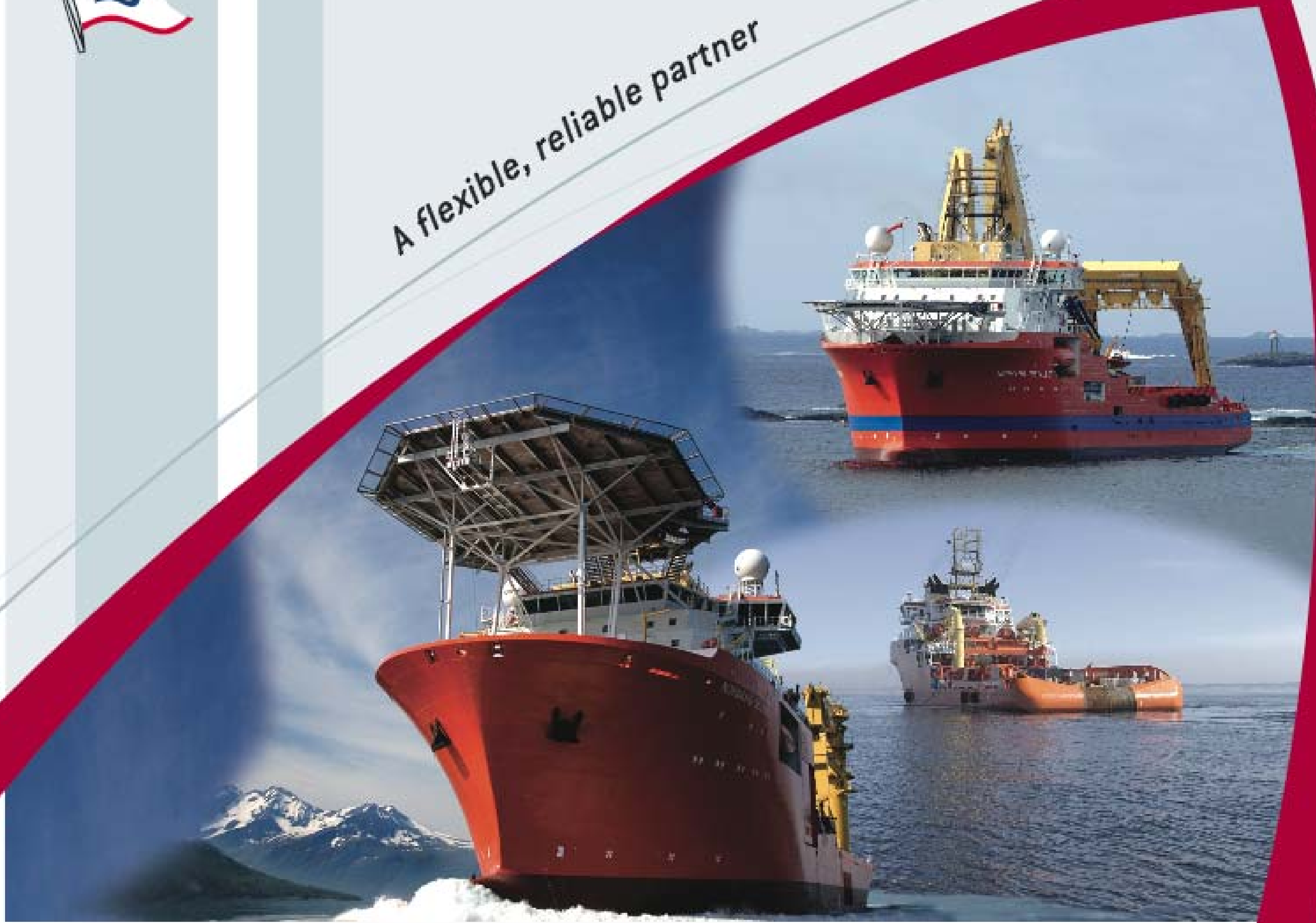
SOLSTAD OFFSHORE ASA

A flexible, reliable partner



SOLSTAD OFFSHORE ASA

Pareto Oil & Offshore Conference - 12

1. Solstad Offshore in brief
2. Highlights YTD
3. Financials
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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, Singapore and Perth
- Total 1,650 onshore and offshore personnel

Segments	Current Fleet	Newbuildings	Weighted Average Age*
PSV (Platform Support Vessel)	9		7.0
Large AHTS (Anchor Handling Tug Supply Vessel)	10		8.0
Small & Medium AHTS	12		11.1
CSV (Construction Service Vessel)	18	1	6.6
DLB (Derrick Lay Barge)	1		1.4
Sum:	**51**	**0**	**7.0**

* Weighted average age including newbuildings. Based on broker valuations of the vessels as of 30.06.2012

