AS	SOFO Falnes AS	NOR
86)	**Normand Flipper**	2003	6800	4340	972	2	16	Owned	Solstad Shipping AS	Solstad Offshore Singapore Pte Ltd	SING
87)	**Normand Fortune**	2013	9057	5275	1004	2	22	Owned	Solstad Shipping AS	REM Ship AS	NOR
88)	**Normand Leader**	2013	9971	6164	1053	2	24	Owned	Solstad Shipping AS	REM Ship AS	NIS
89)	**Normand Naley**	2011	8931	5506	998	2	22	Owned	Solstad Shipping AS	REM Ship AS	NOR
90)	**Normand Provider**	2007	5444	3326	747	2	22	Owned	Solstad Maritime AS	Rem Ship AS	NOR
91)	**Normand Serenade**	2009	9466	5944	1002	2	25	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
92)	**Normand Server**	2011	10616	5300	1075	2	28	Owned	Solstad Shipping AS	Rem Supply AS	NOR
93)	**Normand Service**	2014	8732	4459	1023	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III AS	NIS
94)	**Normand Sira**	2008	6920	3642	747	2	46	Owned	Solstad Shipping AS	REM Ship AS	NIS
95)	**Normand Sitella**	2013	9996	4000	810	2	30	Owned	Solstad Shipping AS	Farstad Shipping Pte Ltd	NOR
96)	**Normand Skimmer**	2012	9996	4000	810	2	30	Owned	Solstad Shipping AS	Farstad Shipping Pte Ltd	NIS
97)	**Normand Skipper**	2005	13036	6608	1261	2	24	Owned	Solstad Shipping AS	Solstad Offshore UK Ltd	NIS
98)	**Normand Springer**	2014	8732	4459	960		26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III AS	NIS
99)	**Normand Starling**	2013	9996	4000	810	2	30	Owned	Solstad Shipping AS	Farstad Supply AS	REB
100)	**Normand Sun**	2014	10392	5635	1170	2	28	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
101)	**Normand Supplier**	2010	10392	5700	681		22	Owned	Solstad Maritime AS	Rem Ship AS	NOR
102)	**Normand Supporter**	2012	10224	5300	1082	2	28	Owned	Solstad Shipping AS	Rem Supply AS	NOR
103)	**Normand Supra**	2014	8732	4459	960		26	Owned	Solstad Shipping AS	DESS PSV IV Limited	NIS
104)	**Normand Surfer**	2014	8732	4459	960		26	Owned	Solstad Shipping AS	DESS PSV IV Limited	CYP
105)	**Normand Swan**	2014	8732	4459	1010	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
106)	**Normand Swift**	2014	8732	4459	1010	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	REB
107)	**Normand Sygna**	2014	10392	5700	1170	2	28	Owned	Solstad Shipping AS	Farstad Supply AS	NOR
108)	**Normand Titus**	2014	6924	4047	810	2	28	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
109)	**Normand Tortuga**	2014	6924	4047	810		28	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
110)	**Normand Trym**	2006	5453	3298	690		16	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS
111)	**Normand Vibran**	2008	5386	3375	675		18	Owned	Solstad Shipping AS	Solstad Rederi AS	NIS

#	Vessel name	Built	BHP	DWT	Deck (m^2)	DP class	Cabin capacity	Owned /BB	Manager	Owner/BB Charter	Flag
112)	**Sea Angler**	2007	5450	3250	675	2	22	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning AS	CYP
113)	**Sea Bass**	2008	5450	3250	673		22	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning I AS	CYP
114)	**Sea Brasil**	2012	8732	4700	1000	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Navagacao Maritima Ltda	BRA
115)	**Sea Falcon**	2013	8732	4419	1023	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
116)	**Sea Flyer**	2013	8732	4419	1023	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
117)	**Sea Forth**	2013	8732	4419	1023	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III AS	CYP
118)	**Sea Frost**	2013	8732	4419	1023	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III AS	CYP
119)	**Sea Pollock**	2008	5450	3250	1066	1	22	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning I AS	CYP
120)	**Sea Spark**	2013	8732	4459	1010	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III AS	RMI
121)	**Sea Spear**	2014	8732	4459	1000	2	26	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning III	CYP
122)	**Sea Tantalus**	2013	6651	4047	810	2	28	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
123)	**Sea Triumph**	2014	6924	4047	810		28	Owned	Solstad Shipping AS	Deep Sea Supply Shipowning AS	CYP
124)	**Sea Trout**	2008	5520	3470	693		23	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning AS	CYP
125)	**Sea Turbot**	2008	5450	3250	694		22	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning I AS	CYP
126)	**Sea Witch**	2008	5450	3250	695		22	Owned	Deep Sea Supply Management (Singapore) Pte Ltd	Deep Sea Supply Shipowning AS	CYP

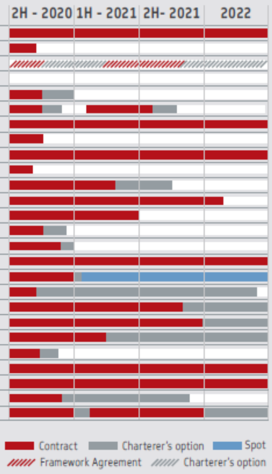
8.1.3 *Contract coverage*

Please see below an overview of the current contract coverage of the Group's fleet, including of the vessels that currently are laid up:

OSVs/CSVs

CSV EMPLOYMENT

Vessel name	Design	Year built	BHP	Employment *) at 31.08.20
Far Saga	UT 745 L	2001	10 812	Oct. 23
Far Samson	UT 761 CD	2009	47 627	Aug. 20
Far Superior	Vard 3 17	2017	15 667	Oct. 21 + opt.
Nor Spring	Sasaship	2008	7 956	Idle
Normand Australis	Conan Wu	2009	5 400	Sep. 20 + opt
Normand Baltic	STX 06 CD	2010	11 736	Jul. 21 + opt.
Normand Clipper	VS 4125	2001	22 195	Feb. 23+ opt.
Normand Cutter	VS 4125	2001	22 204	Sep. 20 + opt.
Normand Commander	MT 6016 MK II	2006	10 196	Oct. 23 + opt.
Normand Energy	VS 4220	2007	25 017	Aug. 20
Normand Flower	UT 737	2002	14 000	Apr. 21 + opt.
Normand Frontier	Vard 3 03	2014	20 651	Mar. 22
Normand Installer	VS 4204	2006	31 360	Dec. 21
Normand Jarl	MT 6022	2013	14 552	Sep. 20 + opt.
Normand Jarstein	MT 6022 L	2014	17 232	Nov. 20 + opt.
Normand Maximus	Vard 3 19	2016	39 111	Oct. 24 + opt.
Normand Mermaid	P 103	2002	14 400	Dec. 20 + opt.
Normand Navigator	Vard 3 07	2015	22 549	Aug. 20 + opt.
Normand Ocean	MT 6022	2014	17 476	Oct. 21 + opt.
Normand Pacific	ST 257 L CD	2010	22 073	Dec. 21 + opt
Normand Pioneer	UT 742	1999	27 920	Mar. 21 + opt.
Normand Poseidon	MT 6016	2009	10 196	Sep. 20 + opt.
Normand Sentinel	Vard 3 07	2015	22 794	Dec. 22 + opt.
Normand Subsea	VS 4710	2009	19 800	Dec. 23 + opt.
Normand Tonjer	VS 495	2010	11 600	Nov. 20 + opt.
Normand Vision	Vard 3 06	2014	27 850	Dec. 21 + opt.



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

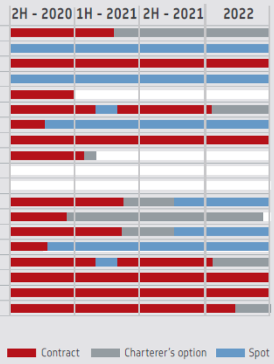
IN LAY-UP

Vessel name	Design	Year built	BHP	Vessel name	Design	Year built	BHP
Far Scotia	UT 755	2001	5 454	Normand Fortress	MT 6016 MK II	2007	10 759
Nor Valiant	Conan Wu	2008	5 470	Normand Progress	UT 742	1999	27 920

AHTS

AHTS EMPLOYMENT

Vessel name	Design	Year built	BHP	Employment *) at 31.08.20
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	Sep. 23 + opt.
Far Sapphire	UT 732 CD	2007	27 472	Spot
Far Scout	UT 722 L	2001	16 823	Dec. 20
Far Senator	UT 731 CD	2013	24 371	Jan. 22 + opt.
Far Sigma	UT 731 CD	2014	24 371	Sep. 20 / Spot
Far Statesman	UT 731 CD	2013	24 371	Sep. 23 + opt.
Far Stream	UT 712 L	2006	16 005	Jan. 21 + 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	May 21 + opt.
Normand Ferking	VS 490	2007	20 700	Nov. 20 + opt.
Normand Prosper	AH 12	2010	32 600	May 21 + opt.
Normand Ranger	VS 490	2010	28 000	Sep. 20 / Spot
Normand Saracen	UT 731 CD	2010	23 664	Jan. 22 + opt.
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.

