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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, 13 March 2018

Summons to bondholders' Meeting

Nordic Trustee AS (previously known as 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 Farstad ASA (previously known as Solstad Offshore ASA) as issuer (the "**Issuer**").

Capitalised terms used herein shall have the meaning assigned to them in the amended and restated bond agreement dated 26 September 2016 (the "**Bond Agreement**"), unless otherwise expressly stated.

The Issuer has requested the Bond Trustee to summon the Bondholders' meeting to consider the approval of the Proposal as defined and set out herein

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

1 BACKGROUND

1.1 Market overview

The Solstad Farstad ASA group has been experiencing a difficult Q4 2017 and is facing a difficult Q1 2018 due to seasonal low activity in the North Sea for all vessel types, and especially for the subsea segment. However, several of the Group's vessels have recently been awarded term contracts with commencement in Q2 2018 and later. This, together with confirmed increased rig and drilling activity in certain areas, gives the Issuer reason to believe that Q2 and Q3 2018 will show significant improvement in both earnings and profitability. Thereafter, the Issuer see another seasonal slowdown in Q4 2018 and Q1 2019, but compared to Q4 2017 and Q1 2018 the Issuer expects improved revenues and more vessels to be working through this period.

1.2 Group overview

A structure map (overview) for the Issuer with subsidiaries is attached hereto as an appendix. The Group is organised into four separate "silos";

- **Solship Invest 1 AS**, a wholly owned subsidiary of the Issuer, is the intermediary holding company for the former REM Offshore ASA group of companies that was acquired in connection with a restructuring merger, and

- **Farstad Shipping AS** is also a wholly owned subsidiary of the Issuer, and is the intermediary holding company for the former Farstad Shipping ASA group of companies which was also acquired in connection with a restructuring merger, and
- **Solship Invest 3 AS**, also a wholly owned subsidiary of the Issuer, and is the intermediary holding company for the former Deep Sea Supply Plc group of companies which was also acquired in connection with a restructuring merger, and
- **The Former Solstad Offshore ASA group of companies.**

1.3 Financial situation in Solship Invest 3 AS

As communicated in the Q4 2017 financial report, the financial situation for one of the "silos" of the Group is difficult. Solship Invest 3 AS is therefore currently in discussions with its financial creditors, aiming to achieve an agreement with them for the Solship Invest 3 AS capital structure. If no agreement with the financial creditors of Solship Invest 3 AS and its group companies are achieved, the financial situation in the Solstad Invest 3 AS "silo" will result in defaults under certain loan and lease arrangements which the Solship Invest 3 AS is a party to and/or has guaranteed.

1.4 Implications for SOFF04

The Issuer has guaranteed the financial indebtedness of the companies in the "silo" with the Former Solstad Offshore ASA group of companies.

Further, the Issuer has not guaranteed the financial indebtedness of Solship Invest 3 AS or of the companies in the other "silos", nor are there financial cross guarantees between the four "silos".

However, an event of default within the Solship Invest 3 AS group of companies may potentially lead to a cross default situation on the Issuer under the Bond Agreement. According to clause 15.1 (c) the Bond Agreement, this may be the case if the default concerns debt of NOK 50 million or more. This cross default provision in the Bond Agreement with the Issuer applies to "any Group Company", and not only to the "Issuer or any Material Subsidiary" as most of the other default provisions.

Even though the Issuer has not guaranteed the debts of Solship Invest 3 AS, a future default in Solship Invest 3 AS may lead to a cross default situation on the Issuer. This became the case as Solship Invest 3 AS with subsidiaries was acquired after the Bond Agreement was entered into.

A cross default under the Bond Agreement may possibly lead to a knock on effect to the bank loan agreements and export credit facilities of the Issuer and the "silo" with the Former Solstad Offshore ASA group of companies which is guaranteed by the Issuer, and potentially other parts of the group. It may also reduce the opportunity for the Issuer to take full advantage of anticipated market improvements, and existing contracts and cash flow may be threatened thus affecting the Issuers debt servicing capabilities, should such a situation occur.

If the cross default provision is amended as proposed, these concerns will be avoided, and the Issuer and the Bondholders will not be exposed to the current difficulties in Solship Invest 3 AS. The Issuer believes that the interests of the Bondholders and the Issuer fully coincide in this matter.

The other financial creditors of the Issuer and the Former Solstad Offshore ASA group of companies do not have cross default provisions similar to that of the Bondholders. Apart from the Bondholders, no other financial creditor may directly invoke a default in another "silo" than that in which it is a creditor.

The overall purpose of the proposed amendment is thus to eliminate financial side effects inherited from distressed assets or entities incorporated into the Issuer's Group, following investments or restructuring mergers as part of the market consolidation.

2 PROPOSED AMENDMENT

The following amendment to the Bond Agreement is proposed by the Issuer:

The cross default provision in clause 15.1 (c) (*Cross default*) should be amended so that it does not apply to "any Group Company", but be limited to "the Issuer or any Material Subsidiary, or any other Subsidiary for which the Issuer has granted financial support (including guarantee(s) and/or security) for Financial Indebtedness from time to time".

This amendment will ensure that the cross default provision in the Bond Agreement only applies to the other debts of the Issuer itself and to other companies within the Group which the Issuer has guaranteed from time to time.

Apart from this change, the rest of clause 15.1 (c) and the Bond Agreement will remain unaltered.

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 15.1 (c) (*Cross default*)

It is proposed that the current clause 15.1 (c) (*Cross default*) be amended to read:

"If, for the Issuer or any Material Subsidiary, or for any other Subsidiary for which the Issuer has granted financial support (including guarantee(s) and/or security) for Financial Indebtedness from time to time:

- (i) any Financial Indebtedness is not paid when due nor within any originally applicable grace period;*
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);*
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or*
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),*

always provided that a threshold in the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above of a total of NOK 50 million or more, or the equivalent thereof in other currencies, shall apply."

3.2 Implementation

It is proposed that the Bond Agreement be amended in line with the Proposal set out above, and that such amended Bond Agreement shall be deemed to be adopted upon the Bondholders granting approval of the Proposal in the Bondholders' Meeting as hereby summoned.

4 FURTHER INFORMATION

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

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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.

The alternative, a possible cross-default situation in the Issuer, may create an unnecessarily complex situation potentially involving all entities in the Group.

Further, in the opinion of the Issuer the Proposal will be helpful for the successful completion of a restructuring of the Solship Invest 3 AS group of companies. By approving the Proposal, the Bondholders will thereby assist in such intended restructuring and create a credible long-term financial platform beneficial to all key stakeholders.

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.

5.3 Support from Bondholders

The Issuer has discussed the Proposal with representatives of some of the Bondholders and has received indications that the Proposal will be supported by at least 2/3 of the Bondholders.

6 BONDHOLDERS' MEETINGS

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

Time: 27 March 2018 at 13:00 hours (Oslo time)
Place: The premises of Nordic Trustee AS,
 Haakon VII's 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 negotiate, complete, finalise and enter into any 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 Voting 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 AS 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 AS to vote, must then be returned to Nordic Trustee AS 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 AS, to notify Nordic Trustee AS by telephone or by e-mail (mail@nordictrustee.no) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee AS



Morten Bredesen

Enclosed: Bondholder's Form
 Group structure map (overview)

Ownership Structure – SolstadFarstad Group Overview

