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To the bondholders in:

ISIN NO 001 0708670 - FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2014/2019

Oslo, 20 November 2017

Summons to Bondholders' Meeting

Nordic Trustee AS ("**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO 001 0708670 (the "**Bonds**" or the "**Bond Issue**") issued by Siem Offshore Inc as issuer (the "**Issuer**"). The Issuer and its subsidiaries are together referred to as the "Group".

Capitalised terms used herein shall, unless otherwise specified, have the same meaning as in the agreement dated 26 March 2014, as amended and restated on 28 June 2017, between the Company and the Bond Trustee, in respect of the Bond Issue (the "**Bond Agreement**").

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

The Issuer has requested the Bond Trustee to summon a Bondholders' Meeting to consider the approval of the Proposal as further set out and defined under clause 2 below.

1. BACKGROUND

Due to the current oil price, offshore activity level and excess supply of OSVs, the downturn in the OSV market is expected to last for several years. Although the Issuer is better capitalised than most of its Norwegian competitors, it is in the Issuer's and its creditors' interest to take early action and establish a predictable financial position through the downturn.

The following steps, *inter alia*, have been made to improve the financial situation of the Issuer:

- USD 100 million of cash equity was injected during the third quarter of 2015;
- USD 22 million of cash equity was injected during the second quarter of 2017; and
- the Issuer has extended the USD 60,000,000 revolving credit facility agreement from Siem Industries Inc.

The Issuer has discussed making certain changes to its financing arrangements with its European banks. These changes may involve reduction of margin, extension of balloon

payments and certain covenant relief under the Group's bank facilities. As part of these discussions, the Issuer is also considering strategic alternatives, which may involve the sale of certain assets and the use of the proceeds of such sales to make down-payments on the bank debt.

In connection with these contemplated changes, the Issuer proposes that the Bond Issue will be exchanged into a 5 ½ year convertible bond issue (the "**New Bond Issue**") as further detailed in section 2 below. This proposal is not subject to any of the contemplated transactions described above. The Issuer will simultaneously propose that the FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018 is exchanged for bonds in the New Bond Issue, but the Proposal is not subject to the bondholders meeting under that bond issue approving such exchange.

2. THE PROPOSAL

In accordance with Clause 16.2 of the Bond Agreements, the Issuer has approached the Bond Trustee to convene a Bondholders' Meeting in order to obtain the Bondholders' approval to the proposal below, pursuant to the authority given to the Bondholders' Meeting under Clause 16.3 of the Bond Agreement.

The Issuer proposes the Bondholders' Meeting resolve to approve the terms set out in this clause 2 (the "**Proposal**"):

- All bonds under the Bond Issue will be exchanged for convertible bonds under the New Bond Issue. The interest accrued for the period up until the exchange will be settled in cash.
- The main terms of the bond agreement relating to the New Bond Issue will be as per the term sheet attached as Annex B hereto (the "**Term Sheet**"), and *inter alia* as follows:
 - Exchange at 80 % of par value
 - 2 % interest
 - Conversion price at NOK 3.00 per share
 - The bonds will be senior unsecured debt ranking *pari passu* with other unsecured debt.

If there are any discrepancies between this Summons and the Term Sheet, the Term Sheet shall prevail.

3. CONDITIONS

Implementation of the Proposal is subject to the following conditions precedent ("**Conditions Precedent**") being satisfied or waived:

1. Approval by the Bondholders' Meeting.
2. Approval of the board of directors of the Issuer.
3. The execution of an amended and restated Bond Agreement.
4. Delivery to the Bond Trustee of customary conditions precedent documentation.
5. All costs and fees incurred by the Trustee having been paid in full.

If the Conditions Precedent are not fulfilled or waived within 30 January 2018, the terms and conditions of (including any amount immediately due and payable under) the Bond Agreement shall remain as if unchanged, and any waiver given herein or pursuant to the terms of the Proposal shall be treated as not given.

4. AUTHORISATION OF THE BOND TRUSTEE

The Bondholders' Meeting irrevocably authorise the Bond Trustee to negotiate, agree, execute and deliver, on behalf of the Bondholders, any document, agreement and/or instrument as the Bond Trustee (in its sole discretion, but with a duty to negotiate in good faith towards the Issuer) may deem required in order to effect any of the transactions contemplated by the Proposal, in each case, without any liability for the Bond Trustee or its employees except in the case of the Bond Trustee only, fraud or wilful misconduct.

5. NON-RELIANCE

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable.

6. FURTHER INFORMATION

For more detailed information about the Issuer or the Proposal, please see www.siemoffshore.com or contact:

Dagfinn Lie
CFO
Siem Offshore Inc.
Cell: +47 38 60 04 14

7. BONDHOLDERS' MEETING

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

Time: 4 December 2017, 13:00 hours (Oslo time),

Place: The premises of Nordic Trustee AS,
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, including the Condition Precedents and Authorisation of the Bond Trustee, as set out in item 2, 3 and 4 above.

