BOA offshore

Boa Offshore – 12 September 2019

Pareto Oil & Offshore Conference

Helge Kvalvik, CEO

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Boa Offshore Group – Status September 2019

- **Boa Offshore First Half 2019 results**
  - EBITDA 1H19 of NOKm 131, up from NOKm 27 in 1H18.
  - 2Q19 EBITDA NOKm 65, up from NOKm 30 in 2Q18

- **Balance sheet**
  - Consolidated Cash 1H19 of NOKm 267, down from NOKm 302 YE18 and NOKm 278 Y/Y – due to Boa SBL out of balance sheet
  - NIBD 2Q19 of NOKbn 2.4, down from NOKbn 2.7 YE18 & 1H18

- **Recent Events**
  - During 2Q19 the Bondholders in Boa SBL exercised their "Stock Accession Option" under the Amended loan agreement from July 2017
  - On 29 August Boa Offshore announced changes in its Board of Directors, now to be headed by Mr Georg Scheel and the Board consisting of «external» Board members

- **Market Outlook**
  - Many of the segments where Boa Offshore operates are exposed to less cyclical factors – stable outlook
    - Barges: Operating within a range of industries, outside Oil & Gas
    - Tugs: Ports, Terminals, Oil & Gas, other
  - Offshore vessels: Market modestly recovering from low levels. Dayrates to remain subdued due to "supply overhang"
    - Increased Macro uncertainties

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Boa Offshore Group in short

- Boa Offshore AS is a Norwegian limited company owned by Ole T. Bjørnevik and his family
- Boa Offshore currently owns, operates and manages a diversified fleet of 31 units in various segments
  - Subsea installation and construction (Boa OCV)
  - Sea transportation and load-out and launching of heavy objects (Barges)
  - Rig moves (Tugs/AHTS)
  - Harbor and costal towage and salvage operations (Tugs)
- Global presence and operations, and Leading player in the global market for heavy lift barges
- Head Office in Trondheim (Norway) and office in Houston (USA), with approximately 250 employees
- Engineering and project management capacity out of Trondheim and Houston

Business overview – Concentrated in three segments

Assets

1 4 Offshore Vessels

- OCV – Boa Sub C
- OCV – Boa Deep C
- AHTS – Boa Bison
- AHTS – Boa Jarl

2 19 Barges

- 9 semi-submersible barges
- 8 deck cargo barges
- 2 other barges

3 7 Tugs

- 4 ASD escort tugs
- 2 harbour / towage tugs
- 1 harbour tug

Description/operations

4 Offshore Vessels

World wide operations

Owns and operates two high spec OCVs, and two large modern AHTS

Boa Offshore operations offer external and internal project management solutions, including engineering and services

19 Barges

World wide operations

Leading player in the global heavy lift market

Continuous new building program since 1999, completed 2015

Tonnage provider, also solution/ project provider for:

- All engineering related to barges. In house design
- Turn key transportation projects
- Load out and launching
- Dry docking operations
- Float over

7 Tugs

Coast of Norway and North Sea operations

Tugs has been the core business of Boa since inception

Tonnage provider and solution/ project provider for:

- Salvage operations
- Turn key towage / transport / handling operations

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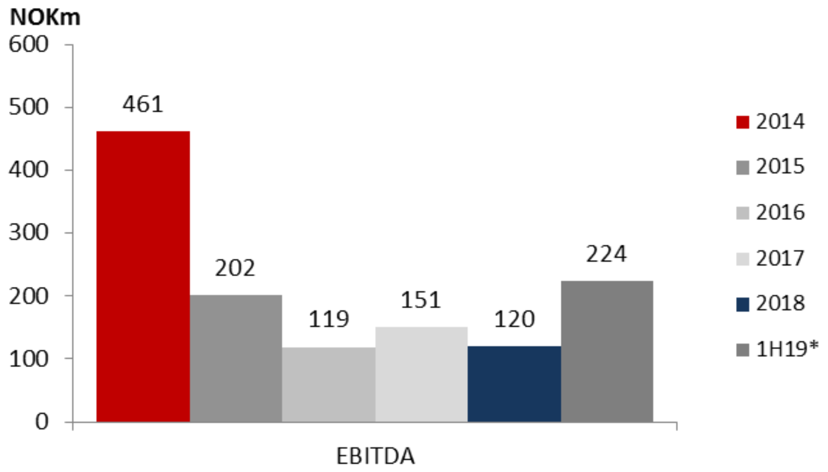
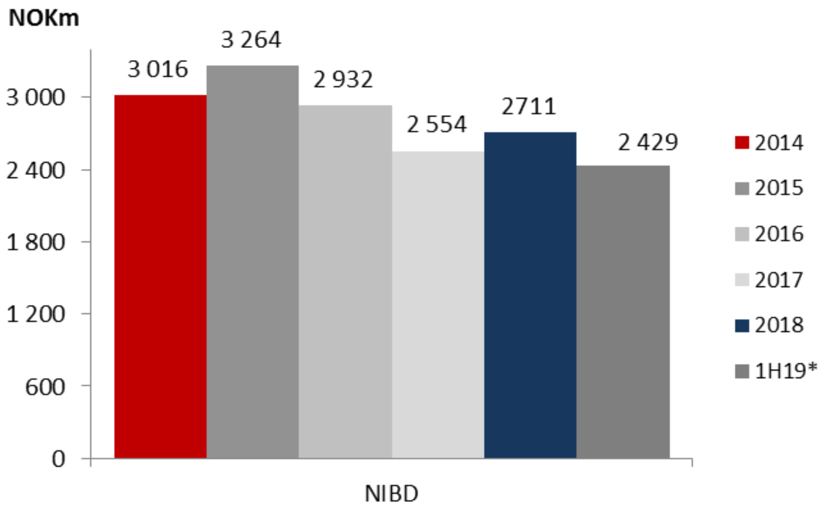
Boa Offshore Group consolidated historical financials

