

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

To the bondholders in:

ISIN NO 001 0708670

FRN Siem Offshore Inc. Senior Unsecured Convertible Bond Issue 2018/2023 (the "Convertible Bond Issue")

ISIN NO 001 0670441

FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018 (the "Non-Convertible Bond Issue")

Oslo, 16 March 2020

Summons to Bondholders' Meetings

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in the Convertible Bond Issue and the Non-Convertible Bond Issue (each a "Bond Issue", collectively the "Bond Issues" or the "Bonds" issued by Siem Offshore Inc. as issuer (the "**Issuer**", together with its subsidiaries, the "**Group**").

Capitalised terms used herein shall, unless otherwise defined, have the meaning ascribed to them in:

- (a) the agreement originally dated 26 March 2014, as amended and restated on 28 June 2017 and 3 May 2018, between the Issuer and the Bond Trustee in respect of the Convertible Bond Issue (the "**Convertible Bond Loan Agreement**"); and
- (b) the agreement originally dated 28 January 2013, as amended and restated on 28 June 2018, between the Issuer and the Bond Trustee in respect of the Non-Convertible Bond Issue (the "**Non-Convertible Bond Loan Agreement**", and together with the Convertible Bond Loan Agreement, the "**Bond Loan Agreements**").

The Issuer has requested the Bond Trustee to summon Bondholders' Meetings under each Bond Issue to consider the approval of the Proposal as further set out and defined under Clause 2 below.

The information in this summons regarding the background, Issuer, the described transactions and the Proposal are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this notice including appendices in their entirety.

1. BACKGROUND

Due to the current oil price and the excess supply of OSVs, the OSV market did not recover as expected in 2019 and 2020 will be another challenging year for the offshore supply market. The current situation with the Corona virus adds further insecurity and will have consequences which the Group are not able to predict at the present time. Concessions from the stakeholders will be required, both to ensure the survival of the Group in the short term and to establish a sustainable capital structure for the Group going forward. The Issuer has engaged in discussions with its European banks for the purpose of making certain changes to its financing arrangements, which may involve grace periods for instalments and certain covenant relief under the Group's bank facilities.

The forecasted EBITDA for the Group for the next two years is approximately USD 100 million per year provided no interruption of the vessel operations from the Corona virus or other factors, and the Group has a contract backlog of USD650 million. However, due to the difficult OSV market and the escalation of the Corona virus situation, the free cash reserve of the Group is under pressure and the Issuer may

as a result not be in compliance with the Free Cash requirements and the other financial covenants in the Bond Loan Agreements for the first and second financial quarter of 2020. For further details regarding the financial status of the Group, please refer to the results for the fourth financial quarter for 2019 as published on the Company's websites.

2. THE PROPOSAL

In accordance with Clause 19.2 (*Procedural rules for Bondholders' meetings*) of the Convertible Bond Loan Agreement and Clause 16.2 (*Procedural rules for Bondholders' meetings*) of the Non-Convertible Bond Loan Agreement, the Issuer has approached the Bond Trustee to convene Bondholders' Meetings in order to obtain the Bondholders' approval to the proposal below, pursuant to the authority given to the Bondholders' Meeting under Clause 19.3 (*Resolutions passed at Bondholders' Meetings*) of the Convertible Bond Loan Agreement and Clause 16.3 (*Resolutions passed at Bondholders' Meetings*) of the Non-Convertible Bond Loan Agreement.

The Issuer proposes the Bondholders' Meeting to resolve to waive:

- (a) the financial covenants set out in Clause 16.4 (*Financial covenants*) of the Convertible Bond Loan Agreement for the period from 1 January 2020 to and including 30 June 2020;
- (b) the financial covenants set out in paragraph (e) (*Financial covenants*) of Clause 13.4 (*Special Covenants*) of the Non-Convertible Bond Loan Agreement for the period from 1 January 2020 to and including 30 June 2020; and
- (c) any Event of Default arising under any of the Bond Loan Agreements as a result of non-compliance with the financial covenants referred to in (a) and (b) above for the period from 1 January 2020 to an including 30 June 2020,

together, the "**Proposal**".

3. NON-RELIANCE

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable and vote accordingly.

4. 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

5. BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting for each of the Bond Issues:

Time: 31 March, 12:00 hours (Oslo time),
Place: The premises of Nordic Trustee AS
Kronprinsesse Märthas plass 1, 7th floor
N-0160 Oslo

Agenda:

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

It is proposed that each Bondholders' Meeting resolves the following:

"The Proposal (as defined in section 2 above) is approved by the Bondholders' Meeting. The Proposal is adopted even if the Bondholders' Meeting for the other Bond Issue does not approve the Proposal.

The Bond Trustee is authorised to enter into the necessary agreements in connection with decisions made by the Bondholders' Meeting in the relevant Bond Issue as well as carry out necessary completion work, including making necessary amendments to the Bond Loan Agreements in each Bond Issue."

To approve the above resolution, Bondholders representing at least 2/3 of the Voting Bonds (as defined in each of the Bond Agreements) represented by 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 Agreements 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 Bond 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 the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail 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 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 the Bond Trustee, to notify the Bond Trustee by telephone or e-mail (mail@nordictrustee.com) within 16:00 hours (4pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee AS



for Ellen Søliland
soiland@nordictrustee.com

Enclosed: Bondholder's Form

ANNEX –BONDHOLDER’S FORM