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2. HIGHLIGHTS

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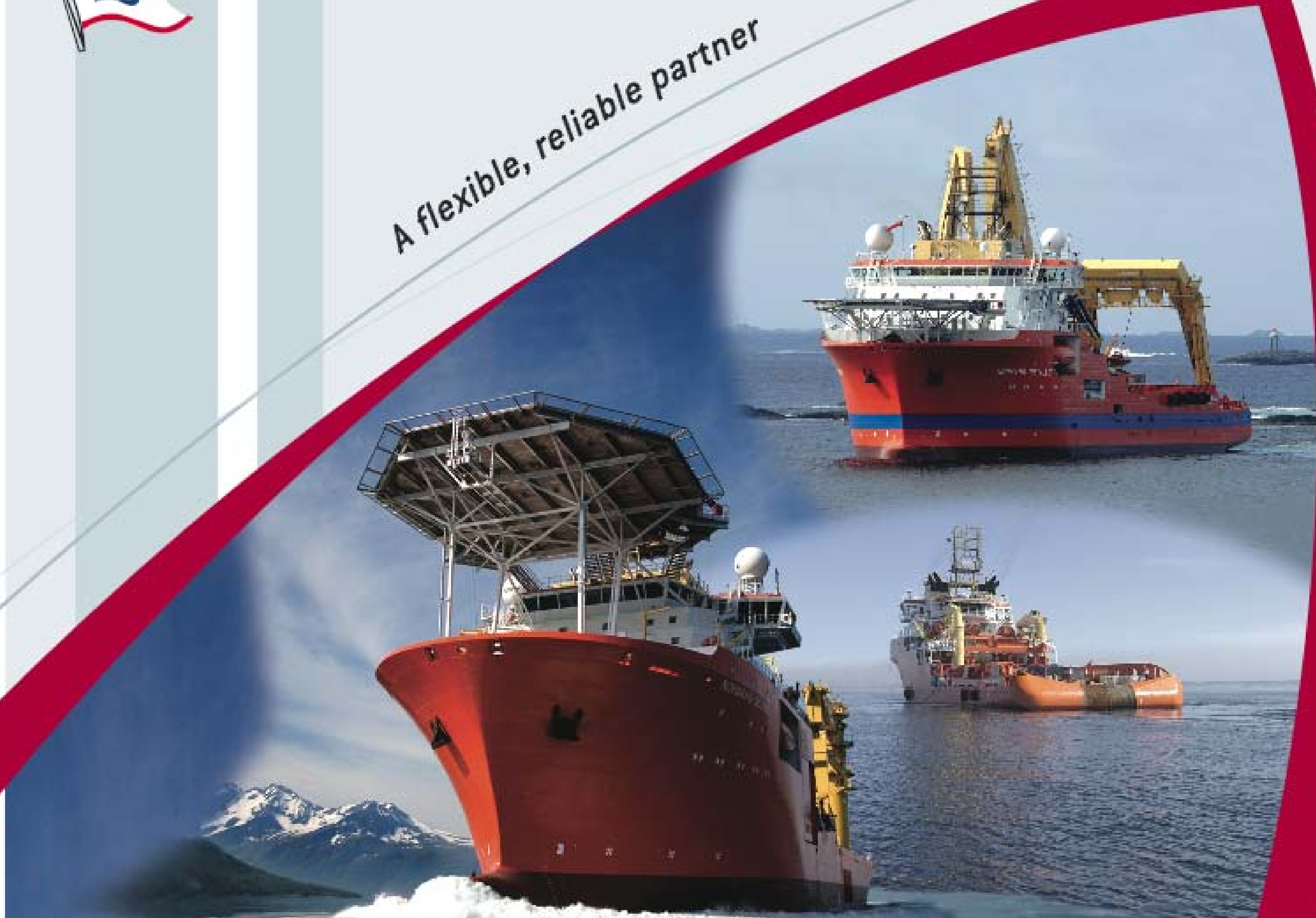

SOFF HIGHLIGHTS YTD

Good earning margins and stable underlying values

- Freight revenues of NOK 878 mill 2nd quarter '12 / NOK 1,67 billion 1st Half '12
- EBITDA 2nd quarter NOK 397 mill (margin of 45%) up from NOK 283 mill 1st quarter '12.
- EBITDA margin positively influenced by good operational performance and improved utilization in the CSV segment
- Change of ship registry on several vessels during 2Q '12. Positive cost effect from 3Q '12.
- Book equity ratio ~30% (NOK 4,5 billion) / Value Adjusted Equity ~44% (NOK 9,25 billion)
- Net interest-bearing debt ~ NOK 10,3 billion. Cash and equivalents: ~NOK 970 million

Strong contract backlog to first class counterparts

- Contract backlog of NOK 5,7 billion (NOK 10,4 billion incl. options) coming 5 years
- Contract coverage for remaining '12 of 71% and 79% including options (inkl DLB)
- Total value of contracts entered into YTD ~NOK 2,0 billion

