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To the bondholders in:

ISIN NO 001071354.8 NOK 1,000,000,000 FRN Solstad Offshore ASA Senior Unsecured
Open Bond Issue 2014/2019 (SOFF04)

Oslo, 22 June 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA ("**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by Solstad Offshore ASA as issuer (the "**Issuer**" or the "**Company**").

Capitalised terms used herein shall have the meaning assigned to them in the bond agreement dated 17 June 2014 (the "**Bond Agreement**"), unless otherwise expressly stated.

The information in this summons regarding the Issuer, the market conditions and the described transactions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1 BACKGROUND

The offshore market in which the Company operates is currently experiencing a downturn. The fall in the oil price demands an extensive cost reduction within the offshore oil and gas industry. This can only be achieved through a combination of lower costs (operational and capital costs), increased efficiency and industry restructuring.

As a response to the difficult market conditions, the Company has together with Aker ASA developed a comprehensive plan to strengthen the Company's balance sheet to withstand a prolonged period of challenging markets and to position the Company as a consolidating force in a fragmented offshore service market. The strategic plan requires significant support, and consent to improved repayment terms, from the Company's secured lending banks (the "**Banks**") and the Bondholders (the "**Refinancing**"). The Company's operational experience, high quality fleet and global network combined with Aker ASA's industrial expertise, business development focus and financial strength in a well-capitalized company will provide a powerful platform for further development. The Company therefore urges the Banks and the Bondholders to provide the required cooperation and consent to finalize and implement the Refinancing.

Initiated by, and in parallel with, the discussions with Aker ASA, there have – over the last few months – been on-going discussions with the Banks, selected Bondholders in the Bond Issue and the largest shareholders of the Company. The key outcome of the discussion is set out in section 2 below (the "**Financing Plan**") and includes amongst others amortization relieves, extensions of balloon repayments and amended financial covenants under the bank facilities (the "**Bank Amendments**"), extension of the Maturity Date and reduction of interest payment under the Bond Issue (the "**Bond**

Amendments") and a capital injection from Aker ASA, through its wholly-owned subsidiary Aker Capital AS, in the amount of NOK 500 mill (split into NOK 250 mill paid in as new share capital and NOK 250 mill as a subordinated convertible loan) as well as a subsequent offering (share issue) in an amount of up to NOK 75 mill as further described in clause 2.2 below (the "**Capital Injection**"). In total, the Financing Plan will contribute with approx. NOK 2.56 bn in reduced amortizations over the first three years plus an additional NOK 550 million (optional for the Company) in year four as well as extension of the maturity of the NOK 1.0 bn Bond Issue, in addition to capital injection of up to NOK 575 million, giving a total improved liquidity over the next five years from Q3 2016 of NOK 4.68 bn, and thereby give the Company a significant runway until the markets are expected to recover.

The Financing Plan has received pre-commitments from a representative group of Bondholders and indicative support from key Banks however subject to *inter alia* credit approvals. Aker ASA has entered into a term sheet with the Company and certain shareholders to subscribe for a capital injection of NOK 500 mill in the Company by combination of subscription of shares (share issue) and a convertible loan. Further, the Solstad family (being Solstad Invest AS, Soff Holding AS and Ivan II AS) has pre-committed to participate in the subsequent offering with its pro rata share, which equals approximately 47 per cent of such subsequent offering. For practical reasons, the Solstad family will participate with its pro rata share already in the private placement together with Aker Capital AS. The size of the subsequent offering will therefore be reduced accordingly, please refer to clause 2.2 below for further details.

In addition to this summons letter, reference is made to the stock exchange notice issued on 7 June 2016, which gives background information and an update on the Refinancing. The stock exchange notice is available on the Issuer's web page www.solstad.no, www.newsweb.no and www.stamdata.no.

2 KEY ELEMENTS OF THE FINANCING PLAN

The key elements of the Financing Plan are set out below. For the purpose of giving an overview, the Financing Plan comprises the following elements:

- (a) amendments to the Bond Issue;
- (b) amendments to the Bank financing, including:
 - (i) arrangement of the consolidated "Fleet Loan A" of NOK 6,317 mill¹, with DNB Bank ASA as agent;
 - (ii) arrangement of the consolidated "Fleet Loan B" of NOK 1,678 mill² with Nordea Bank Norge ASA as agent; and
 - (iii) arrangement of the consolidated "Fleet Loan C" of NOK 1,505 mill³ with Nordea Bank Finland Plc, Singapore Branch as agent and relating to the Asian fleet; and
- (c) arrangement and implementation of the Capital Injection.