To approve the above resolution, Bondholders representing at least 2/3 of the Voting Bonds (as defined in the Bond Agreement) represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least half 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 the 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 bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely

Nordic Trustee AS

A handwritten signature in blue ink, reading "Fredrik Loberg", is written over a horizontal line.

Enclosed: Annex A - Bondholders form

Annex B – Term Sheet

Term Sheet



Siem Offshore Inc.

Proposal to bondholders in:

**The NOK 600,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue
2013/2018**

ISIN NO 001 067044.1

and


**The NOK 700,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue
2014/2019).**

ISIN NO 001 0708670

Existing Bond Issues:	(i) The NOK 600,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018; and (ii) The NOK 700,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2014/2019).
Existing Bonds	All outstanding Bonds in the Existing Bond Issues.
Issuer:	Siem Offshore Inc, incorporated under the laws of the Cayman Islands having its registered office at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
Exchange:	The Existing Bonds will be exchanged into bonds in the New Bond Issue.
New Bond Issue:	The issuance by the Issuer of a new 2 % unsecured convertible NOK bond, the main terms of which are set out in Annex 1.
New Bonds:	Bonds in the New Bond Issue.
Exchange rate:	The Existing Bonds will be exchanged to New Bonds at 80 % of par value of the Existing Bonds, rounded down to the nearest number of

	<p>whole New Bonds. The New Bonds will be issued at par value.</p> <p>The interest accrued for the period up until the exchange will be settled in cash.</p>
Conditions:	<p>The exchange of Existing Bonds for New Bonds will be subject to (i) approval by the bondholders' meetings in each of the Existing Bond Issues with the majority required under the applicable bond agreements, (ii) approval by the board of directors of the Issuer and (iii) final documentation. If the exchange is only approved by the bondholders' meeting in one of the Existing Bond Issues, the exchange will take place for that Existing Bond Issue, but the other Existing Bond Issue will not be exchanged and the existing terms of such other Existing Bond Issue will continue to apply.</p>
Bond Trustee:	Nordic Trustee AS

ANNEX 1 – DRAFT TERM SHEET NEW BOND ISSUE

Term Sheet	
	
Siem Offshore Inc. 2 % senior unsecured convertible NOK 1,040,000,000 bonds 20[17]/20[23]	
ISIN [●]	
Issue Date: Expected to be [●]	
Issuer:	Siem Offshore Inc, incorporated under the laws of the Cayman Islands having its registered office at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
Group:	The Issuer with all its Subsidiaries from time to time (each a " Group Company ").
Bond Trustee:	Nordic Trustee AS
Currency:	NOK
Issue Amount:	Up to NOK 1,040,000,000.
Existing Bond Issues:	(i) The NOK 600,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018; and (ii) The NOK 700,000,000 FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2014/2019).
Existing Bond Agreements:	The amended and restated bond agreements (as amended on 28 June 2017) between the Issuer and the Bond Trustee (on behalf of the bondholders in the Existing Bond Issues) in relation to the Existing Bond Issues.
Settlement Date:	Expected to be [●].
Maturity Date:	Five years and six months after settlement date.
Amortisation:	The Bonds shall be repaid in one payment at the Maturity Date.
Interest Rate:	2 percentage points per annum, payable quarterly in arrear on each Interest Payment Date.
Interest Payment	The last day of each Interest Period, the first Interest Payment Date

Date:	being [date] and the last Interest Payment Date being the Maturity Date.
Interest Periods:	Means, subject to adjustment in accordance with the Business Day Convention, the period between [date], [date], [date] and [date] each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Default interest:	Interest Rate plus 3.00 % p.a.
Price:	100% of the Initial Nominal Amount.
Initial Nominal Amount:	Each Bond will have an Initial Nominal Amount of NOK 1, to be settled by way of exchange of one or both of the Existing Bond Issues at the exchange terms approved by the bondholder meetings of one or both of the Existing Bond Issues.
Minimum Investment:	The minimum permissible investment in the Bonds is NOK 1, and integral multiples thereof.
Use of proceeds:	The Bonds will be issued upon exchange of existing bonds of the Issuer.
Status of the Bonds:	The Bonds will constitute senior unsecured debt obligations of the Issuer. The Bonds will rank at least <i>pari passu</i> with each other and with all other unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
Listing:	The Issuer shall procure that the Bonds are listed on an Exchange within six months of the Issue Date and remain listed on an Exchange until the Bonds have been redeemed in full.
Exchange:	(a) Oslo Børs; or (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.
Representations and Warranties:	The Bond Agreement will include the Bond Trustee's standard Representations and Warranties.
Conversion Right:	Each Bondholder may convert its Convertible Bonds into common shares of the Issuer (" Shares ") at the prevailing Conversion Price at any time from the Settlement date until the tenth (10 th) business day prior to the Maturity Date, or, if earlier, the tenth (10 th) business day prior to the date for redemption of the Bonds (the " Exercise Period ").
Initial Conversion Price:	The initial Conversion Price is NOK 3.00 per Share.
Adjustment to the Conversion Price:	The Bond Agreement will include the short form version of the Bond Trustee's standard convertible provisions (to the extent applicable).
Dividend Adjustment:	Full dividend adjustment (for any distribution in cash or shares) through adjustment of the conversion price.