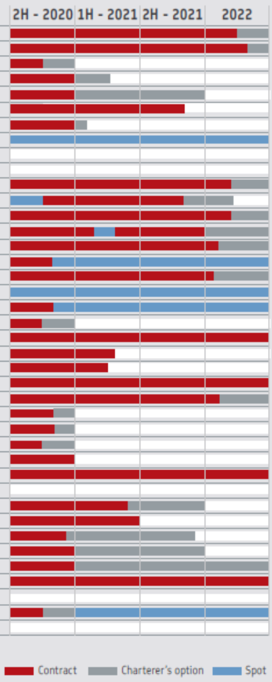
IN LAY-UP

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

<u>PSVs</u>

PSV EMPLOYMENT

Vessel name	Design	Year built	DWT	Employment *) at 31.08.20
Far Scotsman	PSV 08 CD	2012	4 000	May. 22
Far Searcher	UT 751 E	2008	5 127	Sep. 22 + opt.
Far Seeker	UT 751 E	2008	4 905	Sep 20 + opt.
Far Solitaire	UT 754 WP	2012	6 336	Dec. 20 + opt.
Far Spica	PSV 08 CD	2013	4 000	Dec 20 + opt.
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	Spot
Normand Aurora	P 105	2005	4 929	Idle
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	Oct. 21 + opt.
Normand Fortune	VS 485	2013	5 275	Apr. 22 + opt.
Normand Leader	VS 499	2013	6 164	Dec. 21 + opt
Normand Naley	VS 485	2011	5 506	Feb. 22 + opt.
Normand Serenade	UT 751 CD	2009	5 944	Oct. 20 / Spot
Normand Server	PSV 06 CD	2011	5 300	Jan. 22 + opt.
Normand Service	PX 105	2014	4 459	Spot
Normand Sitella	PSV 08 CD	2013	4 000	Oct. 20 / Spot
Normand Skimmer	PSV 08 CD	2012	4 000	Sep. 20 + opt.
Normand Skipper	VS 4420	2005	6 608	Jan. 23 + opt.
Normand Springer	PX 105	2014	4 459	Apr. 21
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	Sep 20 + opt.
Normand Swift	PX 105	2014	4 459	Dec. 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	May 21 + opt
Sea Brasil	PSV 09 CD	2012	4 700	Dec. 21
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	Jan. 23 + opt.
Sea Spark	PX 105	2013	4 419	Idle
Sea Spear	PX 105	2014	4 459	Oct. 20 / Spot
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.

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 Trym	UT 755 LN	2006	3 298	Sea Witch	UT 755 L	2008	3 520

8.2 Significant changes impacting the Group's operations and principal activities since 31 December 2019

Since 31 December 2019, the Group has not introduced any significant new products or services, nor is the Group in the process of developing any such new products or services.

Since 31 December 2019, the Company has not experienced any material changes in the Group's regulatory environment.

Since 31 December 2019 the global economy have experienced two economic shocks impacting the Group's operations. Firstly, the corona virus has triggered a plunge in economic activity and oil demand. Secondly, the outbreak of the Russia-Saudi Arabia oil price war (see Section 7.1.1 above). Although both events have major impact on most aspects of life and business it is currently difficult to neither fully identify nor quantify this impact.

8.3 Material investments since 30 June 2020

Since 30 June 2020, the Group has not made or committed to make any material investments.

8.4 Trend information

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. Further, reduced demand may have a negative effect on achievable rates for the Group's vessels going forward.

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

The recent events in the oil markets alongside the pandemic have also resulted in a significant depreciation of the NOK exchange rate against USD, EUR and GBP. Some of the Group's vessels trade in these currencies on a regular basis. The immediate effect of the depreciation of the NOK against other currencies is the increased value of debt nominated in USD. As of 30 June 2020 approximately 52% of the Group's interest bearing debt was USD loans. The isolated immediate impact from a 10% depreciation of NOK value against USD is an increase of the value of debt nominated in USD of about NOK 1,650,000,000.

The Group's income from operation of the Group's vessels is primarily in AUD, GBP, USD, and NOK. The relative portion of income in foreign currencies will vary, but is estimated to be between 75% and 85% of the operational income. Depreciation of NOK against foreign currencies will increase the relative portion of income from foreign currencies, and the income nominated in NOK as accounting currency. If the depreciation of NOK should last for a long period, it will have a positive effect of the Group's operating income.

The operating expenses are partly also in USD, GBP and NOK, but with less impact than the income at the current level of expenses compared with the income. As a result, all other elements kept unchanged, a depreciation of the NOK against other currencies will have a positive effect of the operating result.

Following the challenging situation, the Norwegian Government has launched certain remedies to mitigate effects of the market turmoil. The Group is currently considering if some of the measures can mitigate some of the challenges the Group possibly will have to deal with.

Other than as set out above, and to the best of the Company's knowledge, there have been no material changes in recent trends as regards the operations of the Group since 31 December 2019 and until the date of this Prospectus.

8.5 Significant changes in the Group's financial position and performance since 30 June 2020

Other than as set out below, and the effects of the Restructuring as described in Section 5 above, there have been no significant changes in the Group's financial performance and position since 30 June 2020:

1) So far, the Group has been able to continue normal operations of its vessels even if crew changes have become difficult due to COVID-19. However, there is an increased risk in the sector of delays in execution of offshore projects as a result of COVID-19. In addition, the counter-party risk has increased, and contracts may be cancelled or not renewed if a sustained challenging market situation continues. As of 30

June 2020, the Company's backlog is approximately NOK 8,000 million whereof NOK 3,600 million for the next 12 months. The continued market deterioration with the impact of COVID-19 virus and declining oil prices in all regions where the Group operates have negatively impacted the earnings and utilisation of the Group's fleet. It is however too early to estimate the total potential financial impact these events might have for the Group.

2) On 17 September 2020, the Company's wholly-owned subsidiary, Normand Maximus Operations Ltd., received a notice of early termination of the charter party for the vessel Normand Maximus by Saipem (Portugal) Comercio Maritimo LDA ("**Saipem**") against payment of an early termination fee of approximately USD 44 million to Normand Maximus Operations Ltd. The termination of the time charter will be effective and the vessel redelivered on or around 2 November 2020. Normand Maximus is financed under a financial lease entered into by Maximus Limited (of which Solstad Offshore owns 25%) as owner of Normand Maximus and Normand Maximus Operations Ltd. as bareboat charterer. The financial lease is guaranteed by the Company and includes customary prepayment events and default provisions which may inter alia require Normand Maximus Operations Ltd. to purchase the vessel if it is not able to secure new employment for the vessel. The Company expects that the vessel will be engaged on new projects within reasonable time and is, together with Normand Maximus Operations Ltd., engaging in dialogue with Maximus Limited with a view to agree on a solution for the financial lease taking into account the early termination by Saipem. As of the date of this Prospectus, it is not expected that the Closing of the Restructuring will be affected by the termination of the time charter contract by Saipem.

8.6 Related party transactions since 30 June 2020

On 24 September 2020, Aker BP ASA, of which Aker Capital AS controls approximately 49%, extended the contract for the PSV Far Solitaire with 12 months under the framework agreement between Aker BP ASA and Solstad Offshore. The new term under the contract commences on 1 January 2021, and the vessel will continue to support the oil and gas activities on the Norwegian continental shelf.

Other than the above, and the transactions involving LPS (including the Solstad Family Entities) and Espedal in connection with the Restructuring (see Sections 5.1, 5.7 and 5.8 above), the Group has not entered into any related party transactions since 30 June 2020.

9 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

9.1 Corporate information

The legal and commercial name of the Company is Solstad Offshore ASA. The Company is a public limited liability company incorporated on 16 December 1987 under the laws of, and domiciled in, Norway with registration number 945 883 294. The Company's legal entity identifier ("**LEI**") code is 5967007LIEEXZXHGO849. The Company's business office is at Nesavegen 39, 4280 Skudeneshavn, Norway. The Company's phone number is +47 52 85 65 00 and its website is www.solstad.com.

This Prospectus is published at the Company's website. Information presented at the Company's website does not form part of the Prospectus, and prospective investors should not rely on such information. However, as an exception from the above, the information incorporated by reference into the Prospectus according to Section 15 below, which is available at the Company's website, is part of the Prospectus.

9.2 Board of Directors

The Articles of Association provide that the Company's board of directors (the "**Board of Directors**") shall consist of a minimum of three and a maximum of seven Board Members. The names and positions of the Board Members as at the date of this Prospectus, and the principal activities performed by them outside of the Company, are set out below:

Name	Position	Principal activities performed outside of the Company	
		Current	Preceding five years
Harald Espedal	Chairman	Chair of the board in Espedal & Co AS, Lyse AS, Retail Office Stavanger AS and Sandnes Sparebank, deputy chair in Stavanger Concert Hall, board member in Aspelin Ramm Gruppen AS, Right Property AS, Vestvendt Eiendom AS, Bankplassen Eiendom AS, Fossekallen Invest AS, Elvekallen AS and Fossekallen Forvaltning AS, member of the Supervisory Council of the Norwegian Central Bank, CEO of Salt Capital AS	Board member in the Norwegian National Opera & Ballet, chair of the board in Prosafe SE
Toril Eidesvik	Board member	CEO in Nekkar ASA, non-executive board member and deputy chair in Eksportfinans ASA, chair of the board in Syncrolift AS, Zahlahuset AS, Piggsvin Forlag AS, Piggsvin Film AS, board member in Intellilift AS and Bjørn Sortland AS	Board member in Misjonsalliansen AS
Frank Ove Reite	Board member	Chair of the board in Ocean Yield ASA, Converto AS, Converto Consulting AS, Norron AB, Entec Group AS, Fausken Invest AS and Fausken Eiendom AS, board member in PE Bjørdal AS, Teigenes Holding AS and Aker Biomarine AS and CEO of Fausken Eiendom AS	Chair of the board in Akastor ASA, Aker Capital AS, Aker Capital II AS, Havfisk AS, Age Air AS, LN-XAX Air AS, FP Bolig AS, Fjord Processing AS, MHWirth AS and Novela Forvaltning AS, board member in Aker Capital AS, FP Eiendom AS, MHWirth AS, Fjords Processing 1 AS, Frontica Group AS, Cognizant Oil and Gas Consulting Services Norway AS, Akastor Real Estate AS, Akastor Offshore AS and Fjord Processing AS, deputy board member in Akastor ASA and Aker Solutions ASA and CEO of Akastor ASA
Merete Haugli	Board member	Chair of the board in Norwegian Property ASA, board member in Axactor AB, Merete Haugli AS (owner) and Sameiet Drammensveien 54 A, nomination	Board member in Reach Subsea ASA, RS Platou ASA, Lorentzen Stemoco AS, Farstad Shipping ASA

		committee member in Movi ASA and North Energy ASA

The Company's registered business address at Nesavegen 39, 4280 Skudeneshavn, Norway, serves as the business address for the members of the Board of Directors in relation to their directorship of the Company.

