SOLSTAD OFFSHORE

3rd QUARTER 2012

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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).
- 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	New buildings	Weighted Average Age [1)]
Subsea		19	1	6.6
AHTS		22		8.0
PSV		9		7.0
	Sum:	**50**	**1**	**7.0**

[1)] Weighted average age including newbuildings based on broker valuations of the vessels as of 30.06.2012

SOLSTAD OFFSHORE

SOLSTAD OFFSHORE – HIGHLIGHTS 30.09.12

Summary

- Net Freight revenues of NOK 883 mill 3rd Quarter '12 / NOK 2,550 billion as per 30.09.12
- Gain on sale "Normand Oceanic" NOK 53 mill
- All time high EBITDA of NOK 440 mill in 3Q '12 and NOK 1.125 mill as per 30.09.12
- EBITDA margin 48% in 3Q 2012 and 43% as per 30.09.2012
- Margins positively influenced by good operational performance and improved utilization in the CSV segment

Vessels

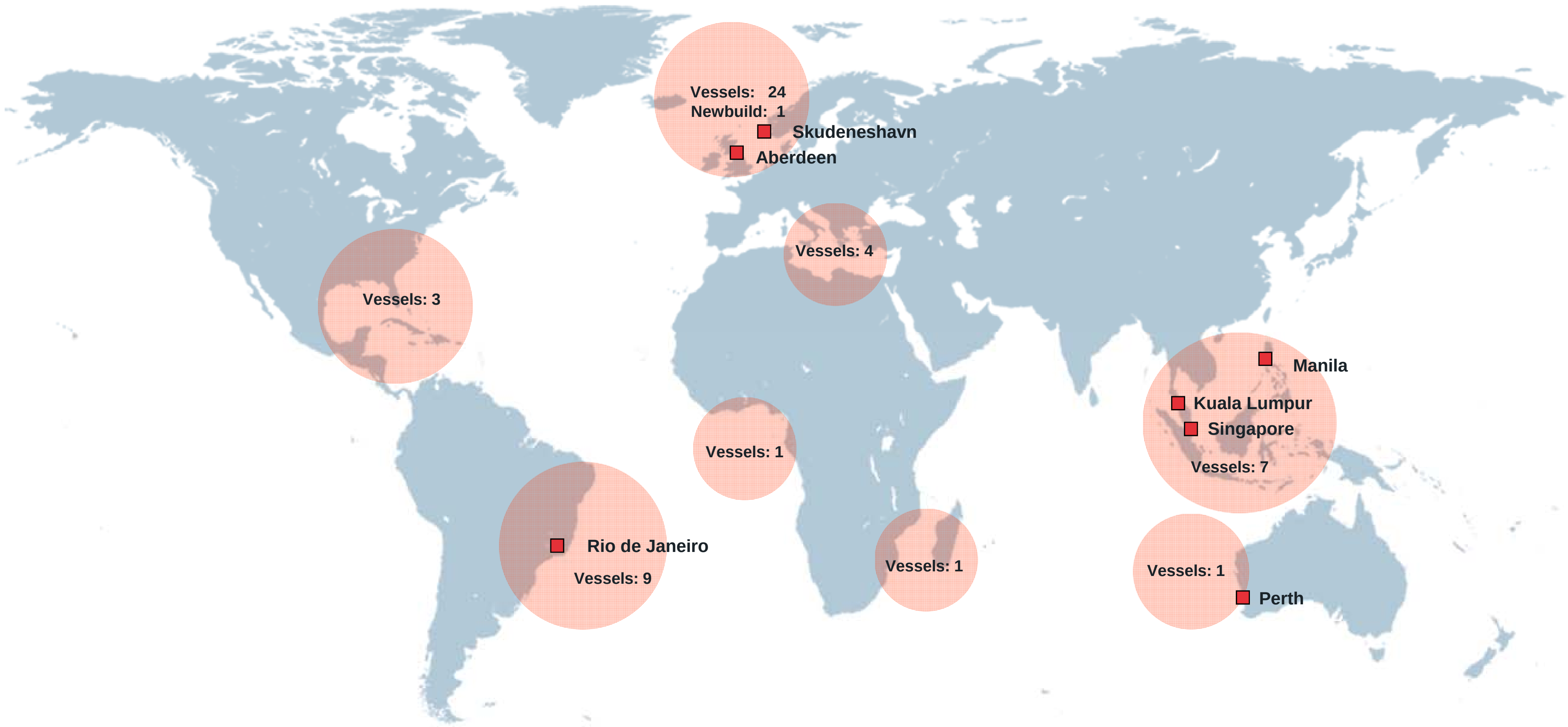
- Large CSV ordered for delivery 2Q 2014. Secured 5 year T/C. Limited capex exposure for SOFF
- Sale of 50% of "Normand Oceanic" to SS7 in July. ~ NOK 230 mill in positive cash effect
- Refinancing of "Normand Installer" in July ~ NOK 100 mill in positive cash effect