¹ Including loans in USD converted to NOK using an exchange rate of USD/NOK 8.50 and loans in GBP converted to NOK using an exchange rate of GBP/NOK 13.1.

² Cf. footnote 1, which also applies here.

³ Cf. footnote 1, which also applies here.

The below key elements of the Financing Plan are conditional on each other and subject to no material changes being made to any of the key elements listed in this section 2.

Commitments from Bondholders are expected to be obtained by approval of the proposed amendments to the Bond Agreement in the bondholder meeting to be held on 6 July 2016. Pre-commitments to vote in favour of the proposal have been received from a representative group of Bondholders. Commitments by the Banks to the Financing Plan, as well as binding term sheets, consents and credit approvals, setting forth the main terms and conditions of the new financing platform, is expected to be obtained within end of June 2016.

2.1 Bank facilities

The Company has suggested consolidating the majority of its debt to the Banks into three new fleet loans. Set out below is an overview of the suggested main terms of the new consolidated loans, which shall be applicable to all three fleet loans (as relevant). A customary amendment fee as well as a reduced instalment fee will be payable in connection with the Bank Amendments.

Since the Bank Amendments have not yet been finally concluded, certain changes to the suggested terms set out below may apply although no material amendments are expected.

2.1.1 Extension of maturity and reduction of instalments

The following amendments/terms will be applicable to the new fleet loans:

- (a) Five year term from 30 June 2016 (irrespective of originally agreed maturity date)
- (b) A total of up to approx. NOK 3.110 mill reduction of ordinary instalments over the next five years from 30 June 2016
 - (i) A total of 75% reduction of ordinary instalments over the first three years
 - (ii) The above numbers include a total of 50% reduction of ordinary instalments in year four (reduction will be optional at Solstad's full discretion)

2.1.2 Changes to certain covenants

The following covenants shall apply to all Bank facilities (as appropriate):

- (a) For the Company (guarantor) on consolidated basis: Working capital of NOK 100,000,000 or more; book equity of at least NOK 1,500,000,000; and minimum liquidity of not less than NOK 400,000,000.
- (b) For Solstad Rederi AS (borrower) on consolidated basis: Minimum liquidity of NOK 200,000,000.
- (c) For Solstad Offshore Asia Pacific Pte Ltd. (borrower) on consolidated basis: Minimum liquidity of USD 9,500,000 .
- (d) Minimum value clause: From 30 June 2016, the aggregate fair market value (free of any charter or other employment contract) of all vessels in the Solstad fleet included

in the Refinancing shall cover at least 100 per cent of aggregate outstanding amounts under the new fleet loans.

In addition to the financial covenants set out above, the following covenants and undertakings shall apply to all three fleet loans:

- (e) No dividend payments from the Company until final maturity without consent from the lenders.
- (f) Dividend and other inter-company payments from Solstad Rederi AS and Solstad Offshore Asia Pacific Pte. Ltd. to the Company shall be limited to NOK 50 mill (in aggregate) on an annual basis, and always subject to no event of default and compliance with financial covenants under the respective loan agreements (always excluding flow of funds according to a certain cash sweep mechanism, cf. item (g) below).
- (g) Certain other limitations on internal flow of funds, including restrictions deriving from a certain cash sweep mechanism to be implemented for all the Bank facilities.

2.2 Capital Injection

2.2.1 *Aker equity*

The Company and Aker ASA (together with SOFF Holding AS and Solstad Invest AS, both being major shareholders in the Company) have on a non-binding basis entered into a term sheet pursuant to which the Company will *inter alia* issue 20 000 000 new shares to Aker Capital AS (being a wholly-owned subsidiary of Aker ASA) at a price of NOK 12.50 per share with total proceeds of NOK 250 million ("**Aker Equity Issue**").

The Solstad family (comprising SOFF Holding AS, Ivan II AS and Solstad Invest AS) will participate in the abovementioned private placement together with Aker Capital AS with an additional equity contribution of approximately NOK 35 million, pursuant to which the Company will issue 2 811 189 new shares to the Solstad family (together with the Aker Equity Issue, the "**Private Placement**").