Pursuant to the recommendations by the Company's nomination committee published on 16 October 2020, it is proposed that the EGM elects Peder Sortland, Thorhild Widvey, Ellen Solstad and Ingrid Kylstad as new members of the Company's Board of Directors, replacing Merete Haugli and Toril Eidesvik. Furthermore, a new chair of the Board is proposed elected by and among the Board of Directors. In the nomination committee's opinion, the new composition of the Board will ensure that it can attend the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. The new Board of Directors takes effect from and including 23 October 2020, subject to the approval by the EGM.

9.3 Management

The Company's Management consists of seven individuals. The names of the members of the Management as at the date of this Prospectus, their respective positions and the principal activities performed by them outside of the Company, are presented below:

Name	Position	Principal activities performed outside of the Company	
		Current	Preceding five years
Lars Peder Solstad	Chief Executive Officer	Chair of the board in Vindbalen AS, board member in Solstad Trading AS, Ivan AS, Kepp Technology AS, Bleivik Simulator Holding AS and Bleivik Eiendom AS, and chair/board member in several Group companies	-
Kjetil Ramstad	Chief Financial Officer	Board member in several Group companies	Board member in Level Offshore AS, Heimdall AS, Freya AS, Optime Subsea Services AS, DeepOcean Shipping VI AS, DeepOcean Shipping V AS, Northwest Maritime AS, DeepOcean AS, DeepOcean Africa AS, DeepOcean Maritime AS, DeepOcean Shipping III AS, DeepOcean Management AS, DeepOcean Supply AS, DeepOcean Shipping II AS, DeepOcean Norway AS and DeepOcean Shipping AS
Tor Inge Dale	Chief Operating Officer	Board member in NCE Maritime Cleantech AS (non-profit)	-
Hans Knut Skår Jr.	Executive Vice President Subsea & Construction	Board member in Marine Energy Test Centre	-
Kenneth Lande	Executive Vice President Global AHTS/PSV	-	-
Eivind Kvilhaug	Vice President Finance	Board member in several Group companies	-
Olaug Hillesland	Administration and Communication Director	-	-

Members of the Management are not engaged in any principal activities outside of the Company where these are significant with respect to the Company.

The Company's registered business address at Nesavegen 39, 4280 Skudeneshavn, Norway, serves as the business address for the members of the Management in relation to their employment with the Group.

9.4 Conflicts of interest etc.

During the five years preceding the date of this Prospectus, none of the members of the Board of Directors or the Management have, or had, as applicable:

i) any convictions in relation to fraudulent offences;

ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

iii) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation or companies put into administration in his or her capacity as a founder, member of the administrative or supervisory body, director or senior manager of a company.

The Company rents offices and warehouse on market terms by Ivan Eiendom AS, a wholly owned subsidiary of Ivan AS in which the Chief Executive Officer, Lars Peder Solstad, serves as board member. Other than this, there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any member of the Board or the Management, including any family relationships between such persons.

Frank Ove Reite (Board Member) has entered into a consultancy agreement with Aker ASA under which Reite inter alia represents Aker ASA on the Board of Directors. Furthermore, Fausken Invest AS, a company controlled by Reite, has entered into a put/call agreement with Aker Capital AS for a total of 356,509 Shares in the Company. Fausken Invest AS will not directly subscribe for Shares in the Private Placement 2.

Other than the above and to the Company's knowledge, there are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the members of the Board of Directors or Management were elected as a member of the Board of Directors or the Management.

9.5 Lock-up restrictions

The Shares to be issued in the Private Placement 2 and upon conversion of the Anti-Dilution Protection Loan (see Section 5.7) are subject to a lock-up period of three years, or as regards each of Aker and Hemen (to the extent they subscribe for Shares in the Private Placement 2), until the earlier date that Aker or Hemen respectively is no longer offered a Board position.

Other than the above, there are no restrictions agreed by a Board Member or member of the Management on the disposal within a certain period of time of their holdings in the Company's securities.

9.6 Major shareholders

Shareholders owning 5% or more of the Shares or other notifiable securities have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As per completion of the Private Placements, assuming full participation, no person or entity other than as set out below will, to the Company's knowledge have a shareholding in the Company which is notifiable pursuant the Norwegian Securities Trading Act:

	Shareholder	No. of Shares	% of voting rights held
1)	Aker Capital AS	15,524,111	21.3%
2)	DNB Bank ASA	8,187,721	11.2%
3)	Hemen Holding Limited	6,741,472	9.3%
4)	Nordea	5,395,264	7.4%
5)	SFL	4,393,759	6.0%

Assuming full participation in the Restructuring by all creditors and investors, LPS and the Solstad Family Entities will control 2,952,900 Shares, equivalent to 3.9% of the Shares upon Closing (after completion of the Subsequent Offering, assuming full subscription). Due to the LPS Warrants, LPS and the Solstad Family Entities may increase their shareholdings with an additional 5,038,187 Shares, which, if fully exercised, will give a total of 8,120,842 Shares and constitute up to between 10-11% of the Shares, depending on the degree of conversion of the Warrants and the Anti-Dilution Protection Loan, assuming no other share capital increases are carried out.

Other than as set out above, and as far as the Company is aware, the Company is not directly or indirectly owned by any person. To the Company's knowledge there are no arrangement which may, at a subsequent date, result in a change of control in the Company.

There are no differences in voting rights between the Company's major shareholders.

9.7 Share capital

As at the date of this Prospectus, the Company's registered share capital is NOK 583,064,598 divided by 291,532,299 Shares, each with a par value of NOK 2.

Upon Closing, the share capital will initially be decreased by NOK 582,773,065.701 to NOK 291,532.299, by a reduction in the par value of each Share from NOK 2 to NOK 0.001. The reduction amount will be used to cover losses which cannot otherwise be covered. Subsequently, 701 new Shares will be issued and subscribed by Jarsteinen at a subscription price of NOK 0.00267 per Share. Immediately thereafter, a reverse share split in the ratio 1,000:1 will be completed by 1,000 shares being converted to 1 share. As a consequence, the Company's share capital will be NOK 291,533 divided by 291,533 Shares, each with a par value of NOK 1.

Upon conclusion of the Private Placements to be completed on Closing, assuming full subscription, the Company's registered share capital will be NOK 72,883,250, divided by 72,883,250 Shares, each with a par value of NOK 1. Upon conclusion of the Subsequent Offering, assuming full subscription of the Offer Shares by the Eligible Shareholders (and full subscription in the Private Placements), the share capital will be NOK 74,220,223 divided by 74,220,223 Shares, each with a par value of NOK 1.

The Shares are registered in book-entry form with the VPS under ISIN NO0003080608. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA, with registered business address at Dronning Eufemias gate 30, 0191 Oslo, Norway. The Shares have been admitted to trading on the Oslo Stock Exchange since 27 October 1997.

The Shares are freely transferable.

9.8 Other financial instruments

Except for the Warrants, the Anti-Dilution Protection Loan and the LPS Warrants, which are described in Sections 5.6 - 5.8 above, neither the Company nor any of its subsidiaries has issued, or is contemplating to issue, any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company or its subsidiaries.

9.9 Authorisations and undertakings to issue Shares

Other than the Subsequent Offering and the instruments referred in the Section immediately above, there are no authorisations or undertakings to issue Shares.

9.10 Certain aspects of Norwegian corporate and securities law

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. Certain rights attaching to the Shares are described below:

9.10.1 Dividend rights

Under Norwegian law, dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

i) Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The total par value of treasury shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

ii) The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts. Dividend may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

iii) Dividend can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the

VPS with details of any NOK account, will, however, receive a letter asking them to provide their foreign bank details for receiving the dividend. The dividend will then be transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts without the need for shareholders to present documentation proving their ownership of the Shares.

9.10.2 Voting rights

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

9.10.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by the issuance of new shares to the existing shareholders or by increasing the par value of the outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

9.10.4 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

9.10.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the outstanding share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares.

9.10.6 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

9.10.7 Compulsory acquisition

Pursuant to the Norwegian Public Limited Liability Companies Act a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder object to the offered price within a specified deadline of not less than two months, such minority shareholder may request that the price is set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent an objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

10 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the Group's historical financial information and related notes, incorporated by reference hereto, see Section 15 "*Cross Reference List*".