Contracts

- "Norce Endeavour" started contract with Leighton Contractors 1.Oct.
- New contracts for "Nor Tigerfish", "Nor Captain" and "Nor Supporter"
- Contract coverage remaining 2012 of 73% (82% incl. options). 54% (69% incl. options) for 2013
- Contract backlog of NOK 5,3 billion (NOK 10,1 billion incl. options) coming 5 years

THE SOLSTAD OFFSHORE FLEET

(50 VESSELS IN OPERATION)



3. FINANCIALS

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PROFIT & LOSS ACCOUNTS

30. September 2012

(Mill NOK)	3Q 2012	3Q 2011	YTD 2012	YTD 2011	Total 2012
Total Operating Income	**936**	**805**	**2 603**	**2 157**	**2 980**
Operating expenses	(460)	(469)	(1 449)	(1 368)	(1 910)
Ord. Depreciation (1)	(106)	(197)	(337)	(558)	(758)
Impairment					(160)
Joint Venture & Associated Companies (2)	12	5	27	11	12
Operating Profit	**383**	**143**	**844**	**241**	**163**
Net Agio	(3)	(121)	(11)	3	(48)
Other fin. items	(86)	(203)	(361)	(394)	(514)
Result before taxes	**294**	**(181)**	**471**	**(155)**	**(399)**
EBITDA	**440**	**346**	**1 125**	**804**	**1 105**

(1) 2012: Change of estimates for residual value for vessels from 01.01.2012
(2) 2012: JV booked as per equity method from 01.01.2012 – comparative figures adjusted accordingly

BALANCE

30. September 2012

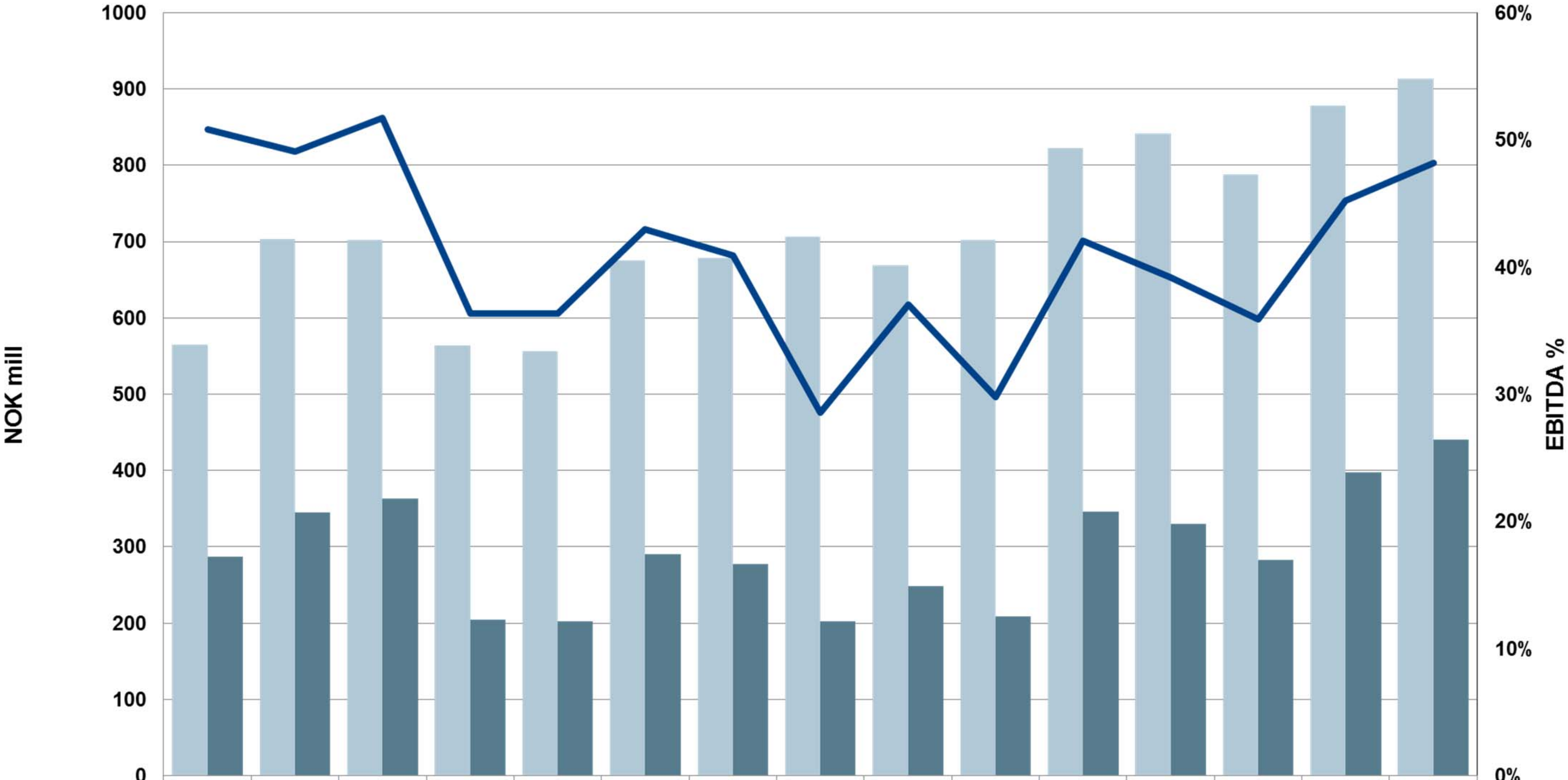
(Mill NOK)	2012 30.09	2011 30.09	2011 31.12
Long Term fixed assets	13 244	14 326	14 087
Current assets	1 701	1 529	1 582
Total assets (1)	**14 945**	**15 855**	**15 673**
Equity	4 754	4 624	4 416
Long Term liabilites	7 629	9 864	9 601
Current liabilites (2)	2 562	1 367	1 657
Total equity an liabilites	**14 945**	**15 844**	**15 673**

