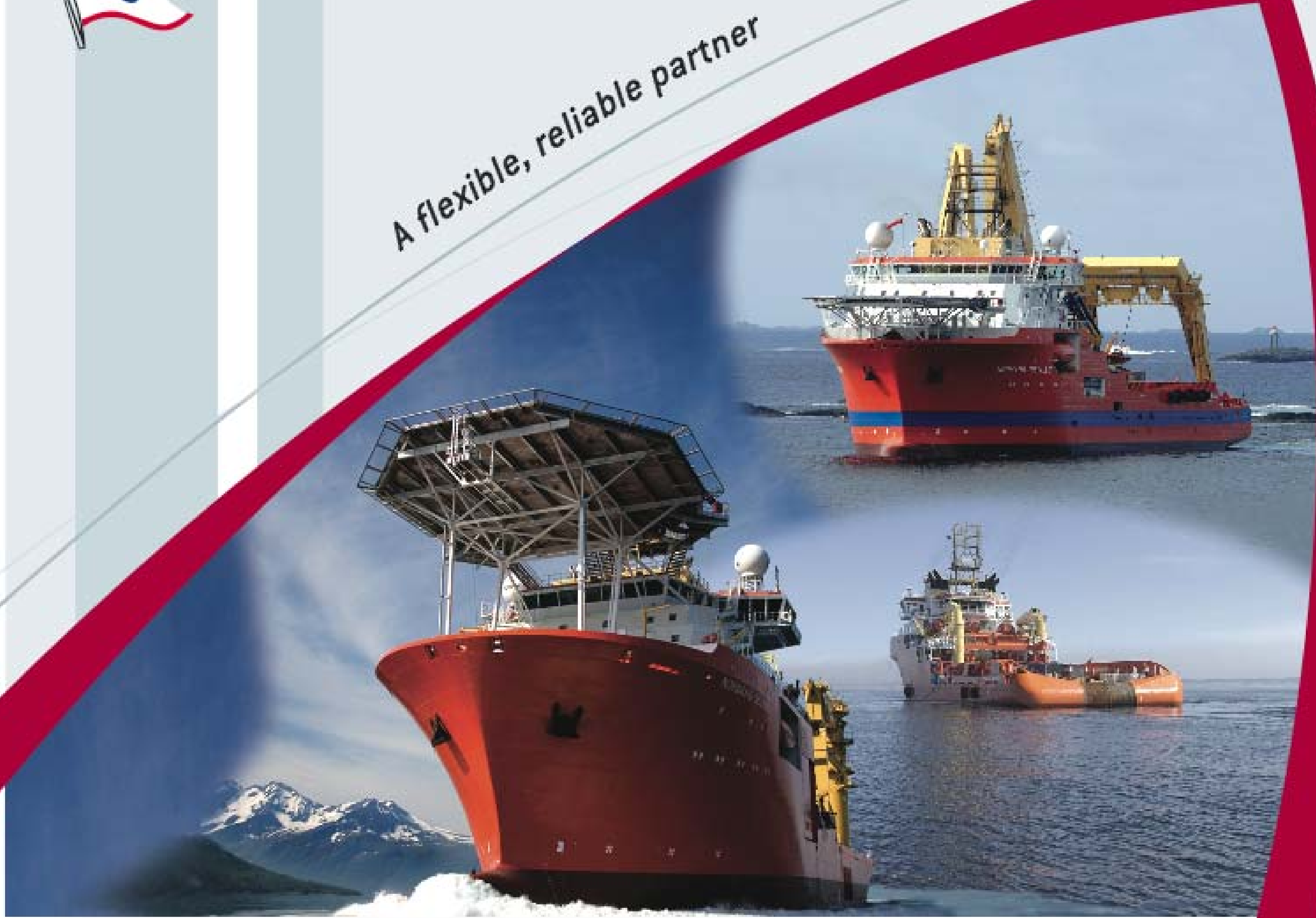
SOLSTAD OFFSHORE ASA

A flexible, reliable partner



SOLSTAD OFFSHORE ASA
1Q 2012

1. Solstad Offshore in brief
2. Highlights YTD
3. Financials
4. Vessels and markets
5. Outlook

SOLSTAD OFFSHORE IN BRIEF

- Founded in 1964. Head-office in Skudeneshavn, Norway.
- Operations worldwide – The North Sea, Brazil, US Gulf, West Africa, Asia etc.
- Listed on Oslo Stock Exchange (Ticker: SOFF).
- A fleet of 50 vessels operated from main office in Skudeneshavn and branch office in Aberdeen, Rio de Janeiro and Singapore
- Total 1,650 onshore and offshore personnel