10.1 Statement of capitalisation

The following table sets forth information about the Group's consolidated capitalisation as of 30 June 2020 and adjusted to reflect the below-mentioned material changes:

Capitalisation	**As of 30 June 2020** (*unaudited*)	**Adjustments** (*unaudited*)	**As adjusted** (*unaudited*)
(In NOK thousand)			
Indebtedness			
Total current debt	30,660,721	-28,917,626	1,743,095
- Guaranteed and secured[1]	23,417,401	-23,339,397	78,004
- Guaranteed but unsecured[2]	1,055,183	-791,470	263,713
- Secured but unguaranteed[3]	3,201,786	-3,201,786	0
- Unguaranteed and unsecured[4]	2,986,351	-1,584,972	1,401,379
Total non-current debt	4,357,040	17,307,913	21,664,952
- Guaranteed and secured[5]	1,066,700	16,994,326	18,061,026
- Guaranteed but unsecured[6]	3,290,339	-556,313	2,734,026
- Secured but unguaranteed[7]	0	833,312	833,312
- Unguaranteed and unsecured	0	0	0
Total indebtedness[8]	**35,017,761**	**-11,646,301**	**23,371,460**
Shareholders' equity			
Share capital[9]	4,602,782	70,000	4,672,782
Other contributed capital	0	0	0
Other reserves	0	0	0
Retained earnings[10]	-11,628,070	12,482,129	854,059
Non-controlling interests	8,103	0	8,103
Total shareholders' equity	**-7,017,185**	**12,552,129**	**5,534,944**
Total capitalisation	**28,000,576**	**905,828**	**28,906,404**

Notes to the capitalisation table above:

1. Adjustment (NOK 23,339,4 million) relates to de-recognition of debt being refinanced. As adjusted (NOK 78.0 million) is current portion of non-refinanced debt relating to the Group's vessels and equipment.
2. Adjustment (NOK 791.5 million) relates to termination of debt for vessels recognised according to IFRS 16 (Pike, Leopard, Jaguar, Cheetah, Halibut, Senator and Statesman). As adjusted (NOK 263.7 million) is current portion of IFRS 16 leasing obligations for Normand Maximus.
3. Adjustment (NOK 3,201.8 million) relates to de-recognition of debt being refinanced in the Solship Invest 1 silo.
4. Adjustment (NOK 1,585.0 million) relates to the SOFF04 Bond (NOK 1,176 million) and the Rem Bond (NOK 213.2 million), being converted to dividend and equitized according to the Bondholder Resolutions, in addition to interest relief (NOK 240.0 million) and other accruals (NOK 44.2 million).

5. Adjustment (NOK 16,994.3 million) relates to de-recognition of debt being refinanced. As adjusted (NOK 18,061 million) is reinstated debt relating to the Group's vessels and equipment.
6. Adjustment (NOK 556.3 million) relates to termination of debt for vessels recognised according to IFRS 16 (Pike, Leopard, Jaguar, Cheetah, Halibut, Senator and Statesman). As adjusted (NOK 2,734 million) is IFRS 16 leasing obligations for Normand Maximus.
7. Adjustment and as adjusted (NOK 833.3 million) relates to reinstated debt for the SPV facilities (Normand Falnes, Normand Naley and Normand Jarl) of NOK 710 million and the Normand Tonjer facilities of NOK 123.3 million.
8. Lenders of the Group's current and non-current indebtedness are secured through a security arrangement with securities usual in the industry, including but not limited to cross-collateralised fleet vessel mortgages; assignment provisions related to insurances, assignment of earnings under longer term charter parties, manager's undertakings, as well as general assignment of earnings, pledges over Group company shares, pledges of major bank accounts, pledges of operating equipment, assignments of intra-group loans; and guarantees issued by certain Group companies and the Company.
9. Adjustment (NOK 70 million) relates to new equity subscription from existing shareholders.
10. Adjustment (NOK 12,482.1 million) is conversion of debt relating to no. 1-7 above. The debt to be converted to equity consists of secured debt, leasing obligations, bond obligations and other unsecured debt.

10.2 Statement of indebtedness

The following table sets forth information about the Group's net indebtedness as of 30 June 2020 and adjusted to reflect the below-mentioned material changes:

Net indebtedness		As of 30 June 2020 *(unaudited)*	Adjustments *(unaudited)*	As adjusted *(unaudited)*
(In NOK thousand)				
(A)	Cash[1]	1,111,611	1,431,034	2,542,645
(B)	Cash equivalents	181,323	0	181,323
(C)	Trading securities	0	0	0
(D)	**Liquidity (A)+(B)+(C)**	**1,292,935**	**1,431,034**	**2,723,969**
(E)	**Current financial receivables[2]**	**1,576,168**	**-19,752**	**1,556,416**
(F)	Current bank debt	0	0	0
(G)	Current portion of non-current debt[3]	28,322,076	-27,956,264	365,812
(H)	Other current financial debt[4]	2,338,645	-961,361	1,377,283
(I)	**Current financial debt (F)+(G)+(H)**	**30,660,721**	**-28,917,626**	**1,743,095**
(J)	**Net current financial indebtedness (I)-(E)-(D)**	**27,791,619**	**-30,328,908**	**-2,537,289**
(K)	Non-current bank loans[5]	4,268,354	17,271,325	21,539,678
(L)	Bonds issued	0	0	0
(M)	Other non-current loans	88,686	0	88,686
(N)	**Non-current financial indebtedness (K)+(L)+(M)**	**4,357,040**	**17,271,325**	**21,628,364**
(O)	**Net financial indebtedness (J)+(N)**	**32,148,658**	**-13,057,583**	**19,091,075**

Notes to the indebtedness table above:

1. Adjustment (NOK 1,431.0 million) is new liquidity facility available for the Group of NOK 1,500.0 million (including a deferral element of NOK 75.0 million; new equity subscription from existing shareholders and payment to SFL for termination of five leased vessels.
2. Adjustment (NOK 19.8 million) is other receivable of NOK 75.0 million of deferral element to be received within 12 months and NOK 94.8 million reclassification of refinance cost.
3. Adjustment (NOK 27,956.3 million) relates to de-recognition of debt being refinanced. As adjusted (NOK 365.8 million) is current portion of reinstated debt relating to the Group's vessels and equipment.
4. Adjustment (NOK 961.4 million) relates to payments to Hemen of (NOK 15.0 million) and Sterna (NOK 29.2 million), the terminated debt for SFL-leases of NOK 765.6 million, including a fee of NOK 10.0 million), and interest relief (NOK 240.0 million).
5. Adjustment (NOK 17,271.3 million) relates to reinstated debt for the Groups vessels and equipment.

10.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, and for the period covering at least 12 months from the date of this Prospectus.

11 LEGAL MATTERS

11.1 Legal and arbitration proceedings

Neither the Company nor any other company in the Group has been involved in any legal, governmental or arbitration proceeding during the course of the preceding twelve months, which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

11.2 Material contracts outside the ordinary course of business

Save for the Restructuring Agreements entered into for the purpose of the Restructuring as described in Section 5 above, neither the Company nor any of its subsidiaries have entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus or entered into any other contract outside the ordinary course of business that contains any provision under which the Company or any of its subsidiaries has any obligation or entitlement that is material to the Company as of the date of this Prospectus.

11.3 Regulatory disclosures by the Company in the last 12 months

Please find below a summary of the information disclosed by the Company under the Norwegian Securities Trading Act over the last 12 months which is relevant as at the date of the Prospectus.

11.3.1 Financial reports

Date of announcement	Key content
31.08.2020	Interim report Q2 2020
27.05.2020	Interim report Q1 2020
27.05.2020	Annual Report 2019
27.02.2020	Interim report Q4 2019
28.11.2019	Interim report Q3 2019

11.3.2 Regulatory disclosures regarding the Group's business

Date of announcement	Subject	Key content
01.10.2020	Contract award	Long-term contract award by a major international company for the PSV Normand Skimmer commencing Q4 2020 for a period of 5 years plus options to support operations offshore North Western Australia
01.10.2020	Update on early termination of charter party for Normand Maximus	Further to the announcement on 17 September 2020 regarding the early termination of the time charter for the vessel Normand Maximus by Saipem (Portugal) Comercio Maritimo, to take effect against redelivery of the vessel on or around 2 November 2020, it was noted that under the financial lease between Maximus Limited (as owner) and Normand Maximus Operations Ltd. (as bareboat charterer), Normand Maximus Operations Ltd. may be required to purchase the vessel if it is not able to secure new employment for the vessel, please refer to Section 8.5 above.
24.09.2020	Contract extensions with Equinor and Aker BP	Contract extensions by Equinor for the AHTS Normand Ferking with 1 more year to November 2021, with an option for Equinor to extend the contract with further 2 x 1 years, and by Aker BP ASA for the PSV Far Solitaire with 12 months, commencing 1 January 2021 as part of the frame agreement between Aker BP ASA and the Company
17.09.2020	Early termination of charter party for Normand Maximus	The Company's wholly-owned subsidiary, Normand Maximus Operations Ltd, receives a notice of early termination of the charter party for the vessel Normand Maximus from the charterers,

