



UPDATE ON EFFECTS OF THE RECENT CURRENCY FLUCTUATIONS, DECLINE IN THE OIL PRICE, COVID-19 AND UPDATE ON THE ONGOING REFINANCING PROCESS

DOF ASA ("DOF") and DOF Subsea AS ("DOF Subsea" and together with DOF and their respective subsidiaries the "Group") will below provide an update on the effects of the recent extreme currency fluctuations (including the liquidity impact), the sharp decline in the oil price and COVID-19 and an update on the ongoing refinancing process described in previous announcements by the Group.

Currency effects and liquidity impact

The negative development in the exchange rate for NOK has had a material negative impact on key financial figures of the Group, related to both equity/solidity and liquidity. Future currency developments will necessarily impact on these figures, but it is likely that the equity of the Group as of 31 March 2020 will be materially adversely affected by this development.

The negative developments in the exchange rates for NOK have resulted in a currency loss in excess of NOK 200 million. Although the currency fluctuations have caused overdrafts on certain of the cash pool accounts comprised by DOF Subsea's Group Account Agreement, DOF Subsea has with the support from its lenders obtained a consent to the relevant limits being exceeded and is therefore not in default under these arrangements.

Preliminary effects of COVID-19 and the decline in the oil price

The Group has been able to continue normal operations of its vessels even if replacement of crew has become, and is expected to become, increasingly difficult due to COVID-19. However, there is a general increased risk in the sector of postponements of offshore projects as a result of COVID-19 and the decline in the oil price, which also could involve the Group's vessels and assets even if the Group so far, naturally only to a limited extent, has been impacted by these events. It should therefore be expected that both COVID-19 and the oil price development will have an adverse negative effect on the Group.

The sudden and extreme currency fluctuations have resulted in liquidity challenges for the Group. The Group is in a close and constructive dialogue with its banks in order to discuss alternatives to solve the liquidity situation of the Group in the short and medium term as a result of the recent developments. The Group has with the support of its lenders on very short notice already been granted a credit facility by certain of its lenders in the amount of NOK 100 million to cover its immediate liquidity needs. As part of these discussions, the parties are also discussing a new and larger credit facility to cover the Groups short term liquidity needs, required waivers from certain of the Group's covenants as of 31 March 2020, including both the equity and liquidity covenants, as well as deferrals of interest payments and amortizations. The Group has thereby in consultation with its secured lenders initiated a process to take the necessary steps to seek to secure the required liquidity for the Group.

Due to the nature and extent of the recent developments, it is currently necessarily too early to conclude on all of the implications of such developments, including the Group's ability to successfully secure the required solutions with the banks and other creditors.

Refinancing update

The Group has previously announced that it expected to obtain an agreement with the banks for the refinancing (in the form of an agreed term sheet) by the end of Q1 2020. Such agreement was one of the conditions for the previously announced amendments to the bond loans approved by the bondholders of DOF Subsea.

As a consequence of the sudden and significant uncertainties caused by the recent developments, the ongoing refinancing of the Group will necessarily be delayed. The Group has, however, established a constructive dialogue with its secured lenders with the objective to facilitate a continued financing of the Group and continue its dialogue with the banks and bondholders to secure a long term financing solution, which also must be sufficiently robust after the recent developments.

It is, however, currently too early to assess the length of the delay and the implications of these events on the refinancing process.

For further information, please contact:

CEO Mons Aase, tel. +47 91 66 10 12
CFO Hilde Drønen tel. +47 91 66 10 09

This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

With a multi-national workforce of about 3,500 personnel, DOF ASA is an international group of companies which owns and operates a fleet of modern offshore/subsea vessels, and engineering capacity to service both the offshore and subsea market. With over 35 years in the offshore business, the group has a strong position in terms of experience, innovation, product range, technology and capacity.

DOF's core businesses are vessel ownership, vessel management, project management, engineering, vessel operations, survey, remote intervention and diving operations primarily for the oil and gas sector. From PSV charter to Subsea engineering, DOF offers a full spectrum of top quality offshore services to facilitate an ever-growing and demanding industry.

The company's main operation centers and business units are located in Norway, the UK, the USA, Singapore, Brazil, Argentina, Canada, Angola, and Australia.

DOF ASA is listed on the Oslo Exchange since 1997.