Key highlights as of 11. September 2012

- Large CSV ordered for delivery 2Q '14. Secured 5 year T/C. Limited capex exposure for SOFF
- In July the agreed sale of 50% of "Normand Oceanic" to SS7 and the refinancing of "Normand Installer" was concluded. ~ NOK 300 mill in positive cash effect (3Q '12)
- Purchase of "Nor Captain" and "Nor Spring" (previosly on BB). Cost price fully financed by bank
- Long-term contract for DLB "Norce Endeavour"
- North Sea spot market have not met SOFF's expectations so far in '12

3. FINANCIALS

PROFIT AND LOSS ACCOUNTS

(mill NOK)	2Q 2012	2Q 2011	1H 2012	1H 2012	Total 2011
Total operating income	**878**	**683**	**1 666**	**1 352**	**2 980**
Operating expenses	-484	-485	-989	-899	-1 910
Ord. Depreciation (1)	-114	-184	-231	-361	-758
Impairment					-160
Joint venture & Assosiated companies (2)	2	7	15	6	12
Operating profit	**281**	**21**	**461**	**98**	**163**
Net agio	-95	41	-8	124	-48
Other fin. Items	-130	-123	-275	-196	-515
Result before taxes	**56**	**-62**	**177**	**26**	**-399**
Taxes	-3	-13	-5	-24	-7
Result after taxes	**53**	**-75**	**172**	**2**	**-407**
EBITDA	397	210	685	458	1 106

(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)

BALANCE 30 June 2012

(mill NOK)	1H 2012	1H 2011	Total 2011
Long Term fixed assets	14 535	14 261	14 087
Current Assets	1 495	1 703	1 587
Total Assets	**16 031**	**15 963**	**15 673**
Equity	4 502	4 767	4 416
Long term liabilites	9 190	9 703	9 601
Current Liabilites*	2 338	1 494	1 657
Total equity and liabilites	**16 031**	**15 963**	**15 673**

Booked equity at 30.06.2012 NOK 116,- pr share

* NOK 1.627 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 market driven by solid fundamentals
  - High tendering activity and contract awards
  - Clients are building substantial backlogs
  - Limited availability of moderen large CSV's.

- SOFF has favourable market exposure
  - 20 CSV's working for all the main players
  - Focus on long- and medium term contracts for the subsea vessels
  - Available capacity in 2013

MARKET

- Construction Service Vessels (CSV)

- DLB “Norce Endeavour”, close to full utilization in 2q & 3q ‘12
  - Project with TLO in Malaysia successfully completed
  - Project with PT Timas, Indonesia ongoing to end September-12

- Other vessels from the Asian fleet also engaged in the subsea market
  - N.Tigerfish, ROV support East Africa
  - N.Captain, ROV support Malaysia
  - N.Spring, on bare-boat to Bibby Offshore

Breakthrough for DLB “Norce Endeavour”

Signed strong long-term charter in Australia

- Client: Leighton Contractors Pty Ltd
- Project: Gorgon LNG Jetty and Marine Structures.
- Gives 100% utilization from October ’12
- SOFF to provide project management and engineering related to the DLB operation

New CSV ordered

- Ordered “state of the art” CSV in partnership with Ocean Installer AS.
  - Limited capex exposure for SOFF, but with option to increase ownership to 50%
  - To be delivered from yard STXOSV, Norway, during 2Q ’14.
  - 5 year T/C with Ocean Installer from delivery
  - Third vessel on long term contract with Ocean Installer AS.

MARKET

- Anchor Handling Tug & Supply Vessels (AHTS)

- Weak North Sea spot market in 2Q, have continued into 3Q.
  - Decent activity level, but too many vessels
  - Too many of us wanted to harvest from a promising North Sea market – over supply

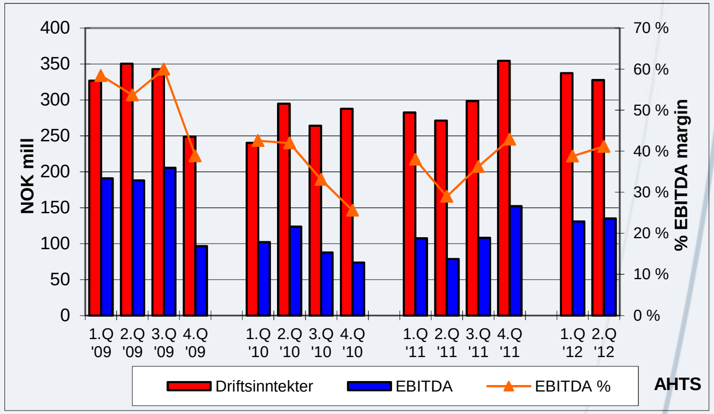
- Positive medium to long term outlook
  - Large number of deep water rigs to enter the market in coming years
  - Limited number of larger AHTS's under construction.
  - AHTS Owners to increase international bidding activity