		Saipem (Portugal) Comercio Maritimo LDA, against a termination fee of approx. USD 44 million to Normand Maximus Operations Ltd
07.09.2020	Contract award	Agreement with Ørsted for hire of the CSV Normand Jarl to support Ørsted on their offshore wind farms in Taiwan, for a firm period of 15 months with options to extend the contract with 5x1 months, commencing during Q2 2021.
13.08.2020	Contract awards	Contract awarded with Ocean Installer for the CSV Normand Vision commencing in 1Q 2021 with firm and optional periods covering the majority of 2021
12.08.2020	Contract award in Taiwan	Contract award by undisclosed EPIC contractor for the CSV Normand Baltic, to commence during 1st half 2021 with a duration of up to 220 days, to be utilized in the development phase of an Offshore Wind project in Taiwan
11.08.2020	Contract awards in Australia	Contract awards for the AHTS' Normand Saracen, Far Senator and dual fuel powered PSV Normand Leader to continue operations in Australia during 2021
07.08.2020	Contract extensions in Brazil	Contract extensions by Equinor Brazil for the PSV's Sea Brasil and Far Scotsman to December 2021 and May 2022 respectively, and by Total E&P do Brazil for the PSV Normand Swift and the AHTS Far Sagaris to December 2020
03.08.2020	Contract awards in Australia	Contract awards for the AHTS' Normand Saracen and Far Senator, along with the PSV Normand Leader, with BP Developments Australia Pty Ltd for an estimated period of 90 days commencing during Q4 2020
16.06.2020	Contract awards for Far Sagaris and Far Statesman	Contract awards for the AHTS' Far Sagaris and Far Statesman with Petróleo Brasileiro S.A. for a period of three years firm commencing in September 2020 to support Petrobras' exploration and production activities on the Brazilian continental shelf
11.06.2020	Contracts for Far Spica and Normand Springer and extended call off for Far Solitaire	Contracts with a leading North Sea operator for charter of the two PSVs Far Spica and Normand Springer for a period of six months firm plus options, to commence during June 2020 and October 2020, respectively. It was further announced that the call off for the PSV Far Solitaire had been extended until end 2020 as part of the frame agreement with Aker BP
02.06.2020	Appointment of new CFO	Appointment of Kjetil Ramstad as new CFO of the Company
11.05.2020	Contracts for Far Saga and Normand Energy	Contract with Petróleo Brasileiro S.A. for the CSV Far Saga for a period of three years firm, commencing in Q3 2020 and contract award with undisclosed client for the CSV Normand Energy (ex. Normand Seven), commencing in late Q2 2020 with a duration of 4-6 months
04.05.2020	Medium-term contracts for multiple vessels	Medium-term contracts with undisclosed clients for the PSVs Normand Supra, Normand Surfer, Normand Serenade, Normand Sitella and Sea Spear, and the AHTS Far Sigma, for a period of 80 to 170 days each, commencing around 1 July 2020 with operations outside the North Sea, significantly reducing the Group's North Sea spot market exposure in 2020
14.04.2020	Delivery of Norce Endeavour	Delivery of the DLB Norce Endeavour to Saipem Portugal Commercio Maritimo Limitada following the exercise of purchase option on 13 March 2020
18.03.2020	Contract extension, contracts award	Contract extensions with Equinor UK Limited for the PSVs, Sea Frost and Normand Skipper, until January 2023 plus one-year option thereafter; contract award with TAQA Bratani Limited for the PSV, Far Spica, for one well firm plus one well option commencing in the second half of March 2020; and contract award with undisclosed client for the PSVs, Normand Service and Normand Titus, to support a pipe-laying vessel in the North Sea for estimated duration of eight to ten weeks
13.03.2020	Termination of bare-boat contracts	Agreement between the Company and SFL Corporation Ltd to terminate the bareboat charter agreements for the two PSV's Sea Halibut and Sea Pike (both laid up since 2016)
13.03.2020	Sale of Norce Endeavour	Exercise by Saipem Portugal Commercio Maritimo Limitada of purchase option for the DLB Norce Endeavour pursuant to the bareboat contract of 23 December 2019 (delivery in April 2020)
09.03.2020	New contract for Far Stream	Contracting of the AHTS, Far Stream, to a major Malaysian operator to support a drilling program of six wells, to commence during March 2020, with estimated duration of 285 days and an option for the client to extend the contract with further 60 days
05.03.2020	Contract extension	Contract with Fugro Netherlands Marine BV for the CSV, Normand Flower, under which the charter was extended until April 2021, with options to extend the contract by further 6 months
19.02.2020	Long-term contract with Premier Oil UK	Contracting by Premier Oil UK Limited of PSV Normand Flipper (UT745E, 2003 built) for four wells firm plus options commencing between May and June 2020
18.02.2020	Termination of bare-boat contracts with SFL	Agreement between Solstad Offshore and SFL Corporation Ltd (SFL) to terminate the bareboat charter agreements for the three medium size AHTSs, Sea Cheetah, Sea Jaguar and Sea Leopard (all three laid up since 2016)

28.01.2020	Contract award	Contract with OMV Taranaki Ltd for the provision of a PSV to support its upcoming Crestal infield drilling campaign at the Maui A Platform offshore New Zealand
08.01.2020	Contract extension	Contract extension with Fairfield for PSVs, Far Symphony and Normand Aurora
23.12.2019	Bareboat contract for Norce Endeavour	Contract with Saipem Portugal Commercio Martimo Limitada for the DLB, Norce Endeavour, with duration until 31 May 2021 and optional period of further 5 months
20.12.2019	New medium-term contract	Contracts for several of its vessels with various clients. - Technip FMC extended its contract on the AHTS, Normand Ranger - New contract with Repsol Sinopec Resources UK Limited, for the CSV, Normand Jarl - The CSVs Normand Baltic and Normand Australis have been awarded contracts for work offshore New Zealand and offshore Papua New Guinea - In addition, Solstad Offshore entered into a 6 months contract with a major oil company for one of its large AHTS
16.12.2019	Contract extensions	Extension by Apache North Sea Limited of the charters of the PSVs, Sea Flyer and Sea Forth, with duration of 1 year plus options
10.12.2019	Contract extension	Extension by SBM Offshore of the charter for the CSV, Normand Installer
06.12.2019	Contract extensions	Contract extensions with Equinor Brasil Energia Ltda for the PSVs, Far Scotsman and Sea Brasil
05.12.2019	Contract awards	Several contract awards in the Middle East and Mediterranean
05.12.2019	Contract extension	Extension by a client of contract for the CSV, Normand Tonjer, with 12 months to November 2020, with option to extend the contract until September 2021
03.12.2019	Contract extension	Extension by DeepOcean AS of the contract for the CSV, Normand Jarstein, for a minimum period of 200 days in 2020, with commencement during 1Q
13.11.2019	Contract for CSV Normand Clipper	Long-term contract with Global Offshore, part of the Global Marine Group for the CSV, Normand Clipper, to commence in 1Q 2020 with a duration of 3 years firm plus 5 years options thereafter
12.11.2019	Contract for vessel in Brazil	New contract with Enauta Energia S.A in Brazil for the AHTS, BOS Turmalina, with a new charter of 1.5 years firm with up to 2 years options thereafter
08.11.2019	Significant Contract awarded by Woodside	Contract with Woodside for the provision of six vessels (two AHTS' and four PSVs), to provide marine services for several offshore drilling campaigns in Australian waters commencing in December 2019
06.11.2019	Contract awarded by Equinor	Contract with Equinor for the hire of the AHTS, Normand Ferking, with a duration of one year, and with an option for Equinor to extend with further 2 x 1 year
01.11.2019	Sale of vessel	Sale by Farstad Supply AS, a wholly owned subsidiary of Solstad Offshore, of the PSV, Far Swift, with delivery to the new owner on 31 October 2019
31.10.2019	Restructuring update	Agreement on extension of suspension until 31 March 2020, being an important step towards a solid financial platform through a consensus-based Restructuring
31.10.2019	PSV contract awarded	Contract award by Wintershall DEA of a medium-term contract to support its operations in Norway, with a duration of 120-200 days
30.10.2019	AHTS contracts awarded by INPEX	Contract with Inpex Operations Australia Pty for the provision of two AHTSs to support additional drilling for the Ichthys LNG development. Normand Scorpion and Normand Sirius to be contracted to INPEX for a period of 3 years

11.3.3 Regulatory disclosures regarding the Company's securities

Date of announcement	Subject	Key content
19.10.2020	Updated proxy form EGM	The Company disclosed an updated proxy form with possibility to vote for each proposed candidate to the Board at the EGM, further to the recommendations by the nomination committee published on 16.10.2020
16.10.2020	Information to Bondholders	Further to the summons to the bondholders' meeting on 14 May 2020 the Company disclosed a letter from Nordic Trustee regarding key dates on the redemption of the SOFF04 Bond
16.10.2020	Nomination committee proposal	Publication of the recommendations by the Company's nomination committee to the EGM
29.09.2020	Notice of EGM	Notice of the EGM to inter alia resolve to issue the Private Placement Shares and other resolutions pertaining to the Restructuring
24.09.2020	Interest claim information	Further to the summons to the bondholders' meeting on 14 May 2020 the Company disclosed a letter from Nordic Trustee regarding the handling of the interest coupon for the period from 24 March to 24 September 2020 which had been issued as a separate claim in the VPS

22.09.2020	Change in interest rate	New interest rate of 3.77% for the SOFF04 Bond for the period 24.09.2020 - 28.12.2020
09.09.2020	Offer to buy back debt through reverse auction	As part of the Restructuring, the Company announced an offer by way of a reverse auction to purchase up to NOK 966,951,645 of the Group's outstanding debt including accrued interest as per 31 March 2020 from certain of its creditors, including the SOFF Bondholders and the REM Bondholders, for an aggregate cash consideration of up to NOK 69,000,000
26.06.2020	Annual general meeting	Annual general meeting for 2020
10.06.2020	Nomination committee proposal	Publication of the proposals by the Company's nomination committee to the Annual General Meeting
09.06.2020	Update on the RIA	Further to the announcement on 30 May 2020, the Company announced that the outstanding credit committee approvals from the relevant Banks had been granted, with the result that the RIA entered into on 8 May 2020 was made effective
05.06.2020	Notice of annual general meeting	Notice of annual general meeting for 2020
30.05.2020	Update on the RIA	Further to the announcement on 8 May 2020, the Company announced that the credit committee approvals had been provided by a vast majority of the Banks participating in the Restructuring, and that it was expected that such approval would be provided by the remaining relevant Banks on completion of internal processes during the course of the next 5-10 days
29.05.2020	Result of bondholders' meeting	The Bondholder Resolutions approving the Restructuring
14.05.2020	Summons to bondholders' meeting	Summons to bondholders' meeting to resolve the Restructuring as set out in the announcement of 8 May 2020
08.05.2020	Signing of the RIA	Signing of the RIA for the Restructuring, reconfirming the key elements of the Restructuring as described in the announcement of 31 March 2020, however conditional upon credit committee approvals with the Banks, expected to be obtained by 29 May 2020 or such later date that may be agreed with the Company
30.04.2020	Restructuring update	Further to the announcement on 31 March 2020, the Company announced that in continued support of the Restructuring process, and with a view to enter into a restructuring agreement within a week, the suspension periods referred to in the announcement of 31 March 2020 had been extended by all but one of the relevant creditors throughout 8 May 2020
31.03.2020	Restructuring outline	The establishment between the Company and a large majority of the Group's stakeholders of a common plan to finalize negotiations on the basis of an outline for the Restructuring. It was further noted that save for one of the relevant creditors, the key creditors had agreed to a further extension of the relevant suspension agreements until 30 April 2020
20.03.2020	Change in interest rate	New interest rate of 4.62% for the SOFF04 Bond for the period 24.03.2020 - 24.06.2020
20.12.2019	Change in interest rate	New interest rate of 5.38% for the SOFF04 Bond for the period 27.12.2019 - 24.03.2020
18.12.2019	Result of bondholders' meeting	The bondholders' meeting approved to defer and suspend payments under the SOFF04 Bond until 31 March 2020
04.12.2019	Summons to bondholders' meeting	Summons to bondholders' meeting to approve an extension of the deferral and suspension of payments and interest under the SOFF04 Bond until 31 March 2020 to match the suspension with the suspension already agreed with the parties to the Group's existing financing arrangements, as announced in the stock exchange notice of 31 October 2019

11.4 Dividend and dividend policy

Under the terms of the Restructuring, the Company has undertaken not to distribute any dividends to shareholders for as long as any amount is outstanding under the Senior Secured Facilities Agreement. No dividend was paid by the Company during 2019.

The tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on any income received from the securities, see Section 12 "*Taxation*".

12 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.

12.1 Norwegian taxation

12.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 31.68% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%).

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity increased by 0.5%. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%). For Norwegian Corporate Shareholders that are considered to be financial institutions (e.g. banks etc.) the applicable effective tax rate is 0.75% (3% of dividend income is subject to tax at the flat tax rate for financial institutions of currently 25%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 22%. The withholding tax rate of 22% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("Non-Norwegian Corporate Shareholders"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

12.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 31.68%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 12.1.1 "*Taxation of dividends — Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

12.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

12.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

12.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

13 SELLING AND TRANSFER RESTRICTIONS

13.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights and the offer of unsubscribed Offer Shares to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Prospective investors are advised to consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

Neither the Subscription Rights or the Offer Shares have been and will be registered under the U.S. Securities Act or under the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States.

Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Subscription Rights or the Offer Shares (as the case may be), unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Subscription Rights or the Offer Shares (as the case may be) could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section.

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Member States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, Japan, the United States or any other jurisdiction in which it would not be permissible to grant the Subscription Rights and/or offer the Offer Shares (the "**Ineligible Jurisdictions**"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of an Ineligible Shareholder or other person who is a resident of an Ineligible Jurisdiction (referred to as "**Ineligible Persons**") does not constitute an offer to such persons of the Subscription Rights or the Offer Shares. Ineligible Persons may not exercise Subscription Rights.

If an investor takes up Subscription Rights, exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in the Offer Shares pursuant to this Prospectus, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

i) the investor is not located in an Ineligible Jurisdiction;

ii) the investor is not an Ineligible Person;

iii) the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;

iv) the investor acknowledges that the Company is not taking any action to permit a public offering of the Subscription Rights or the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) in any jurisdiction other than Norway; and

v) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and the Manager and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares is no longer accurate, it will promptly notify the Company and the Manager. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorise the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise Subscription Rights and/or deal in or subscribe Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the Offer Shares, such investor should consult its professional advisor without delay.

Subscription Rights will initially be credited to financial intermediaries for the accounts of all shareholders who hold Shares registered through a financial intermediary on the Record Date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Persons and may be required in connection with any exercise of Subscription Rights to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Subsequent Offering into any Ineligible Jurisdiction or to any Ineligible Persons. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Subscription Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

No action has been or will be taken by the Manager to permit the possession of this Prospectus (or any other offering or publicity materials or application form relating to the Subsequent Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Manager, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Subscription Rights and/or Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before exercising Subscription Rights or subscribing for or purchasing Offer Shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for or a purchase of Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

13.2 Selling restrictions

13.2.1 United States

The Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to qualitied institutional buyers ("**QIBs**") in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 13.3.1 "*United States*".

Any offer or sale in the United States will be made solely by affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in each case in accordance with any applicable state securities laws. The Manager and/or its affiliates who are broker-dealers registered under the U.S. Exchange Act may in accordance with their own policies, in connection with any offer or sale in the United States require the investor to make certain acknowledgements, representations and agreements.

13.2.2 United Kingdom

Each United Kingdom applicant confirms that it understands that the Subsequent Offering in the United Kingdom has only communicated or caused to be communicated and will only communicate or cause to be communicated to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial

Promotion) Order 2005 (the "**Order**") or (ii) high net worth companies, and (iii) other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

13.2.3 European Economic Area

In relation to each members state of the European Economic Area, other than Norway (each, a "**Relevant Member State**"), no Offer Shares or Subscription Rights which are the subject of the Subsequent Offering contemplated in this Prospectus, have been offered or will be offered to the public in that Relevant Member State, except that Offer Shares and/or Subscription Rights may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"):

a) to persons who are 'qualified investors' within the meaning of Article 2(e) of the EU Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Manager for any such offer; or

c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares and/or Subscription Rights shall result in a requirement for the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares or Subscription Rights in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered to enable an investor to decide to purchase any of the Offer Shares or Subscription Rights, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

13.2.4 Additional jurisdictions

<u>Switzerland</u>

The Subscription Rights and Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Subscription Rights, the Offer Shares or the Subsequent Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Subsequent Offering, the Company or the Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Subsequent Offering will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**"), and the Subsequent Offering has not been and will not be authorized under the Swiss Federal

Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares and/or the Subscription Rights in Canada or any province or territory thereof. Any offer or sale of the Offer Shares and/or the Subscription Rights in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

Hong Kong

The Offer Shares and the Subscription Rights may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares and Subscription Rights which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Other jurisdictions

The Subscription Rights or Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia, South Africa or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Subscription Rights and the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

13.3 Transfer restrictions

13.3.1 The United States

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. There will be no public offering of the Subscription Rights or the Offer Shares in the United States or to "U.S. Persons" (within the meaning of Regulation S). Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares located outside the United States will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i) The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

ii) The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

iii) The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States.

iv) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

v) The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.

vi) The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

vii) The purchaser is located outside the United States and purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S.

viii) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, resold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

ix) The purchaser acknowledges that the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

x) The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i) The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

ii) The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

iii) The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A or another exemption from the registration requirements under the U.S. Securities Act and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

iv) The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

v) If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, as the case may be, such Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

vi) The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

vii) The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.

viii) The purchaser acknowledges that the Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

ix) The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

13.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer

Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Subsequent Offering and the Offer Shares to be offered, to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State.

14 DOCUMENTS AVAILIBLE

For the terms of the Prospectus, the following documents, where applicable, can be inspected at the website of the Company, www.solstad.com:

a) The up to date memorandum and Articles of Association of the Company; and

b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Company's request, any part of which is included or referred to in the Prospectus.

15 CROSS REFERENCE LIST

References to the below mentioned documents are limited to the information given in "*Details*", e.g. that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the Prospectus.

Reference in Prospectus:	Refers to:	Details:
Summary	Interim report for the first quarter 2020, available at https://www.solstad.com/wp-content/uploads/2020/05/Quarterly-Report-1-2020.pdf	The Group: Condensed statement of comprehensive income: Page 6 Condensed statement of financial position: Page 7 Statement of cash flow: Page 8 Statement of changes in equity: Page 9 Notes: Page 10
Summary	Interim report for the second quarter 2020, available at https://www.solstad.com/wp-content/uploads/2020/08/Quarterly-Report-2-2020.pdf	The Group: Condensed statement of comprehensive income: Page 5 Condensed statement of financial position: Page 6 Statement of cash flow: Page 7 Statement of changes in equity: Page 8 Notes: Page 9
Summary; Section 4.4	Annual report for 2019, available at https://www.solstad.com/wp-content/uploads/2020/05/Annual-Report-2019.pdf	The Company: Profit and loss accounts: Page 63 Balance Sheet: Page 64 Statement of cash flow: Page 66 Notes: Page 67 The Group: Statement of comprehensive income: Page 17 Statement of financial position: Page 18 Statement of changes in equity: Page 20 Statement of cash flow: Page 21 Notes: Page 22 APMs: Page 61 Independent auditor's report: Page 76
Summary; Section 4.4	Annual report for 2018, available at https://www.solstad.com/wp-content/uploads/2020/03/SOFF-2018.pdf	The Company: Profit and loss accounts: Page 61 Balance Sheet: Page 62 Statement of cash flow: Page 64 Notes: Page 65 The Group: Statement of comprehensive income: Page 15 Statement of financial position: Page 16 Statement of changes in equity: Page 18 Statement of cash flow: Page 19 Notes: Page 20 APMs: Page 59 Independent auditor's report: Page 74

16 DEFINITIONS AND GLOSSARY OF TERMS

Adjusted Vessel Value	In respect of a specific vessel, the arithmetic average of the orderly sale values as estimated by Fearnley Offshore in January 2019 and the fair market values based on the arithmetic average of the high and low values of each report or the arithmetic average of the values provided by the different brokers contracted by the Company for compliance reporting under the pre-Restructuring current loan agreements
AHTS	Anchor-handling tug supply vessel
Aker	Aker Capital AS, with business registration number 986 733 884
Anchor Shareholders	Aker, Hemen, LPS and the Solstad Family Entities
Anti-Dilution Protection Loan	The unsecured and fully subordinated zero-interest convertible loan in the amount of between NOK 1,862,618 and NOK 2,810,464 to be granted the Company by Aker, Hemen and Jarsteinen, subject to the approval by the EGM and the Board's final decision based on the level of subscription in the Private Placements, see Section 5.7
Anti-Dilution Protection Loan Agreement	The agreement entered into on 17 September 2020 by the Company, Aker and Jarsteinen pertaining to the Anti-Dilution Protection Loan
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324, collectively
Articles of Association	The articles of association of Solstad Offshore ASA, as amended and restated from time to time
Banks	The following secured lending banks of the Group: 1) ABN Amro Bank N.V., Oslo Branch 2) Danmarks Skibskredit A/S 3) Danske Bank A/S 4) Danske Bank, Norwegian Branch 5) DNB Bank ASA 6) DBS Bank Ltd 7) DVB Bank SE, Amsterdam Branch 8) DVB Bank SE, Nordic Branch 9) DVB Bank SE, Singapore Branch 10) Eksportfinans ASA 11) Eksportkreditt Norge AS 12) The Norwegian Export Credit Guarantee Agency (GIEK) 13) Handelsbanken, Norwegian Branch of Svenska Handelsbanken AB (publ) 14) NIBC Bank N.V. 15) Nordea Bank Abp, filial i Norge 16) Nordea Bank Abp Singapore Branch 17) SpareBank 1 SMN 18) SpareBank 1 SR-Bank ASA 19) Sparebanken Møre 20) Swedbank AB (publ)
BHP	Break horse power
Board; Board of Directors or **Board Member(s)**	The board of directors of Solstad Offshore, as constituted from time to time
Bondholders	The SOFF04 Bondholders and the REM Bondholders, jointly
Bondholder Resolutions	The resolutions by the Bondholders in the bondholder meetings on 29 May 2020 to approve the Restructuring
Borrower	Solstad Shipholding AS, with business registration number 824 826 692