Booked equity at 30.09.2012 NOK 123,- pr share

(1) JV booked as per equity method from 01.01.2012 – comparative figures adjusted accordingly
(2) NOK 2.057 million of Current Liabilites 30.09.12 is current portion of long term debt

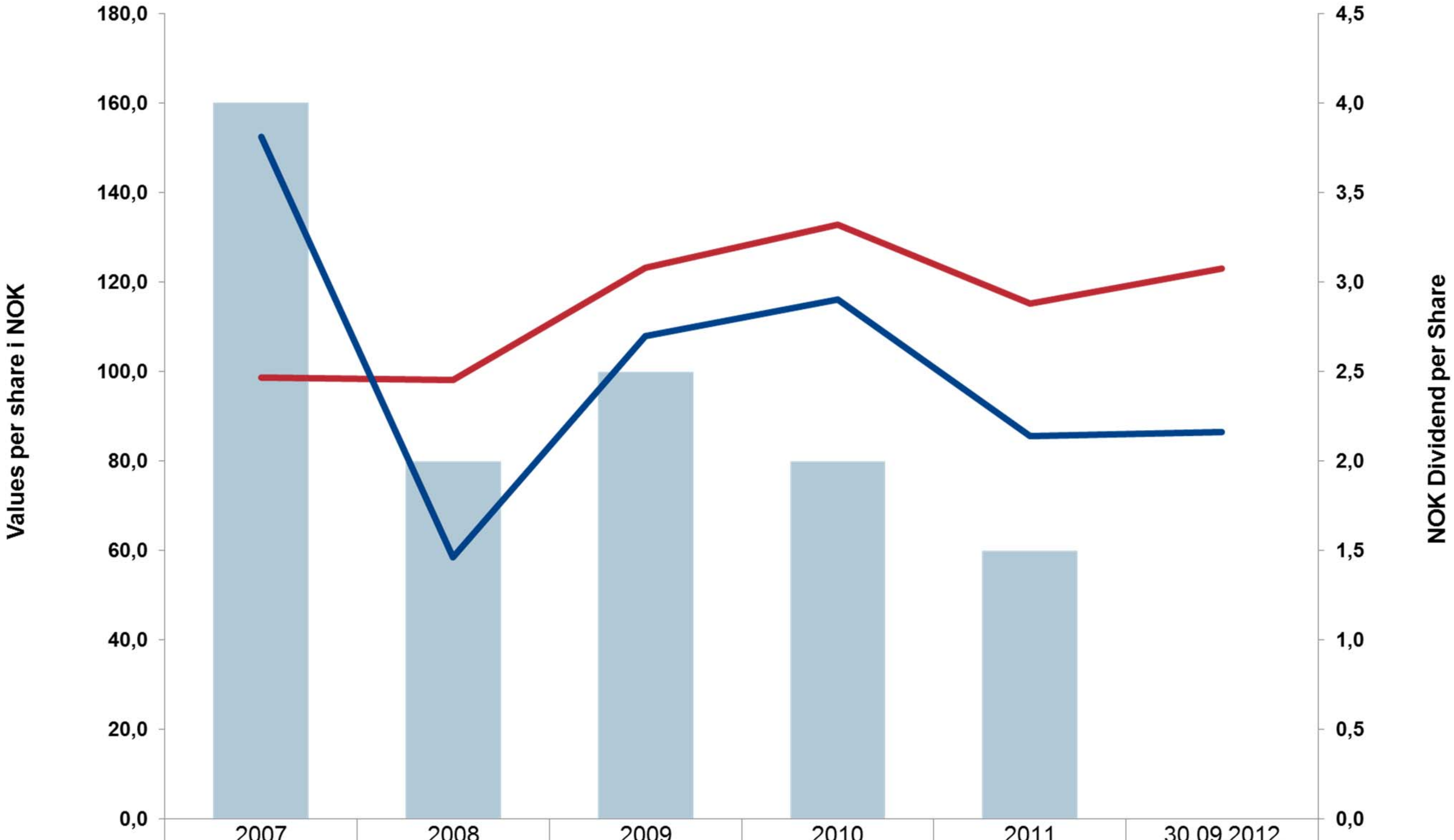
OPERATING REVENUE AND EBITDA

(EX. GAIN ON SALE OF ASSET)



	1Q 09	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11	4Q 11	1Q 12	2Q 12	3Q 12
Opr.rev	565	703	702	564	556	675	679	707	669	702	822	842	788	878	913
EBITDA	287	345	363	205	202	290	278	202	248	209	346	330	283	397	440
EBITDA %	51%	49%	52%	36%	36%	43%	41%	29%	37%	30%	42%	39%	36%	45%	48%

SOLSTAD OFFSHORE ASA - VALUES & DIVIDEND



	2007	2008	2009	2010	2011	30.09.2012
Dividend/Share	4,0	2,0	2,5	2,0	1,5	0,0
Book Value/Share	98,7	98,1	123,1	132,7	115,1	123,0
Share Price 31.12	152,5	58,5	108,0	116,0	85,5	86,5