FLEET

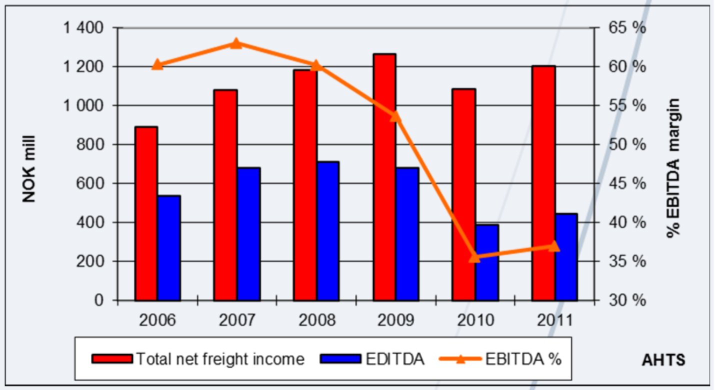
- Anchor Handling Tug & Supply Vessels (AHTS)

- 22 AHTS's in operation world wide
  - Range from 5.500 to 32.000 bhp.
- Exercised option to purchase "Nor Captain" and "Nor Spring".
  - Cost price fully financed by loan.
- "Nor Tigherfish" secured 1 year firm T/C and "Nor Spring" a 3 year B/B contract. Both on acceptable day rate levels
- Currently 4 large AHTS's trading the spot market
  - 3 vessels in the North Sea and 1vessel in Asia

Quarterly development



Annual development



MARKET

- Platform Supply Vessels (PSV)

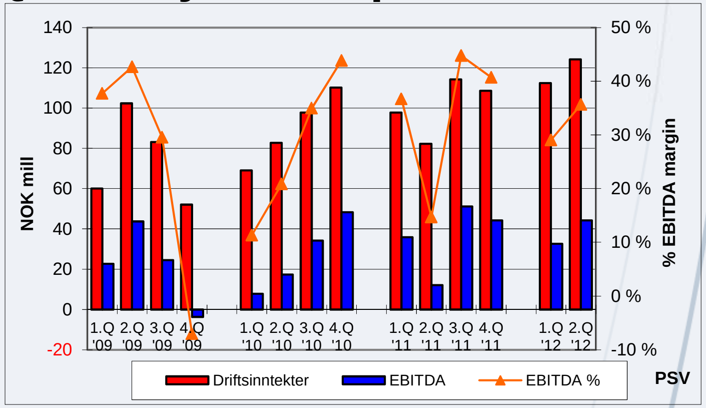
- Activity level is high, but too many vessels has entered the market
  - Considerable number of vessels still under construction
  - Put pressure on dayrates
- Demand will continue to rise as new drilling rigs and production units begin their operations

FLEET

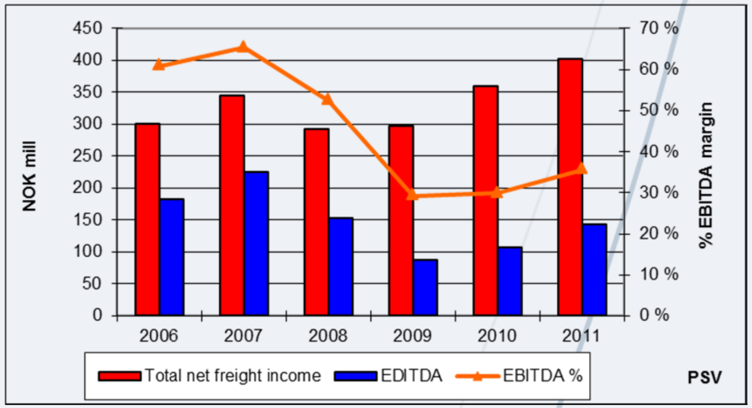
- Platform Supply Vessels (PSV)

- Improved operational performance during 2Q '12
  - As for 1Q '12, close to full utilization during the quarter
  - Improved revenues and EBITDA as a function of increased dayrates and currency effects
  - Cost saving initiatives will give positive cost effect from 3Q '12
- Increased exposure to the weak North Sea spot market during 2H '12

Quarterly development



Annual development



5. MARKET / OUTLOOK

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MARKET OUTLOOK

- A continued high oil price gives E&P budgets on a steady high level.
- Demand for vessels, equipment and people, will continue to grow.
- Demand for Subsea construction vessels will continue to be strong as a consequence of increased activity level. Coming North Sea winter season still an uncertainty.
- Anchorhandling market will be volatile but can surprise positively already this year.
- PSV market is a long way from market balance in the North Sea. Still possible to get decent rates internationally.

SOLSTAD
GREEN
OPERATIONS

THANK YOU!

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