Borrower Group	Solstad Shipholding AS, together with its subsidiaries Solstad Shipowning Holding AS, Solstad Management Holding AS, Solstad Operations Holding AS, and each of their direct and indirect subsidiaries; as well as Deep Sea Supply Labuan Ltd. and Deep Sea Supply Labuan II Ltd.
CET	Central European Time
Closing	Completion of the Restructuring, expected to take place on 20 October 2020, being the date the EGM shall resolve to issue the Private Placement Shares
Company or **Solstad Offshore**	Solstad Offshore ASA, with business registration number 945 883 294
CSV	Construction support vessel
Cut-Off Date	31 March 2020
DSV	Diving support vessels
DWT	Dead weight tons
EGM	The Company's extraordinary general meeting to be held on 20 October 2020
Eligible Shareholders	Holders of Shares as at the end of trading on 20 October 2020, as registered in the VPS as of 22 October 2020, who are not allocated Shares in the Private Placements, other than Vard, and who are not residents in a jurisdiction where the Subsequent Offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action
Espedal	Espedal & Co AS, with business registration number 988 742 945, a company controlled by the chairman of the Board
EU	The European Union
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/ECText with EEA relevance
EUR	EURO, the currency introduced at the start of the third stage of the Economic and Monetary Union to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
Excluded Vessels	Vessels that are not subject to the Restructuring and whose liabilities will be unaffected and continue to be in full force and effect on its current terms, namely: a) Normand Maximus; b) Normand Installer; c) Bos Turmalina; d) Bos Turquesa; e) Normand Topazio; f) Far Superior; g) Normand Tonjer; and h) Sea Brasil
E&P	Exploration and production
FDS	Field development ship
Forward-looking statements	Statements, including, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives
GBP	British Pound Sterling, the lawful currency of the United Kingdom
Group	Solstad Offshore ASA together with its consolidated subsidiaries

heavy OCV	Heavy offshore construction vessels
Hemen	Hemen Holding Limited
IEA	International Energy Agency
IFRS	International Financial Reporting Standards as adopted by EU
IMR	Inspection, maintenance and repair vessels
Ineligible Jurisdictions	Member states of the EEA that have not implemented the Prospectus Directive, Australia, Canada, Hong Kong, Japan, the United States, Switzerland or any other jurisdiction in which it would not be permissible to offer the Allocation Rights and/or the Offer Shares
Ineligible Person	Other person then a Shareholder in an Ineligible Jurisdiction
ISIN	Securities number in the Norwegian Registry of Securities (VPS)
Jarsteinen	Jarsteinen AS, with business registration number 925 287 202, a company forming part of the Solstad Family Entities
LEI	Legal Entity Identifier
Listing	The listing on the Oslo Stock Exchange of the Private Placement Shares
Liquidation Candidates	Each of Farstad Shipping AS, Solship Invest 1 AS and Solship Invest 3 AS
LPS	Lars Peder Solstad, the Company's Chief Executive Officer
LPS Warrant Agreement	The warrant agreement entered into on 17 October 2020 by the Company and LPS in connection with the management incentive plan of LPS
LPS Warrants	The between 4,389,074 and 5,038,187 warrants to be issued to LPS under the LPS Warrant Agreement, subject to the approval by the EGM and the Board's final decision
Management	The executive management team of the Company
Manager	Arctic Securities AS
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MiFID II Product Governance Requirements	(a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures.
NCI	National Client Identifier
NOK	Norwegian kroner, the lawful currency of the Kingdom of Norway
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholder	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes

Norwegian Public Limited Liability Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (Nw.: *allmennaksjeloven*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Nw. *verdipapirhandelloven*)
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*)
OCV	Offshore construction vessels, the vessels operating in the subsea space, which are divided in the following assets classes: IMR; DSV; heavy OCV and FDS
OCY	Ocean Yield ASA, with business registration number 991 844 562, a company controlled 61.65% by Aker
Offer Shares	The between 1,093,854 and 1,336,973 Offer Shares to be offered at the Subscription Price under the Subsequent Offering on a consolidated basis, subject to the approval by the EGM and the Board's final decision
OPEC	Organization of Petroleum Exporting Countries
Oslo Stock Exchange	Oslo Børs, a regulated marked owned and operated by Oslo Børs ASA
OSV	Offshore support vessel
Payment Date	On or about 11 November 2020, being the due date for payment for the Offer Shares in the Subsequent Offering
Private Placement 1	The contemplated issuance of between 46,837,645 and 48,074,688 Shares to certain secured lenders, bondholders and other stakeholders with payable claims against the Group in connection with the equitisation and conversion of up to NOK 9.7 billion in debt, at a conversion price of between NOK 3.73 and NOK 4.30 per Share to be settled by conversion of approximately NOK 202 in debt per new Share, subject to the approval by the EGM and the Board's final decision
Private Placement 2	The contemplated issuance of between 16,633,780 and 24,517,029 Shares to the Anchor Shareholders and Espedal at subscription prices of between NOK 2.60 and NOK 3.30 per Share, subject to the approval by the EGM and the Board's final decision
Private Placements	The Private Placement 1 and the Private Placement 2, collectively, announced by the Company on 29 September 2020 and proposed to be resolved by the EGM
Private Placement Shares	The Shares expected to be issued by the EGM pertaining to the Private Placement 1 and the Private Placement 2, collectively, which upon Closing each will have a par value of NOK 1
Prospectus	This Prospectus dated 19 October 2020
PSV	Platform supply vessel
QIBs	Qualified Institutional buyers, as defined in Rule 144A under the U.S. Securities Act
Record Date	22 October 2020
Registrar / VPS Registrar	DNB Bank ASA
REM Bond	The bond issue by Solship Invest 1 AS with ISIN NO 0010779945 of NOK 216,517,481
Rem Bondholders	The bondholders in the REM Bond
Restructuring	The contemplated fully-financed restructuring of the Group's debt and equity as further detailed in Section 5

Restructuring Agreements	The RIA; the Bondholder Resolutions, the Senior Secured Facilities Agreement, the Warrant Agreement, the Anti-Dilution Protection Loan Agreement and the LPS Warrant Agreement
RIA	The restructuring implementation agreement entered into on 8 May 2020, as amended by an addendum dated 29 May 2020, setting out the key elements of the Restructuring
Senior Secured Facilities Agreement	The agreement entered into on 16 September 2020 by the Company, the Borrower, the relevant Group companies and the relevant Banks, including DNB Bank ASA, acting as both agent and security agent, setting out the detailed terms of the refinancing of the Group's secured debt as part of the Restructuring
SFL	SFL Corporation Ltd., a Bermuda company with business registration number EC-34296
SFL Entities	SFL Sea Cheetah Limited, SFL Sea Halibut Limited, SFL Sea Pike Limited, SFL Sea Leopard Limited and SFL Sea Jaguar Limited, being subsidiaries of SFL
Share(s)	The shares of the Company, each with a par value of NOK 2, or any one of them, which upon Closing each will have a par value of NOK 1
SOFF04 Bond	The bond issue by the Company with ISIN NO 0010713548 of NOK 1,162,401,414
SOFF04 Bondholders	The bondholders in the SOFF04 Bond
Solstad Family Entities	The following entities controlled by LPS: • Jarsteinen AS (business registration number 925 287 202); • Soff Invest AS (business registration number 917 570 264); • Ivan AS (business registration number 943 789 436); • Vindbalen AS (business registration number 918 187 197); and • Solhav Invest X AS (business registration number 990 654 077)
Sterna	Sterna Finance Limited
Subscription Form	The form for subscription of Offer Shares in the Subsequent Offering as set out in Appendix A to this Prospectus
Subscription Period	The subscription period for the Subsequent Offering to commence on 26 October 2020 at 09:00 CET and expire on 9 November 2020 at 16:30 CET, which may not be shortened and may only be extended by the Board if this is required by law due to the publication of a supplement to the Prospectus
Subscription Price	Between NOK 2.80 and NOK 3.20 per Offer Share in the Subsequent Offering, subject to the Board's final decision
Subscription Rights	The between 5.19226278 and 8.33103381 non-transferable subscription rights with ISIN NO 0010895873 that, subject to applicable law, will provide Eligible Shareholders preferential rights to subscribe for and be allocated Offer Shares at the Subscription Price, as per the final decision by the Board
Subsequent Offering	The subsequent repair offering and listing on the Oslo Stock Exchange of the Offer Shares directed at Eligible Shareholders
UK	The United Kingdom
U.S. or the **United States**	The United States of America
USD or **$**	The United States Dollar, the lawful currency of the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended

Vard	Vard Group AS, with business registration number 980 100 820
VPS account	An account held with the VPS Register to register ownership of securities
VPS/VPS Register	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*)
Warrant Agreement	The agreement dated 16 September 2020 pursuant to which the Company shall issue the Warrants to the following relevant Banks that have claims against the Group secured in certain vessels planned to be sold or scrapped: a) DNB Bank ASA b) Nordea Bank ABP c) Danske Bank A/S d) Swedbank AB (PUBL) e) Danmarks Skibskredit A/S f) DVB Bank SE g) Svenska Handelsbanken AB (PUBL) h) Sparebanken 1 SR-BANK ASA i) Sparebank 1 SMN j) ABN Amro Bank N.V. k) Sparebanken Møre l) DBS Bank LTD m) GIEK
Warrants	The 4,422,026 subscription rights (warrants) proposed to be issued by the EGM to the relevant Banks in accordance with the Warrant Agreement, with effect on Closing, each giving the right to subscribe for one Share at a conversion price equal to the subscription price in the Private Placement 1

Solstad Offshore ASA
Nesavegen 39
4280 Skudeneshavn, Karmøy
Norway

Manager

Arctic Securities AS
Haakon VII's gate 5
0123 Oslo
Norway

Legal advisor

Wikborg Rein Advokatfirma AS
Dronning Mauds gate 11
0250 Oslo
Norway

APPENDIX A: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

SOLSTAD OFFSHORE ASA	SUBSCRIPTION FORM
SUBSEQUENT OFFERING OCTOBER - NOVEMBER 2020 In order for investors to be certain to participate in the Subsequent Offering, Subscription Forms must be received by the Manager no later than 16:30 CET on 9 November 2020. The subscriber bears the risk of any delay in the postal communication, busy facsimiles and data problems preventing orders from being received by the Manager.	Properly completed Subscription Forms must be submitted to the Manager as set out below: **Arctic Securities AS** Haakon VII's gate 5 P.O. Box 1833 Vika N-0123 Oslo Norway Tel: +47 21 01 30 40 E-mail: subscription@arctic.com **NORWEGIAN SUBSCRIBERS DOMICILED IN NORWAY CAN IN ADDITION SUBSCRIBE FOR SHARES AT https://www.arctic.com/**

General information: The terms and conditions for the Subsequent Offering in Solstad Offshore ASA (the "**Company**") of up to between 1,093,854 and 1,336,973 shares (the "**Offer Shares**") to be resolved by the Company's board of directors (the "**Board**") in accordance with the authorization granted by the Company's extraordinary general meeting to be held on 20 October 2020 (the "**EGM**") are set out in the prospectus dated 19 October 2020 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meaning in this Subscription Form. Notice of the EGM, the Company's Articles of Association and annual accounts for the last three years, are, and the minutes from the EGM will be, available at the Company's registered office. In case of any discrepancies between the Subscription Form and the Prospectus, the Prospectus shall prevail.

Subscription Period: The subscription period is from and including 26 October 2020 at 09:00 CET to 9 November 2020 at 16:30 CET (the "**Subscription Period**"). Neither the Company nor the Manager may be held responsible for postal delays, internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Manager has discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful. Subscription Forms that are received too late or are incomplete or erroneous are therefore likely to be rejected without any notice to the subscriber. The Manager has the right to disregard the application, without any liability towards the subscriber, if a LEI or NID number or any other compulsory information requested in the Subscription Form is not populated. If a LEI number or other compulsory information is not populated by the subscriber, the Manager also reserves the right to obtain such information through publicly available sources and use such number to complete the Subscription Form. The subscription for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager. Multiple subscriptions are allowed.

Subscription Price: The Subscription Price for one (1) Offer Share is between NOK 2.80 and NOK 3.20, subject to the Board's final decision.

Right to subscribe: The Subscription Rights will be issued to the Company's shareholders as of close of trading on 20 October 2020 (as registered with VPS on 22 October 2020, pursuant to the VPS' standard two days' settlement procedure) (the "**Record Date**") (i) who were not allocated Shares in the Private Placements (other than Vard Group AS) and who are not resident in a jurisdiction where the Subsequent Offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action ("**Eligible Shareholders**"). Each Eligible Shareholder will be granted between 5.19226278 and 8.33103381 non-transferable Subscription Rights for each share owned as of the Record Date (on a consolidated basis), as per the Board's final decision. Subscription Rights not used to subscribe for the Offer Shares (in full or partly) will lapse without any compensation upon expiry of the Subscription Period and will consequently be of no value. The number of Subscription Rights issued to each Eligible Shareholder will be rounded down to 0 or to the nearest whole number of Subscription Rights. Each Subscription Right will, subject to applicable law, grant the owner the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering.

Allocation: The allocation criteria are set out in the Prospectus. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact the subscriber's obligation to pay for the number of Offer Shares allocated. All subscribers being allotted Offer Shares will receive a letter from the Manager confirming the number of Offer Shares allotted to the subscriber and the corresponding subscription amount. This letter is expected to be mailed on or about 10 November 2020. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 09:00 CET on or about 10 November 2020. Subscribers who do not have access to investor services through their VPS account manager may contact the Manager from 09:00 CET on or about 10 November 2020 to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for the Offer Shares falls due on or about 11 November 2020 (the "**Payment Date**"). By signing the Subscription Form or registering a subscription through the VPS online subscription system, each subscriber having a Norwegian bank account, provides the Manager with a one-time irrevocable authorisation to debit the bank account specified by the subscriber below for payment of the allotted Offer Shares for transfer to the Manager. The specified bank account is expected to be debited on or after the Payment Date. The Manager is only authorised to debit such account once, but reserve the right to make up to three attempts to debit the Subscribers' accounts if there are insufficient funds on the account on previous debit dates. The authorisation will be valid for up to seven working days after the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date and should contact the Manager in this respect for further details and instructions. Should any subscriber have insufficient funds in his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS-account (12 digits):	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: consecutive no.:)
ONE SUBSCRIPTION RIGHT GIVES THE RIGHT TO BE ALLOCATED ONE OFFER SHARE SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO 0010895873		**Subscription Price per Offer Share:** Between NOK 2.80 and NOK 3.20, subject to the Board's final decision	**Total subscription amount to be paid:** NOK

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED)

My Norwegian bank account to be debited for the consideration for shares allotted (number of Offer Shares allotted x Subscription Price).	____ (Norwegian bank account no. 11 digits)

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above, (ii) grant the Manager (or someone appointed by the Manager) to take all actions required to purchase and/or subscribe for Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by the Manager to give effect to the transactions contemplated by this Subscription Form, and to ensure delivery of such Offer Shares to me/us with the VPS, on my/our behalf, (iii) grant the Manager an authorization to debit (by direct or manual debiting as described above) the specified bank account set out in this Subscription Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks with an investment in the Offer Shares and that I/we are eligible to subscribe for and purchase Offer Shares under the terms set forth therein.

Date and place (must be dated in the Subscription Period):	**Binding signature**:
	The subscriber must be of legal age and have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

APPENDIX A: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

INFORMATION ON THE SUBSCRIBER (ALL FIELDS MUST BE COMPLETED)

First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Post code/district/country
	Personal identity number (11 digits) / business registration number (9 digits)
Legal Entity Identifier ("LEI") /National Client Identifier ("NID")	Norwegian bank account for dividends
Nationality	Telephone number (daytime)
E-mail address	

Please note: if the Subscription Form is sent to the Manager by e-mail, the e-mail will be unsecured unless the applicant itself takes measures to secure it. The application form may contain sensitive information, including national identification numbers, and the Manager recommends the applicant to send the application form to the Manager in a secured e-mail. **Please refer to page 3 for further information on the Manager's processing of personal data.**

APPENDIX A: SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

GUIDELINES FOR THE SUBSCRIBER

THIS SUBSCRIPTION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG, SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, the Manager must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Subsequent Offering who/which are not existing clients of the Manager will be categorised as Non-professional clients. The applicant can by written request to the Manager ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact the Manager. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Selling restrictions: The Subsequent Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 13 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Manager assumes any responsibility in the event there is a violation by any person of such restrictions. Neither the Offer Shares not the Subscription Rights have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. Subscription Rights and Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan or Switzerland and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or Switzerland except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, Hong Kong, Japan or Switzerland. Exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions and those set out in the Prospectus may be deemed to be invalid. By subscribing for Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for Offer Shares, have complied with the above selling restrictions. Persons effecting subscriptions on behalf of any person located in the United States will be responsible for confirming that such person, or anyone acting on its behalf, has executed an investor letter in the form to be provided by the Manager upon request.

The Company has not authorised any offer to the public of the Subscription Rights and the Offer Shares in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Regulation, no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Execution only: As the Manager is not in the position to determine whether the application for Offer Securities is suitable for the applicant, the Manager will treat the application as an execution only instruction from the applicant to apply for Offer Securities in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Manager there is a duty of secrecy between the different units of the Manager as well as between the Manager and the other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber, but which the Manager will not have access to in its capacity as Manager for the Subsequent Offering.

Information barriers: The Manager is a securities firm offering a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance departments are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Manager's analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Manager must verify their identity in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity before the VPS registrar in accordance with the Anti-Money Laundering Legislation. Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway.

Data protection: As a data controller, the Manager processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on the Manager's processing of personal data, please review the Manager's privacy policy, which is available on its website or by contacting the Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the Manager's privacy policy to the individuals whose personal data is disclosed to the Manager.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
c) The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
d) In case of withdrawal of the authorization for direct debiting, the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
e) The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 9.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Manager reserves the right, at the risk and cost of the subscriber, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Company in consultation with the Manager may decide (and the subscriber will not be entitled to any profit therefrom). The original subscriber will remain liable for payment of the Subscription Price for the Offer Shares allocated to the subscriber, together with any interest, costs, charges and expenses accrued, and the Company and/or the Manager may enforce payment of any such amount outstanding.

Solstad Offshore ASA - group structure