4. VESSELS AND MARKETS

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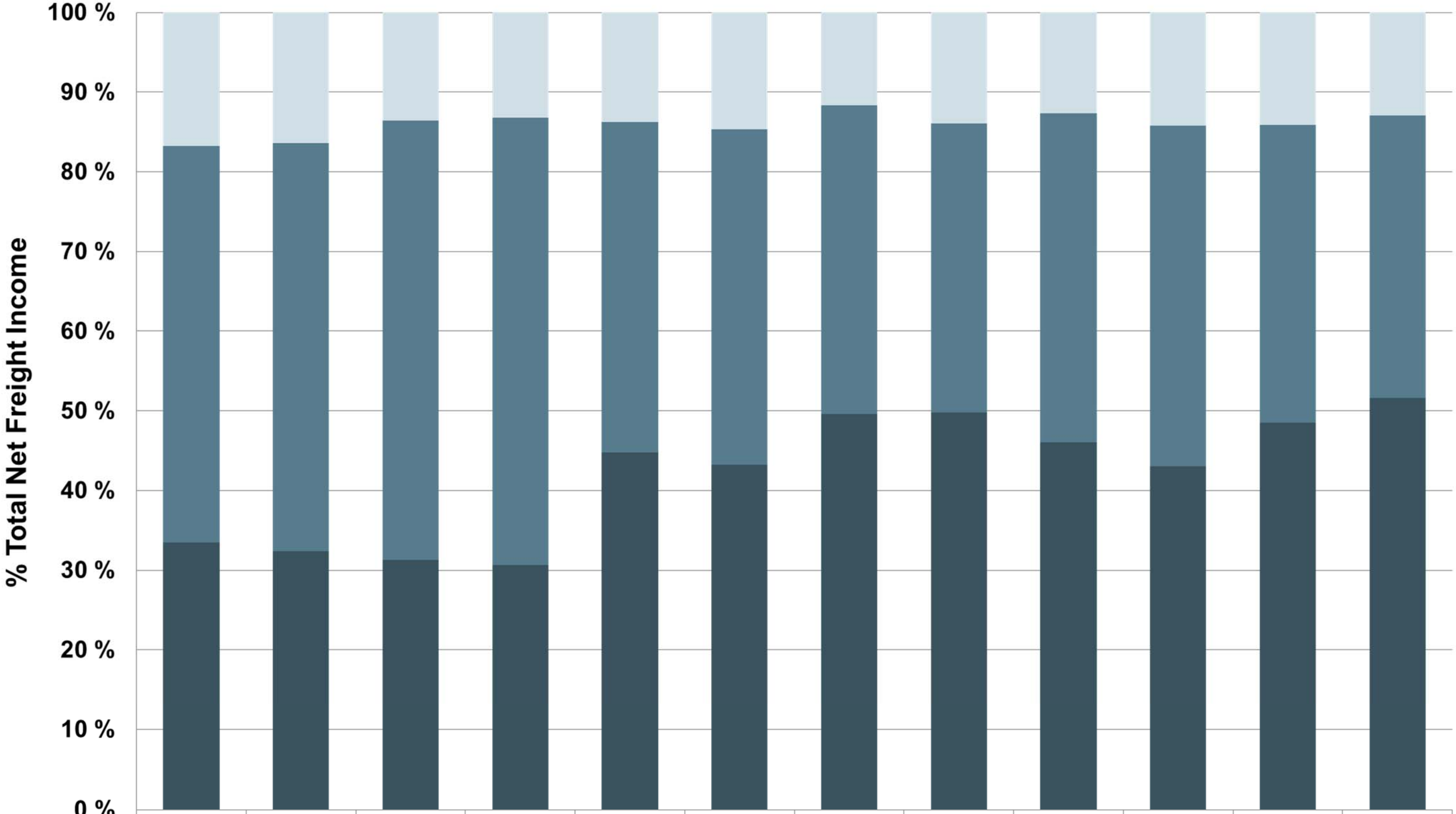
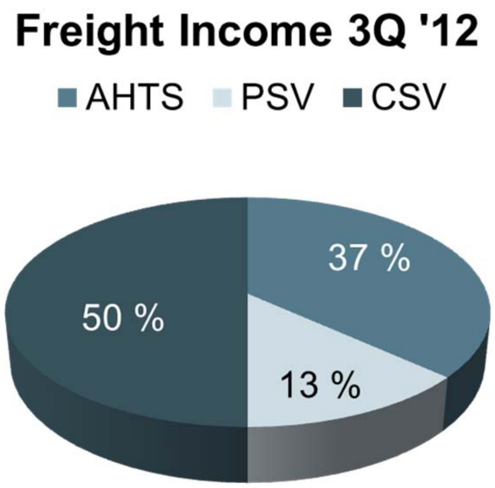
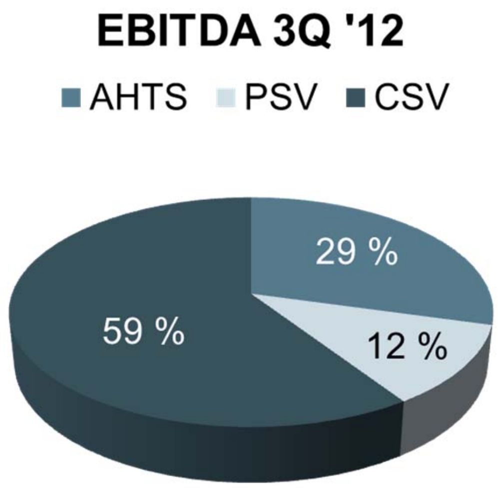
THE SOLSTAD FLEET – MARKET SEGMENTS