Share Settlement Option:	<p>The Issuer may redeem the Bonds on the Maturity Date by exercising a Share Settlement Option with respect to all of the Bonds, provided that the Shares are listed on the Oslo Stock Exchange and no Event of Default has occurred, by giving notice to the Bond Trustee and the Bondholder not more than 60 nor less than 30 calendar days prior to the Maturity Date.</p> <p>The Issuer shall exercise the Share Settlement Option by:</p> <ul style="list-style-type: none"> a) issuing or transferring and delivering to the relevant Bondholder such number of Shares as is determined by dividing the aggregate principal amount of such Bondholder's Bonds by the Conversion Price in effect on the Valuation Date; b) making payment to the relevant Bondholder of an amount (the "Cash Settlement Amount") equal to the amount (if any) by which the principal aggregate amount of such Bonds exceeds the product of the Current Value of a Share on the Valuation Date and the whole number of Shares deliverable to such Bondholder in accordance with (a) above; and c) making or procuring payment to the relevant Bondholder in cash of any accrued and unpaid interest in respect of such Bonds up to the Maturity Date. <p>"Valuation Date" means the date falling three dealing days prior to the Maturity Date.</p> <p>"Current Value" in respect of a Share on the Valuation Date shall mean 99% of the average of the Volume Weighted Average Price of the Share for the twenty consecutive dealing days ending on the Valuation Date.</p>
Issuer's Call Option:	<p>The Issuer may at any time with a twenty (20) business days' notice period, call all, but not some only, of the outstanding Bonds for cash at par value plus accrued interest. Each Bondholder may within the Exercise Period elect to exercise its Conversion Right after having received the Issuer's call option notice.</p>
Clean-up Call	<p>The Issuer may at any time during the term of the Bonds, provided that 90% or more of the original issued Bonds shall have been redeemed or converted into Shares call all, but not some only, of the outstanding Bonds at par value plus accrued interest.</p>
Cash Settlement Option:	<p>The obligation of the Issuer to issue Shares on the exercise of any Bondholder's Conversion Rights may, at the sole discretion of the Issuer, be settled, in whole or in part, by cash payment. The cash settlement payment shall be the product of (i) the number of Shares otherwise deliverable under the Convertible Bond and in respect of which the Issuer has elected such cash settlement option and (ii) the average of the Volume Weighted Average Price for the fifteen consecutive trading days immediately after the date the Issuer elects to exercise its cash settlement option in respect of the relevant Convertible Bond.</p>
Change of Control Put Option:	<p>If a Change of Control Event has occurred, each Bondholder shall at any time during the period commencing on the date on which a Change of</p>

	<p>Control Event occurs and ending sixty (60) calendar days following such date or, if later, sixty (60) calendar days period following the notification of a Change of Control Event, be entitled at its option to (at each Bondholder's discretion) either:</p> <ul style="list-style-type: none"> a) require early redemption of its Bonds (put option) at par value plus accrued interest; or b) convert Bonds at the Change of Control Conversion Price, as set out below (adjusted to reflect any previous adjustment to the Conversion Price (if applicable)): $\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$ <p>Where</p> <p>COCCP: Change of Control Conversion Price</p> <p>OCP: current Conversion Price</p> <p>CP: Conversion Premium, being the percentage by which the initial Conversion Price exceeds the Volume Weighted Average Price of the Share for a period of 15 trading days ending on the Settlement Date.</p> <p>c: number of days from and including the date the Change of Control Event occurs to but excluding the Maturity Date</p> <p>t: number of days from and including the Settlement Date to but excluding the Maturity Date</p> <p>The number of Shares required to be issued shall be determined by dividing the principal amount of the Bonds by the Change of Control Conversion Price in effect on the relevant conversion date.</p> <p>A Change of Control Event shall not apply in the event of a consolidation, amalgamation or merger of the Issuer with any corporation or in case of a sale or transfer of all or substantially all of the assets of the Issuer which would have similar effect as a merger (a "Merger") if (a) the Issuer is the continuing corporation or (b) the Issuer, in the reasonable opinion of the Bond Trustee has taken necessary steps to ensure that each Bond then outstanding will be convertible into the class and amount of shares and other securities, property or cash receivable upon such consolidation, amalgamation or merger by a holder of the number of Shares which would have become liable to be issued upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation or merger.</p>
Change of Control Event:	<p>means an event whereby:</p> <ul style="list-style-type: none"> (i) an event where Siem Affiliates cease to control or own, directly or indirectly, more than 20 per cent. of the outstanding Shares