Segments	Current Fleet	Newbuildings	Weighted Average Age*
PSV (Platform Support Vessel)	9		6.2
Large AHTS (Anchor Handling Tug Supply Vessel)	10		7.6
Small & Medium AHTS	12		10.8
CSV (Construction Service Vessel)	18		5.8
DLB (Derrick Lay Barge)	1		0.9
Sum:	**50**	**0**	**6.6**

* Weighted average age including newbuildings. Based on broker valuations of the vessels as of 31.12.2011

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2. HIGHLIGHTS

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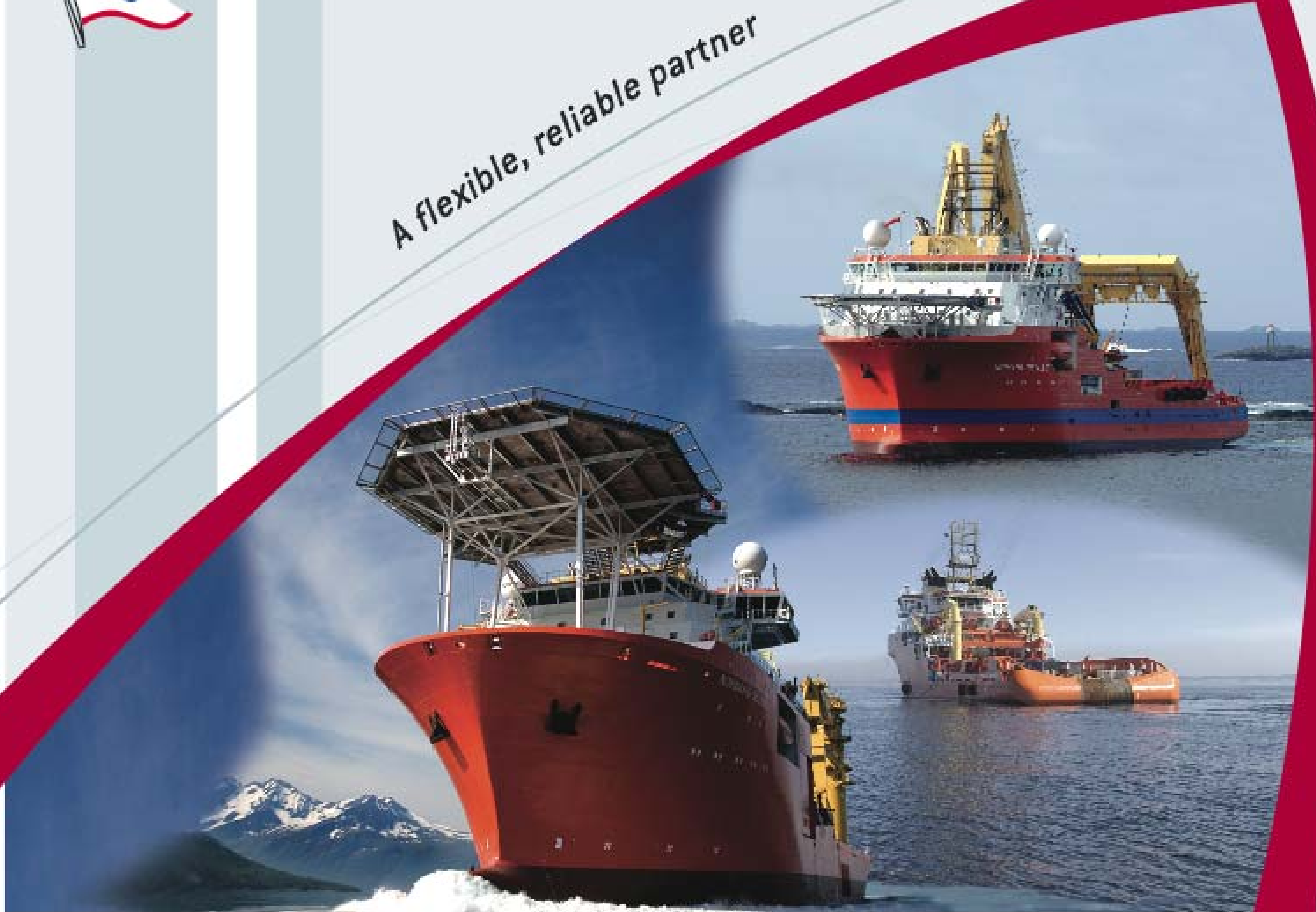