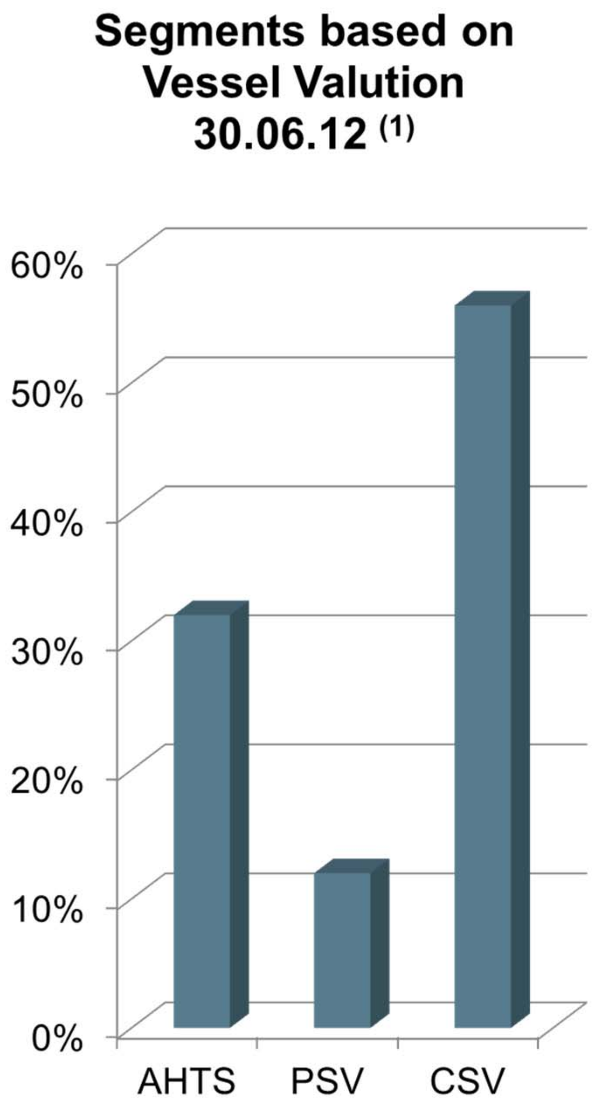


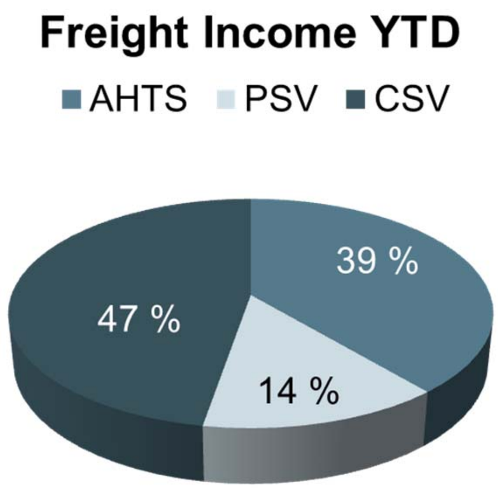
	2006	2007	2008	2009	2010	1Q '11	2Q '11	3Q '11	4Q '11	1Q '12	2Q '12	3Q '12
PSV	301	346	292	298	360	98	82	114	109	112	124	118
AHTS	893	1084	1183	1269	1087	282	271	298	354	337	328	324
CSV	601	684	670	693	1171	289	348	408	395	339	426	471

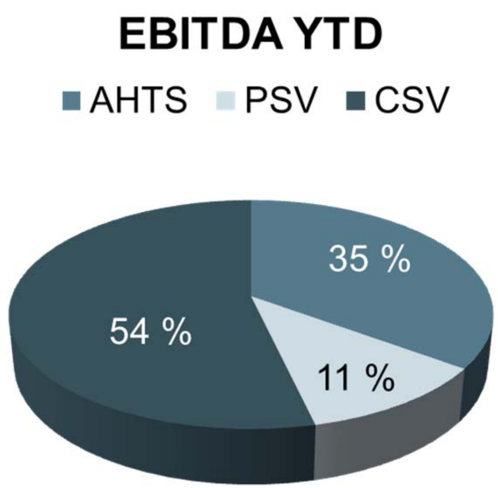
THE SOLSTAD FLEET – MARKET SEGMENTS











1)Based broker valuations as of 30.06.2012 with SOFF's 50% share in "Normand Installer" and "Normand Oceanic

