

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS

To the bondholders in:

**ISIN NO 001 0713548 – FRN SOLSTAD OFFSHORE ASA Senior Unsecured Open Bond
Issue 2014/2019 (SOFF04)**

Oslo, 5 December 2018

Summons to Bondholders' Meeting – Solstad Offshore ASA (formerly Solstad Farstad ASA)

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the Bondholders in the above mentioned bond issue (the "**Bonds**") issued by Solstad Offshore ASA (the "**Issuer**") under the amended and restated bond agreement dated 26 September 2016, as amended (the "**Bond Agreement**").

Defined terms used in this summons shall have the meaning ascribed to them in the Bond Agreement unless otherwise set out herein or required by the context.

The Issuer has requested that the Bond Trustee issue this request for a Bondholders' Meeting pursuant to Clause 16 (Bondholder's Meeting) of the Bond Agreement to consider approval of the Proposal (as defined below).

In these summons:

The term "**Solstad Group**" shall include the Issuer and the subsidiaries (in this summons each a "Solstad Subsidiary") set out in Schedule 1.

The term "**Majority Secured Creditors**" shall mean lenders representing 2/3 or more of the amount of the Solstad Group's secured bank loans. For avoidance of doubt, the lease financing of the vessel "Normand Maximus" shall not be included in the calculation.

The term "**Senior Deferral Agreement**" shall mean either:

- (a) an agreement between the obligors in the Solstad Group and the Majority Secured Creditors which, inter alia, (i) will suspend payment of principal and interest to the Majority Secured Creditors for a period of time, and (ii) may include a cash sweep mechanism with a certain threshold amount, and (iii) will include undertakings from the Majority Secured Creditors not to accelerate or enforce any of the debt owing to them from the Solstad Group as a result of non-payment of principal and interest or breach of financial covenants, for the tenor of the Senior Deferral Agreement and subject to the terms of the Senior Deferral Agreement, or
- (b) a waiver from the Majority Secured Creditors of the payment obligations of the Solstad Group having the same effect as (a), or
- (c) an agreement set out in (a) in direct continuation of a waiver as set out in (b).

The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims any and all liability whatsoever related to such information.

1 BACKGROUND

Reference is made to the Issuer's press release of 22 October 2018.

As a consequence of the liquidity situation in the Solstad Group, the Solstad Group has requested a majority of its secured lenders to defer payment of principal and interest.

The Senior Deferral Agreement is currently being negotiated and the final terms of the Senior Deferral Agreement is thus yet to be determined.

It will be a condition under the Senior Deferral Agreement that the Bondholders agree to a suspension of all interest and amortisation payments in the Deferral Period (as defined below).

Further to the above, in accordance with Clause 16.2 of the Bond Agreement, the Issuer has therefore approached the Bond Trustee to convene a Bondholders' Meeting in order to obtain approval to temporarily suspend and defer payment of interest under the Bond Agreement falling due in the period after (and including) 20 December 2018 and ending on (and including) the earlier to occur of:

- (a) 20 December 2019;
- (b) expiry or effective termination of the Senior Deferral Agreement;
- (c) the date on which (i) a liquidator, receiver, administrator or other similar office is appointed (including without limitation opening of court administered debt negotiations (Nw. *gjeldsforhandling*)) with respect to any Solstad Subsidiary, or (ii) any Solstad Subsidiary is declared bankrupt, files for bankruptcy or similar proceedings under any other jurisdiction (including without limitation chapter 11 proceedings, schemes of arrangement or any similar proceedings); and
- (d) the date on which any attachment, sequestration, distress, execution or analogous event affects the whole or any substantial part of the property, undertaking or assets of any member of the Solstad Group.

(the "**Deferral Period**".)

The Issuer believes that a suspension of the relevant payments during the Deferral Period will facilitate the process to the benefit of all stakeholders in the Issuer. The Solstad Group will, during the Deferral Period, continue to operate its business in the ordinary course.

2 CONDITIONS AND EFFECTIVE DATE

The Proposal shall be subject to, and be effective from, the date the following conditions are satisfied:

- (a) evidence that the Senior Deferral Agreement has been entered into or is in effect; and
- (b) customary conditions precedent, and documentation satisfactory to the Bond Trustee.
- (c) evidence of payment of NOK 500,000 (ex VAT) to the account of the Bond Trustee in payment for reasonable costs of the Bond Trustee and legal costs under the conditions set out under the Bond Agreement.

3 PROPOSAL

The Issuer proposes the following (the proposals set out in sections 3.1 and 3.2 hereinafter referred to as the "**Proposal**");

3.1 Suspension and deferral

- (a) The Bondholders irrevocably agree that during the Deferral Period, they shall not demand scheduled payments, repayments, prepayments, redemption or amortisation of any principal, interest or default interest under any Finance Document.*
- (b) The Bondholders further irrevocably agree and confirm that any scheduled payments, or mandatory payments of any interest, or default interest (on interest), under the Bond Agreement which falls due during the Deferral Period shall be postponed until the last day of the Deferral Period. Deferred interest, including default interest (on interest), earned in the Deferral Period shall be paid in full in cash on 20 December 2019.*

3.2 Standstill

- (a) The Bondholders agree and confirm that for the duration of the Deferral Period they shall not, nor shall they instruct the Bond Trustee to, accelerate the Outstanding Bonds, including accrued interest and default interest, or make any declaration that the Outstanding Bonds or any accrued interest, are due and payable.*

4 EVALUATION OF THE PROPOSAL

4.1 The Bond Trustee's disclaimer/non-reliance

The information in this summons regarding the legal, operational and financial status of the Issuer is provided by the Issuer. The Bond Trustee expressly disclaims any and all liability whatsoever related to such information given from the Issuer.

Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. Each Bondholder should independently evaluate the Proposal and vote accordingly.

5 FURTHER INFORMATION

The Issuer has retained Arctic Securities AS as financial advisors. Bondholders may contact them for further information.

Arctic Securities AS, Corporate Finance
Anders Eide
+47 48403260
Email: anders.eide@arctic.com

For further questions to the Bond Trustee, please contact:

Nordic Trustee AS
Morten Sannes Bredesen
Email: bredesen@nordictrustee.com
+47 47 87 65 56

6 BONDHOLDERS' MEETING

On this background, Bondholders are hereby summoned to a Bondholders' meeting:

Time: 19 December 2018 at 13.00 hours (1 pm) (Oslo time),
Place: The premises of Nordic Trustee AS,
Haakon VII gt. 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Proposal.

It is proposed that the Bondholders' Meeting resolve the following:

"The Bondholders' Meeting approves the Proposal as described in clause 3 of the summons"

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered).

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (www.mail@trustee.no) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely

Nordic Trustee AS



Enclosed:

Schedule 1: Subsidiaries
Schedule 2: Bondholder's Form

Schedule 1 Solstad Subsidiaries