SOFF 1Q 2012 HIGHLIGHTS

Stable underlying values

- Freight revenues of NOK 788 mill
- EBITDA NOK 288 mill (margin of 37%).
- Margin influenced by downtime and spot market seasonality
- Book equity ratio ~30% (NOK 4,5 billion) / Value Adjusted Equity ~43% (NOK 9 billion)
- Net interest-bearing debt ~ NOK 9,8 billion. Cash and equivalents: ~NOK 600 million
- Annual general meeting 9. May approved dividend of NOK 1,50 per share for 2011

Strong contract backlog to first class counterparts

- Contract backlog of NOK 5,7 billion (NOK 10,9 billion incl. options) coming 5 years
- Contract coverage for remaining ‘12 of 61% and 80% including options
- Several new charter agreements at improved day rates.
- Total value of contracts entered into YTD ~NOK 1,0 billion
- DLB “Norce Endeavour” will be fully engaged until end 3Q ‘12

Key highlights as of 9. May 2012

- Last newbuilding, “Normand Arctic” (large LNG PSV) delivered Jan ‘12
- Agreement for sale of 50% stake in “Normand Oceanic”. NOK 200 mill in positive cash effect (2q -12)
- Change of depreciation profile with effect from 1. Jan. ‘12
- Advantageous position towards a strong subsea market. Still available capacity
- Repositioning of AHTS vessels during 1Q ‘12 for an expected North Sea market upturn

3. FINANCIALS

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PROFIT AND LOSS ACCOUNTS

(mill NOK)	1Q 2012	1Q 2011	Total 2011
Total operating income	**788**	**669**	**2 980**
Operating expenses	-505	-414	-1 910
Ord. Depreciation (1)	-117	-176	-758
Impairment			-160
Joint venture & Assosiated companies (2)	14	-2	9
Operating profit	**180**	**77**	**161**
Net agio	86	83	-48
Other fin. Items	-146	-73	-512
Result before taxes	**121**	**87**	**-399**
Taxes	-2	-10	-7
Result after taxes	**118**	**77**	**-407**
EBITDA	283	242	1 070

(1) 2012: Change of estimate for residual value (new accounting principle)

(2) 2012: The joint venture owning “Normand Installer” booked based on the equity method as from 01.01.12. Previously booked based on proportionate consolidation

OPERATING REVENUE AND EBITDA

(Excl. gain on sale of asset) (MNOK)

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BALANCE 31 March 2012

(mill NOK)	1Q 2012	1Q 2011	Total 2011
Long Term fixed assets	14.246	14.310	14.087
Current Assets	1.386	2.049	1.587
Total Assets	**15.632**	**16.360**	**15.673**
Equity	4.466	5.027	4.416
Long term liabilites	9.509	9.732	9.601
Current Liabilites*	1.657	1.601	1.657
Total equity and liabilites	**15.632**	**16.360**	**15.673**

Booked equity at 31.03.2012 NOK 115,- pr share

* NOK 983 million of Current Liabilites 31.03.12 is current portion of long term debt

4. VESSELS AND MARKETS

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MARKET

- Construction Service Vessels (CSV)

- Subsea activity on a high level… and increasing!
  - High tendering activity and contract awards
  - Clients are building substantial backlogs
  - Limited availability of CSV's
- Favourable market exposure
  - Focus on long and medium term contracts for the medium size subsea vessels
  - Several new contracts – all at considerable better levels than previous contracts
  - "Normand Oceanic" and "Normand Clipper" started on long term contracts
  - Still available capacity in 2012

MARKET

- Construction Service Vessels (CSV)

DLB "Norce Endeavour"