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 modern large CSV's.

- SOFF has favorable 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)

“Norce Endeavour”

- Full utilization in 3Q ’12
  - Projects with TLO in Malaysia and with PT Timas in Indonesia both successfully completed

- New strong T/C 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

MARKET

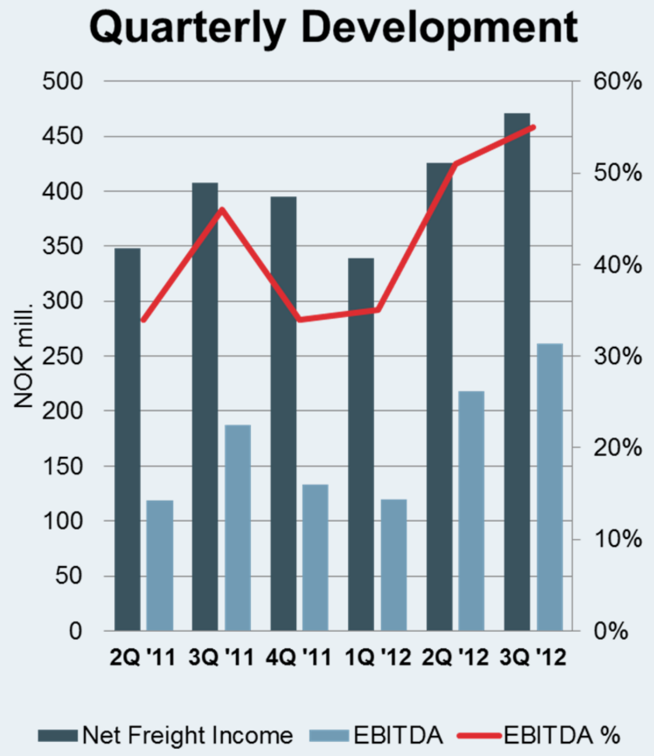
Construction Service Vessels (CSV)