Provided that the Subsequent Offering (as defined below) is subscribed in full, Aker will after the share issue own approx. 31 % of the shares in the Company, whilst the Solstad family will own approximately 32 % of the shares in the Company.

2.2.2 *Solstad convertible loan*

Also pursuant to the term sheet referred to above, the Company will issue a subordinated convertible loan in the amount of NOK 250 million to Aker Capital AS ("**Solstad Convertible Loan**"). The Solstad Convertible Loan will have a coupon of 1.00 % p.a. to be settled by payment-in-kind ("**PIK**") and mature in the fourth quarter of 2021, after the bank debt and SOFF04.

The Solstad Convertible Loan can be converted into shares in the Company at a conversion price of NOK 12.50 per share for a period of five years from the date of the extraordinary general meeting of the Company resolving to issue the loan. Alternatively, the Solstad Convertible Loan can be settled in full or in part by an assignment from the Company to Aker Capital AS of one or several subordinated convertible loans to a new subsidiary ("**NewCo**") of the Company (the "**NewCo Loans**") against similar discharge of the Solstad Convertible Loan on a NOK for NOK basis. Provided that such

assignment takes place, Aker Capital AS will be subsequently entitled to convert such NewCo Loan(s) into shares in NewCo at a price equal to the price of the equity originally contributed by the Company. In the event that Aker Capital AS demands conversion of the Solstad Convertible Loan, the Company may decide to settle the Solstad Convertible Loan in cash.

NewCo shall act as a dedicated vehicle for acquiring distressed assets. Subject to a funding decision being made by the Company's board, NewCo shall initially be funded with equity (the "**NewCo Equity**") to be subscribed by the Company and one or more convertible loans from the Company in equal parts until such combined funding of equity and convertible loans amount to NOK 500 million. The conversion price for the convertible loans will be the same as the share price paid by the Company for the NewCo Equity.

The Solstad Convertible Loan (and subsequent NewCo Loans) is expected to be granted on terms substantially similar to those set forth above. As the detailed terms has not yet been concluded, minor amendments to the Solstad Convertible Loan may occur although no material amendments are expected.

2.2.3 Subsequent offering

The subsequent offering of up to approximately NOK 40 mill ("**Subsequent Offering**") will be carried out towards all shareholders in the Company other than the Solstad family, following completion of the Private Placement. The price of the shares in the Subsequent Offering will be NOK 12.50 per share, equal to the price paid by Aker Capital AS and the Solstad family in the Private Placement. The Subsequent Offering will be carried out pursuant to an authorization to the Board of Directors of the Company.

For the sake of good order, subscription for shares in the Subsequent Offering shall not be a condition precedent for the Bond Amendments.

2.3 Suggested changes to the Bond Issue

The following are the suggested changes to the Bond Issue:

2.3.1.1 Maturity

Maturity date shall be extended from 24 June 2019 to 24 September 2021 (two years, three months).

2.3.2 Interest

During the first three years following 30 June 2016 (provided approval by the Bondholders of the Bond Amendments), the Issuer shall pay cash interest of NIBOR 3 months plus 1.0 % p.a. plus a PIK interest of 3.0 %. Thereafter, the interest rate shall be NIBOR 3 months plus 3.50 % p.a. payable as cash interest.

If the Company exercises its option to defer 50 % of the instalments due under the Bank facilities in year 4, the Bonds shall receive a cash interest of NIBOR 3 months + 1.0 % p.a. plus a PIK interest of 3.0 % in lieu of NIBOR 3 months + 3.50 % cash interest in year 4.

There shall be no amendments to the interest payment structure and Interest Payment Dates, although the Bond Amendments call for an extraordinary calculation of the interest for the period starting 24

June 2016 and ending 24 September 2016, taking into account the amended interest levels as set out above.

2.3.3 *Amortization*

There shall be no amortization the first three years from 30 June 2016. Thereafter, the Company shall have an option to amortize the Bonds with four semi-annual instalment of NOK 50 mill over the last two years of the loan period. The Financing Plan requires that there shall be no outstanding deferred instalments under the Bank facilities before the option to amortize can be used.

If the Company does not amortize the Bonds according to the above (either because it chooses not to or because it is not entitled to according to the Bank facilities), the Bondholders shall be compensated with an additional cash payment at maturity of NOK 10 mill for non-payment of the first instalment, NOK 7.5 mill for non-payment of the second instalment, NOK 5 mill for non-payment of the third instalment and NOK 2.5 for non-payment of the fourth instalment (total accumulated NOK 25 million for non-payment of all four instalments).