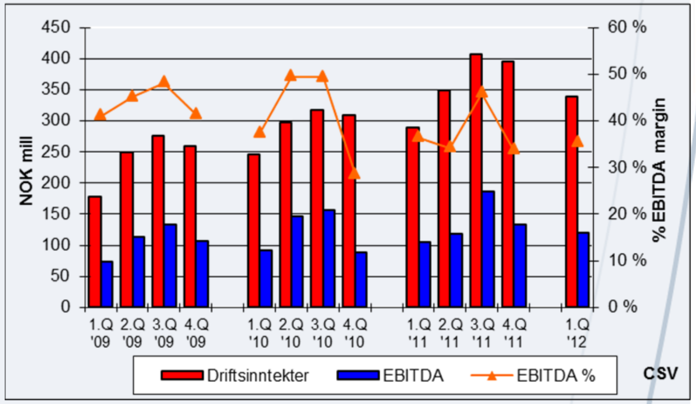
- Fully booked until end 3Q '12
- Have started pipe lay and platform installation project for TL Offshore.
- Will thereafter start directly on a project with PT Timas, Indonesia.
- High tendering activity
  - Presently bidding +/- 15 projects, mainly in SE Asia and Australia.

- In negotiations for several projects, all for execution in 2012-13.

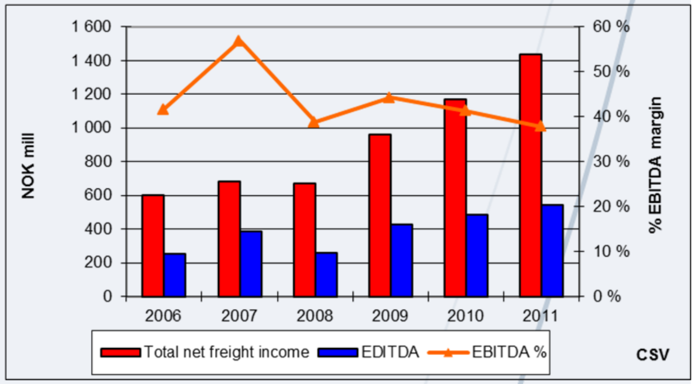
FLEET
- Construction Service Vessels (CSV)

- 19 CSV's in operation with strong counterparts
  - Long term contracts with all the major subsea players
- Sale of 50% stake in "N. Oceanic".
  - Firm period extended to 5 years
  - Positive cash effect NOK 200 mill
- This quarter onwards...
  - Close to 100% utlization
  - Improved margins
  - "N. Baltic" back in CSV mode
  - "N. Mermaid" secured 5 year contract

Quarterly development



Annual development



MARKET

- Anchor Handling Tug & Supply Vessels (AHTS)

- Improved rates and utilisation going forward
- Strong long term outlook
  - Large number of deep water rigs to enter the market in coming years
  - North Sea activity to pick up further
  - Brazil continue to hire vessels
  - Increased day rate level in international markets
- Limited number of larger AHTS's under construction.

FLEET

- Anchor Handling Tug & Supply Vessels (AHTS)

- 22 AHTS's in operation world wide
  - Range from 5.500 to 32.000 bhp.

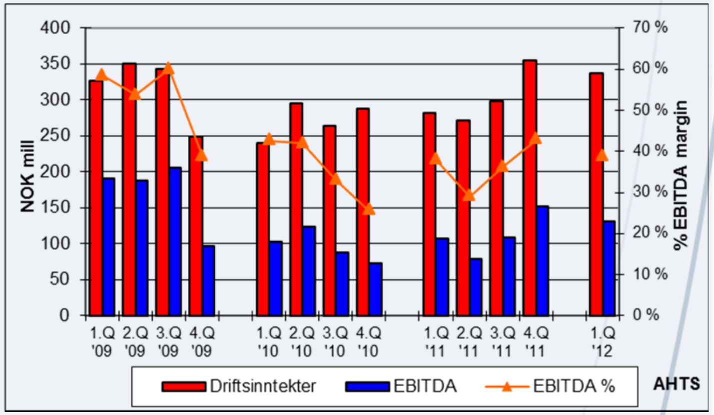
- 1Q '12 margins influenced by volatile spot-market

- 1985-built AHTS Normand Draupne secured a 1+1 year contract in Egypt at a strong rate.

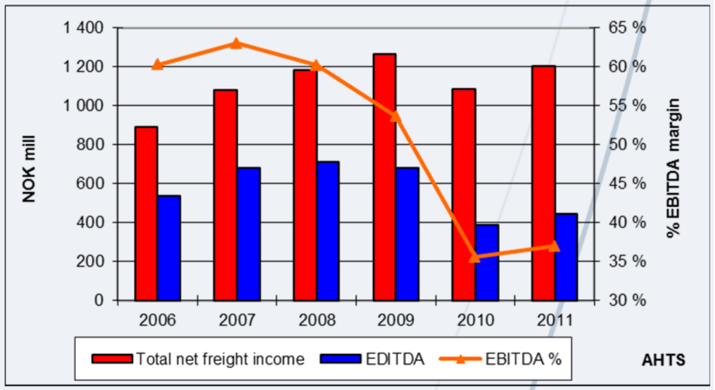
- Repositioning of AHTS vessels an expected North Sea market upturn
  - "Normand Titan" and "Normand Neptun" back in the North Sea spot market from 5/12.