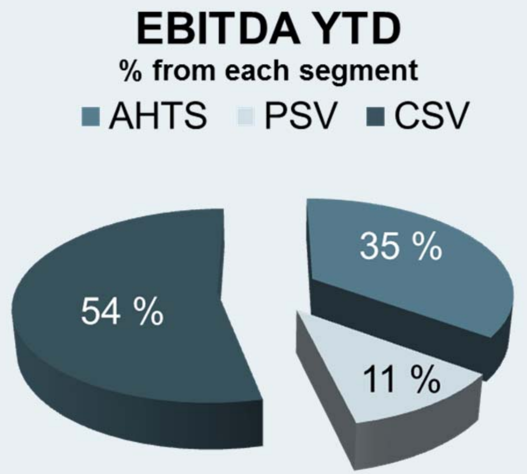
- Ordered “state of the art” CSV in partnership with Ocean Installer AS.
  - Limited capex exposure for SOFF, but with option to increase ownership to 50%
  - To be delivered from yard STX OSV, Norway, during 2Q ’14.
  - 5 year T/C with Ocean Installer from delivery
  - Third vessel on long term contract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

FLEET

Construction Service Vessels (CSV)

- Improved Operational performance also during 3Q ‘12
  - 98% utilization
  - Good operational performance
  - Margin improvements
- Sale of 50% share of ”N. Oceanic” to Subsea 7
  - Firm charter period extended to 5 years (from 3 years)
- Several vessels completes seasonal contracts during 4th quarter ‘12





MARKET

Anchor Handling Tug & Supply (AHTS)

- Weak North Sea spot market in 3Q, have continued into 4Q
  - Decent activity but too many vessels
  - Too many of us wanted to harvest from a promising NS market – oversupply
  - Volatile winter season expected

- Positive medium to long term outlook
  - Large number of DW rigs to enter market in coming years
  - Limited number of larger AHTS's under construction
  - AHTS owners to increase international bidding activity

FLEET

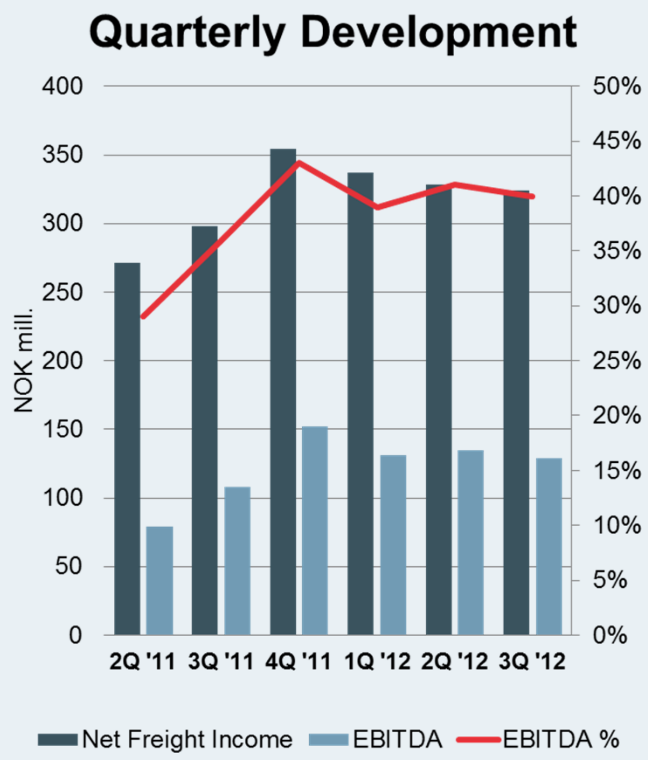
Anchor Handling Tug & Supply (AHTS)