2.3.4 *No dividend*

The Issuer shall be restricted from making any dividend payments to its shareholders until final maturity without consent from the Bondholders.

3 THE PROPOSAL

Based on the above, the Issuer hereby proposes that the Bondholders adopt the following proposal (the "**Proposal**"):

3.1 Amendments to Clause 1.1 (*Definitions*)

It is proposed to make the following amendments to Clause 1.1 (*Definitions*) (in addition to the amendments set forth in item 3.2 below):

- (a) The definition "Value Adjusted Equity" is deleted in its entirety;
- (b) The definition "Value Adjusted Equity Ratio" is deleted in its entirety;
- (c) The definition "Value Adjusted Total Assets" is deleted in its entirety; and
- (d) The following definition shall be added to the Bond Agreement:

""Liquidity" means, as determined in accordance with GAAP, the aggregate amount of freely available cash and cash equivalents as reported on the most recent balance sheet."

3.2 Extension of Maturity Date

Pursuant to the Bond Agreement, the Maturity Date is currently 24 June 2019. It is proposed that the Maturity Date definition is amended to read as follows:

""Maturity Date" means 24 September 2021. Any adjustment will be made according to the Business Day Convention."

3.3 Amendments to interest payment

It is proposed that clause 9.1 in the Bond Agreement shall be deleted in its entirety and replaced by the following:

"The Issuer shall pay interest on the par value of the Bonds as follows (the "Floating Rate"):

- (i) from and including the Issue Date up to but excluding 30 June 2016: cash interest at the Bond Reference Rate plus the Margin;*
- (ii) from 30 June 2016 through 24 June 2019: (a) cash interest at the Bond Reference Rate plus 1.0 % p.a. and (b) PIK interest of 3.0 % p.a.;*
- (iii) following end of second interest period in 2019 (ending 24 June 2019): cash interest at the Bond Reference Rate plus the Margin.*

An extraordinary calculation of the interest shall be made for the interest period starting 24 June 2016 and ending 24 September 2016 in order to facilitate for the amendment in interest levels as set out in item (i) and (ii) above.

If the Issuer exercises its option under its bank facilities to defer 50 per cent of the instalments due in year 4 (from end Q2 2019 through Q2 2020), then the Bonds shall during the relevant period (starting and ending on the relevant Interest Payment Dates) be subject to (a) cash interest of the Bond Reference Rate + 1 % p.a. and (b) PIK interest of 3.0 % p.a. (in lieu of the interest rate set out in item (iii) above)."

3.4 Maturity; Amortization

It is proposed that clause 10.1 of the Bond Agreement shall be deleted in its entirety and replaced by the following:

"The Bonds shall mature in full on the Maturity Date, on which date the Bonds shall be repaid at par (100%) by the Issuer.

Notwithstanding the aforementioned, the Issuer shall have an option to amortize the Bonds with four semi-annual instalments of NOK 50,000,000 over the two years following 30 June 2019. If such option is exercised, the Issuer shall give written notice to the Bond Trustee and the Paying Agent no less than 30 Business Days prior to the relevant Payment Date.

If the Issuer chose not to amortize the Bonds during such period (or is not entitled to amortize in accordance with its bank facilities), the Bondholders shall be compensated with an additional cash payment payable on the Maturity Date as follows:

- (i) *NOK 10,000,000 for non-payment of the first instalment due 24 December 2019;*
- (ii) *NOK 7,500,000 for non-payment of the second instalment due 24 June 2020;*
- (iii) *NOK 5,000,000 for non-payment of the third instalment due 24 December 2020; and*
- (iv) *NOK 2,500,000 for non-payment of the fourth instalment due 24 June 2021.*

Within 30 Business Days prior to the Maturity Date, the Issuer shall give notice to the Bond Trustee and the Paying Agent of the amount due and payable at the Maturity Date (including any premium set out above)."

3.5 Amendments to special covenants

It is proposed that the following provision be added as new item (e) under clause 13.4 of the Bond Agreement:

"(e) Dividend restrictions

The Issuer shall not, for as long as there are Bonds outstanding under the Bond Issue, make any payments of dividend to its shareholders without prior written consent from the Bond Trustee (on behalf of the Bondholders)."