- EBITDA 1H19 of NOKm 131, up from NOKm 27 in 1H18.
- 2Q18 EBITDA NOKm 65, up from NOKm 30 in 2Q18
- 1H19 NIBD of NOKbn 2.4 – down from NOKbn 2.7 YE 18
- Cash 1H19 of NOKm 267, down from NOKm 302 YE18
- SBL out of Balance Sheet per 2Q19 main explanation for both NIBD and change from Ye 18
- Fleet value of NOKbn 3.1 per 1H19 (semi annual review), down 4% Y/Y and 1% H/H
    - Excluding Boa SBL vessels

Key financial items - EBITDA



Key balance sheet items - NIBD



** LTM = last twelve months*

Status Financial Restructuring Plan & Recent Events

- A Financial Restructuring for Boa Offshore Group was performed in July 2017 with Amended Loan Agreements with all Maturities pushed to Dec’ 2020
- All Boa Offshore entities has performed in line or above Financial Targets outlined in the July 2017 plan
- Divestment plan partially executed, TBK Asset Realization and AHTS
- During 2Q19 the Bondholders in Boa SBL exercised their “Stock Accession Option” under the Amended loan agreement from July 2017 and became effective owners for 100% of the shares in Boa SBL
- On 29 August Boa Offshore announced changes in its Board of Directors, now to be headed by Mr Georg Scheel and the Board now consisting of «external» Board members only – Related to 2017 Debt Restructuring and Preparing for 4Q 2020 Maturity

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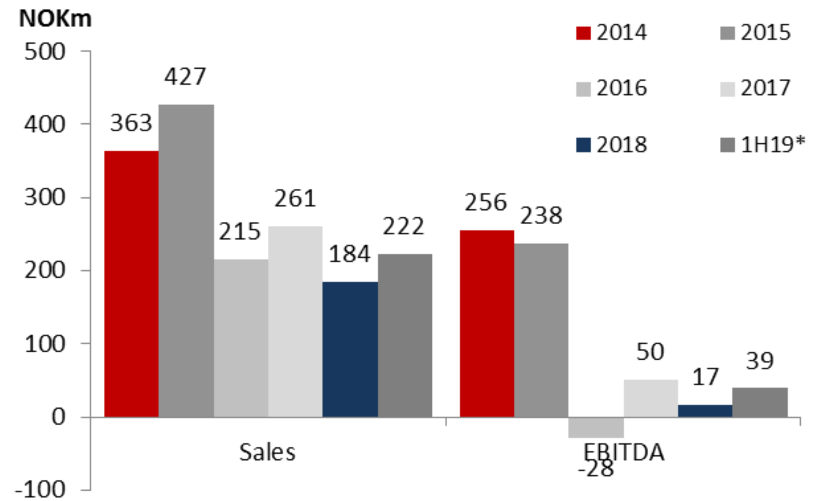
Boa OCV – state of the art vessels

Offshore Vessels | Barges | Tugs and others

- Two high-end offshore construction vessels; Boa Deep C and Boa Sub C, built in 2004 and 2007 respectively
- EBITDA 1H18 of NOKm 20, up from NOKm -2 (neg) in 1H18
  - Boa SUBC idle late April – late June 19
  - BDC periodical class survey 1H19
  - Extraordinary. Income 1H19
- NIBD of NOKbn 1,17 up from NOKbn 1,08 YE18 incl' accrued interest
  - Some working capital effects per 2Q19 (neg)
  - Shipbrokers** average valuation per June' 2019 of NOKbn ~1.23, (semi ann' review)
- Boa Sub C on 1 years + options contract in West Africa from late June and Boa Deep to commence medium-term contract in Asia early October