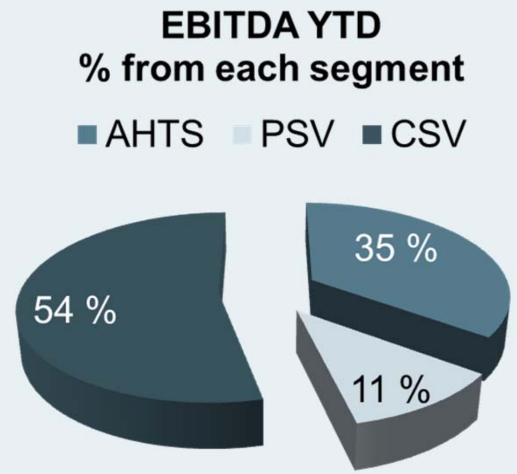
- 22 AHTS's in operation world wide
  - Range from 5.500 to 32.000 bhp

- 87% utilization in 3rd quarter

- Expectations to a strong AHTS segment did NOT materialize in 2012
  - Margins negatively influenced by a volatile North Sea market
  - Vessels repositioned to NS, negative for market balance.

- Currently 4 large AHTS working in the spot market





MARKET

Platform Supply Vessels (PSV)

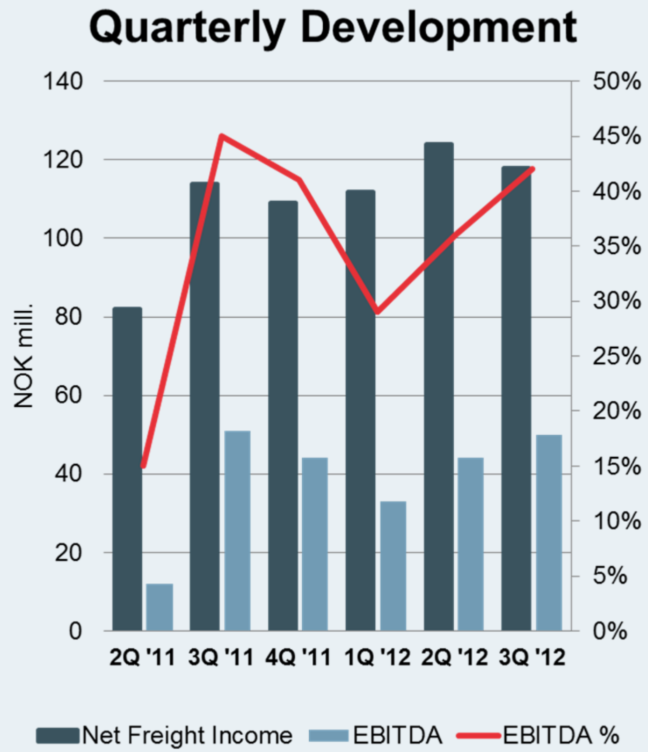
- Activity level is high, but too many vessels are entering the market
  - Considerable number of vessels still under construction
  - Dayrates under pressure
- Demand will continue to rise as new drilling rigs and production units begin their operations

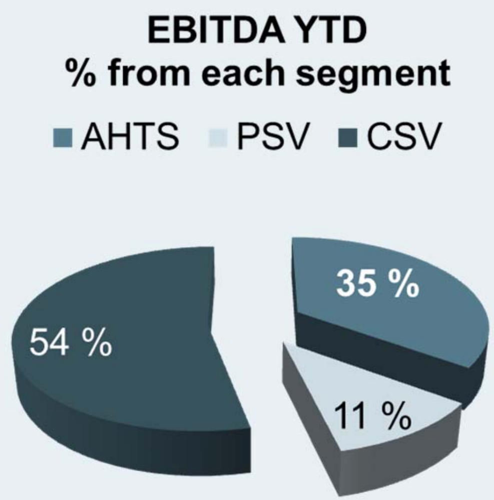
FLEET

Platform Supply Vessels (PSV)

- Continued improvement in operational performance
  - 95% utilization during the quarter
  - Improved EBITDA as a function of higher utilization and reduced operating expenses
  - Positive cost effect from change of registry on 3 vessels.

- Currently 3 vessels exposed to the North Sea spot market





5. MARKET/OUTLOOK

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FUTURE 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
- Strong focus on keeping cost on a competitive level
- 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
- PSV market is a long way from market balance in the North Sea. Still possible to get decent rates internationally.
- Solstad will have an increased spot exposure in 4Q ‘12 and 1Q ‘13 that will influence the revenues negatively

Solstad are well positioned to take advantage of a growing demand for offshore vessels

SOLSTAD GREEN OPERATIONS

THANK YOU!

SOLSTAD OFFSHORE ASA