	<p>and/or voting capital of the Issuer; or</p> <p>(ii) any group or person (other than a Siem Affiliate) gains control, directly or indirectly, over more than 50% of the Shares and/or voting capital of the Issuer.</p> <p>"Siem Affiliate" means</p> <p>(i) Siem Industries Inc,</p> <p>(ii) any company or legal entity over which Siem Industries Inc has a Decisive Influence; and</p> <p>(iii) any fund or other entity managed by any person listed in (i)-(ii) above.</p>
Financial reporting:	The Issuer shall publish (i) audited annual financial statements in accordance with GAAP and (ii) unaudited interim financial statements in respect of each quarterly financial reporting period.
General undertakings:	<p>The following general undertakings shall apply:</p> <p>(i) No merger or other business combination or corporate reorganization of the Issuer if such transaction would have a Material Adverse Effect.</p> <p>(ii) No de-merger or corporate reorganization involving a split of the Issuer if such transaction would have a Material Adverse Effect.</p> <p>(iii) No material change to the general nature of the business of the Issuer if this would have a Material Adverse Effect.</p> <p>(iv) No disposal of all or a substantial part of the assets or operations of the Issuer unless (a) such transaction is on arms' length terms and (b) would not have a Material Adverse Effect.</p> <p>(v) No transactions with related parties unless on arms' length terms.</p> <p>(vi) No change of type of organization or jurisdiction of incorporation of Issuer.</p> <p>(vii) Compliance with applicable laws.</p> <p>"Material Adverse Effect" shall mean material adverse effect on (a) the Issuer's ability to perform and comply with its obligations under the Bond Agreement or (b) the validity or enforceability of the Bond Agreement.</p>
Financial Covenants:	<p>The Issuer undertakes at all times to maintain Free Cash of no less than USD [50,000,000.]</p> <p>"Free Cash" means, at the date of calculation and on a consolidated basis, the aggregate amount of:</p> <p>(a) the Issuer's freely available cash and bank deposit balances; and</p> <p>(b) any undrawn portion of Committed Revolving Credit Lines.</p>

	<p>"Committed Revolving Credit Lines" means, at the date of calculation and on a consolidated basis, the revolving credit lines and overdraft facilities which are freely available to the Group for the general working capital purposes of the Group and which mature no earlier than twelve (12) months after each such date of calculation and which, for the avoidance of doubt, shall exclude (a) long-term loan commitments for the financing of vessels or other assets, (b) loan commitments for the financing of predelivery instalments payable to any shipyard under the Group's ongoing newbuilding program, and (c) loan commitments available for any purpose other than the Group's working capital requirements.</p> <p>The financial covenant will apply at all times and will be tested on a semi-annual basis, to be calculated on 30 June and 31 December each year and reported in connection with the corresponding interim and annual reports.</p>
Event of Default:	The Bond Agreement shall include the same event of default provisions as the Existing Bond Agreements.
Tax gross up:	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.</p> <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Paying Agent:	Nordea Bank AB (publ) filial i Norge
Securities Depository:	The Bonds will be registered in Verdipapirsentralen ASA.
Approvals:	The issuance of the Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.
Market Making:	No market-maker agreement has been entered into for the issuance of the Bonds.
Repurchase of Bonds:	The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion.
Bond Agreement and Terms of Subscription:	<p>The bond agreement governing the Bonds (the "Bond Agreement") will be entered into by the Issuer and the Bond Trustee acting as the Bondholders' representative, and shall be based on the Existing Bond Agreements supplemented with the Bond Trustee's customary conversion provisions.</p> <p>The Bond Agreement will regulate the Bondholders' rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Agreement, then the Bond Agreement shall prevail.</p> <p>Each subscriber in the Bonds is deemed to have granted authority to the Bond Trustee to finalize the Bond Agreement. Although minor</p>

	<p>adjustments compared to the terms described in this Term Sheet may occur, the provisions in the Bond Agreement will be substantially consistent with those set forth in this Term Sheet.</p> <p>The Bond Agreement will specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request by the Bond Trustee or the Issuer.</p>
Subscription Restrictions:	<p>The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.</p> <p>The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Form. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.</p>
Transfer Restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none"> (iii) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. (iv) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Agreement provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Governing Law:	<p>Norwegian law. Process Agent to be appointed if the Issuer is from a non-Lugano Convention jurisdiction and/or only to the extent required by the Bond Trustee (in its discretion).</p>