

Sevan Marine ASA: Extended disclosure regarding sale of shares in KANFA AS to Technip Norge AS

This stock exchange announcement is made pursuant to the Continuing Obligations of the Oslo Stock Exchange section 3.4 (extended announcement). Reference is made to Sevan Marine ASA's ("Sevan Marine" or the "Company") previous announcement on 13 June 2017. Reference is further made to the Company's fourth quarter report issued 21 February 2017, in which Sevan Marine informed that it had received a formal notification from Technip Norge AS ("Technip Norge") of their intention to exercise the option to buy the Company's remaining 51% shareholding in KANFA AS ("KANFA").

The parties have now agreed on all terms and conditions for the transaction, and Sevan Marine has sold its shares in KANFA to Technip Norge for NOK 2.0 million.

The transaction is complete and will be booked in second quarter 2017. Sevan Marine estimates an accounting loss of NOK 9.2 million that will be recorded in discontinued operations in relation to the deconsolidation of the KANFA group.

Parties to the transaction, transaction structure and consideration

Prior to the transaction, KANFA was owned 51% by Sevan Marine and 49% by Technip Norge. The shareholders' agreement between the parties contains an option for Technip Norge to purchase the shares held by Sevan Marine in KANFA. In January, Technip Norge sent a notice to Sevan Marine exercising their option right in accordance with the shareholders' agreement. The signing of the final transaction documentation and completion of the transaction occurred simultaneously on 13 June 2017.

As the transaction is based on the exercise of the pre-agreed option, Sevan Marine and Technip Norge have entered into a short-form sale and purchase agreement to effect the transfer. The agreement contains customary terms for a transaction between joint venture partners in the Norwegian market. In addition, Technip Norge has undertaken to release and indemnify Sevan Marine from any liabilities under certain guarantees related to the operations of KANFA.

The consideration was NOK 2.0 million, all of which was paid in cash on closing.

Significance of the transaction for Sevan Marine

The transaction simplifies the Company's group structure and is one of the final steps in the Company's restructuring process, leaving the Company with the core business segment Floating Production. It also removes the risks and uncertainty factors related to financial support and guarantees given to KANFA. The impacts on the Company's earnings or profitability are not material.

Agreements to the benefit of board members or management in Sevan Marine or KANFA

Pursuant to an agreement between the Company and Mr. Carl Lieungh, the chairman of the board of directors of KANFA immediately prior to closing, Mr. Lieungh shall be paid 50% of the purchase price of NOK 2.0 million. The Company is not aware of any other agreements entered into, or that are planned to be entered into, in connection with the transaction for the benefit of senior employees or members of the board of directors of the Company or for the senior employees or board of directors of KANFA.

For further information, please contact:

Reese McNeil, CEO, Sevan Marine ASA
reese.mcneel@sevanmarine.com
+47 415 08 186

Additional information about KANFA

The KANFA group is an independent process house and offshore project execution specialist within the oil & gas industry. The KANFA group delivers complete process topside EPC contracts, modules, packages, equipment, FEED studies and other offshore services such as troubleshooting, revamp and optimization studies.

The KANFA group consists of the parent company KANFA AS which owns 54.3% of the shares in KANFA Ingenium Process AS and 100% of the shares in KANFA South East Asia Sdn Bhd.

Immediately prior to closing, KANFA's board of directors consisted of four individuals. The names and positions of the board of directors of KANFA are set out in the table below.

Name	Position
Carl Lieungh	Chairman
Knut Brovoll-Bø	Board Member
Odd Strømsnes	Board Member
Reese McNeel	Board Member

Immediately prior to closing, KANFA's management team consisted of two individuals. The names of the members of the management of KANFA, and their respective positions, are presented in the table below:

Name	Position
Aslak Hjelde	CEO
Aleksander Bugge	CFO

As at the date of this announcement, KANFA's share capital is NOK 500,000, divided into 1,000 shares, each share having a par value of NOK 500.

KANFA has a total of approximately 43 employees (including subsidiaries) as of the date of this announcement.

Please find below certain key consolidated financial figures (all in NOK million):

In NOK million	Year ended 31 December		
	2016 (audited)	2015 (audited)	2014 (audited)
Revenue	233.8	404.4	157.2
Profit	15.7	-10.1	-21.0
Assets	86.7	184.5	137.1
Liabilities	65.1	178.5	120.9

Source: KANFA group annual reports for 2015 and 2016

Off-balance sheet arrangements:

KANFA group has a NOK 190 million financing facility related to guarantees, overdraft support and foreign exchange. The amount drawn on this facility at year-end 2016 was NOK 26.3 million and relates to guarantees to customers.

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