3.6 Amendments to financial covenants

Pursuant to the Bond Agreement, one of the current financial covenants is Value Adjusted Equity Ratio. It is proposed that the Value Adjusted Equity Ratio is deleted in its entirety and replaced with a minimum liquidity covenant having the following wording:

"From 30 June 2016 to Maturity Date, the Issuer shall at all times on a consolidated basis maintain a minimum Liquidity of NOK 400,000,000."

Clause 1.1 (*Definitions*) and Attachment 1 (*Compliance Certificate*) shall be amended accordingly, cf. also clause 3.1 above.

3.7 Proceeds from security

The Company's secured lenders will obtain (i) a first priority pledge over all shares issued at any time in NewCo; and (ii) a first priority assignment of all intra-group claims held by the Company and/or Aker against NewCo (including NewCo Loans) (together, the "**NewCo Securities**"). The securities granted pursuant to the NewCo Securities will be shared between the Company's secured lenders and the Bondholders insofar as the Bondholders will be entitled to receive – pro rata to outstanding indebtedness – proceeds from enforcement of the NewCo Securities. Notwithstanding the

aforementioned, any decisions regarding enforcement of the NewCo Securities will be made by the Company's secured lenders only.

An agreement will have to be entered between the Company's secured lenders, Aker and the Bond Trustee (on behalf of the Bondholders) governing the abovementioned rights. Such inter-creditor agreement shall be negotiated by the secured bank lenders, and shall be deemed to be satisfactory to the Bond Trustee (on behalf of the Bondholders) once acceptable to the secured bank lenders, provided that the provisions thereof are (in the opinion of the Bond Trustee) practicable and appropriate for the Bond Trustee.

3.8 Implementation

Implementation of the amendments will be subject to customary conditions precedent, such as, without limitation, (i) entry into an amendment and restatement agreement to the Bond Agreement, corporate resolutions from the Issuer and legal opinion; (ii) confirmation, in a form reasonably acceptable to the Bond Trustee, that the Bank Amendments (in terms substantially similar to those set out herein) are or will be implemented no later than on the same date as the Bond Amendments proposed herein; (iii) payment in respect of the Private Placement; (iv) disbursement of the Solstad Convertible Loan; and (v) a sale-and-leaseback arrangement for the vessel MV "Normand Maximus" having been entered into.

4 FURTHER INFORMATION

For more detailed information about the Issuer or the Proposal, please contact:

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The Issuer has appointed Arctic Securities as its financial advisers (the "**Advisers**"). For more detailed information about the Issuer or the Proposal, the Advisors can be contacted as follows:

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The Advisers act solely for the Issuer and no-one else in connection with the Bond Issue and the Proposal. No due diligence investigations have been carried out by the Advisers with respect to the Issuer, and the Advisers expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to the information contained herein).

5 EVALUATION OF THE PROPOSAL

5.1 The Issuer's evaluation

In the opinion of the Issuer, the Proposal constitutes a preferred alternative for the Bondholders given the current circumstances and alternatives. The Proposal should create a credible long-term financial platform beneficial to all key stakeholders. It also gives a strong signal that the largest shareholder is supporting the Company, and that external investors are interested in investing in the Company.

5.2 Non-reliance

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposal and vote accordingly.

6 BONDHOLDERS' MEETINGS

Bondholders are hereby summoned to a Bondholders' Meeting for the Bond Issue.

Time: 6 July 2016 at 13:00 hours (Oslo time)
Place: The premises of Nordic Trustee ASA,
 Haakon VIIs gt 1, 0161 Oslo (6th floor)

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of Proposal:

It is proposed that the Bondholders' meeting resolves the following:

1. *The Bondholders' Meeting hereby adopts the relevant resolution set out in the Proposal as described in section 3 of the summons to this Bondholders' Meeting.*
2. *The Bond Trustee is authorised and instructed to do all such steps on behalf of the Bondholders as may be necessary or appropriate in connection with implementation of the Proposal, including but not limited to complete, negotiate, finalise and enter into necessary agreements in connection with documenting the decisions made by the Bondholders' Meeting as well as to carry out any other action in order to effectuate such decisions.*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the relevant meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the voting Bonds must be represented at the meeting. If the Proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting, votes may be cast based on Bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the relevant Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (www.mail@trustee.no) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Morten Bredeesen

Enclosed: Bondholder's Form