- High expectations to the AH segment – increasing the spot exposure.
  - 3-4 AHTS's trading the spot-market.

Quarterly development



Annual development



MARKET

- Platform Supply Vessels (PSV)

- Increased demand for PSV's, but supply side continue to rise.
  - Considerable number of vessels still under construction

- Large number of new drilling rigs, production units and pipelaying vessels requires logistical support

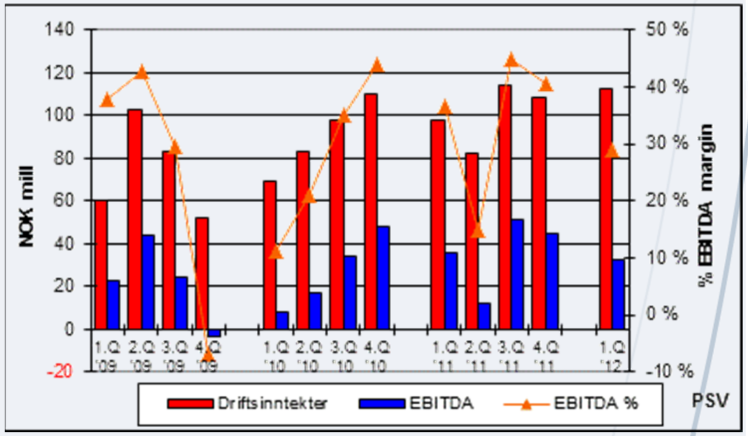
- Large competition will give pressure on rates.

FLEET
- Platform Supply Vessels (PSV)

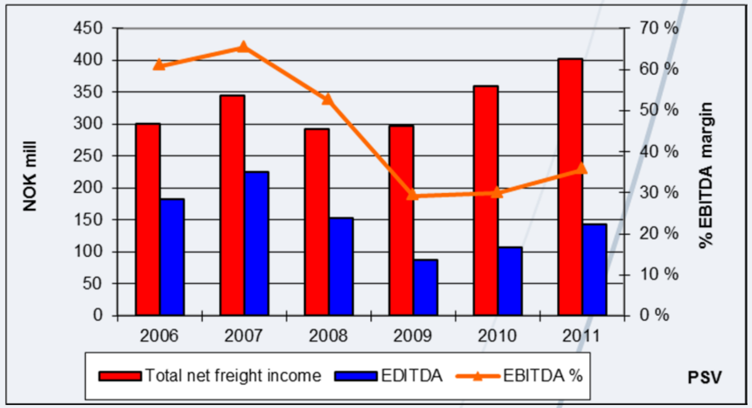
- 9 PSVs in operation
  - “Normand Arctic” delivered from yard early Jan. ’12
  - “Normand Aurora” new 5 year t/c with Total

- Continued good performance during 1Q ‘12
  - Good utilization during the quarter
  - Change of Ship Registry for 3 vessels

Quarterly development



Annual development



5. MARKET/OUTLOOK

MARKET OUTLOOK

- Steady high oil price
- E&P budgets expected to be on a steady high level
- Demand for large vessels driven by higher deepwater activity and increased number of floating production and drilling units
- Size and complexity of new SURF projects implies demand for advanced vessels
- So far we see a less speculative newbuilding orders.
- Healthy supply/demand balance on the vessel side

MARKET OUTLOOK

- Segments

- Construction Service Vessels (CSV)
  - High tendering and engineering activity gives busy execution years from 2012 onwards
  - Limited number of modern CSV's under construction
- Anchor Handeling Tug & Supply Vessels (AHTS)
  - North Sea spot market expected to be busy.
    - Will have a positive effect on long-term contracts in the Northsea and International.
  - Few larger vessels under construction
- Platform Supply Vessels (PSV)
  - Increased demand, but too many vessels will give pressure on rates.

Solstad Offshore expect improved market balance for our main segments and are well positioned to take advantage of this.

SOLSTAD
GREEN
OPERATIONS

THANK YOU!

SOLSTAD OFFSHORE ASA