Boa Offshore key P&L



** Source: According to average of two independent shipbroker valuations per 1H 2018

Boa Barges – world leading operator

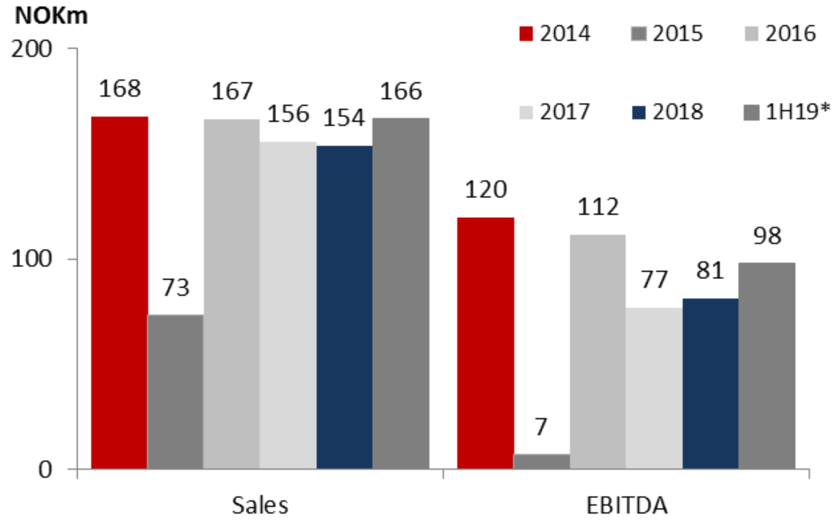
Offshore Vessels | Barges | Tugs and others

- Boa Offshore Group today operates 19 barges of different capabilities worldwide
- EBITDA 1H19 of NOKm 62, up from NOKm 46 in 1H18.
- LTM EBITDA of NOKm 98 vs full year 2018 EBITDA of NOKm 81

    2H19 expected somewhat lower H/H

- Built up an in-house engineering capacity that is unique in the industry, with its own in-house design for Barges, giving substantial competitive advantages
- Boa Offshore offers a unique combination of barges and tugs to provide total turn-key projects for transportation, launching or dry docking operations by barges
    - Has been involved in several major field developments world wide
- Robust backlog, and stable bidding and tendering activity for work in 2020-21

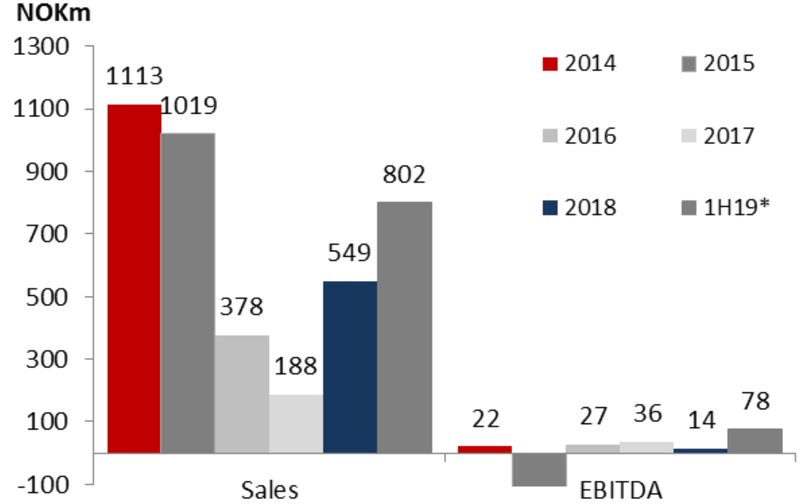
Boa Barges AS key P&L



Tugs and others

- The “other segments” include 7 tugs, smaller barges, Boa Offshore parent/Management activities and AHTS Boa Bison & Boa Jarl
- EBITDA 1H19 of NOKm 43, up from NOKm -21 (neg) in 1H18
  - Helge Ingstad Contract
  - General higher activity Tugs
  - Management activities
  - Both AHTS vessels in lay-up
- LTM EBITDA of NOKm 78 vs’ full year 2018 EBITDA of NOKm 14
- Tugs has improved over the last 18-24 months
- Market outlook for all of the “other” segment is mixed with Boa Offshore Parent stable, Tugs stable at improved levels vs’ previous years, and AHTS market still considered challenging

Tugs and others key P&L



* LTM = last twelve months

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Market Outlook Summary

Barges and Tugs- Robust and stable

- Other non-Oil & Gas industries and Offshore Wind stable
- Oil & Gas modestly improving

Offshore Oil & Gas

Long-term outlook somewhat improved over the last 12-18 months on higher oil prices and improved Field Dvlp' Economics

- Slow recovery and from low levels
- Risk on sector recovery recently upped in volatile oil prices and increased macro-economic uncertainty (trade war etc)

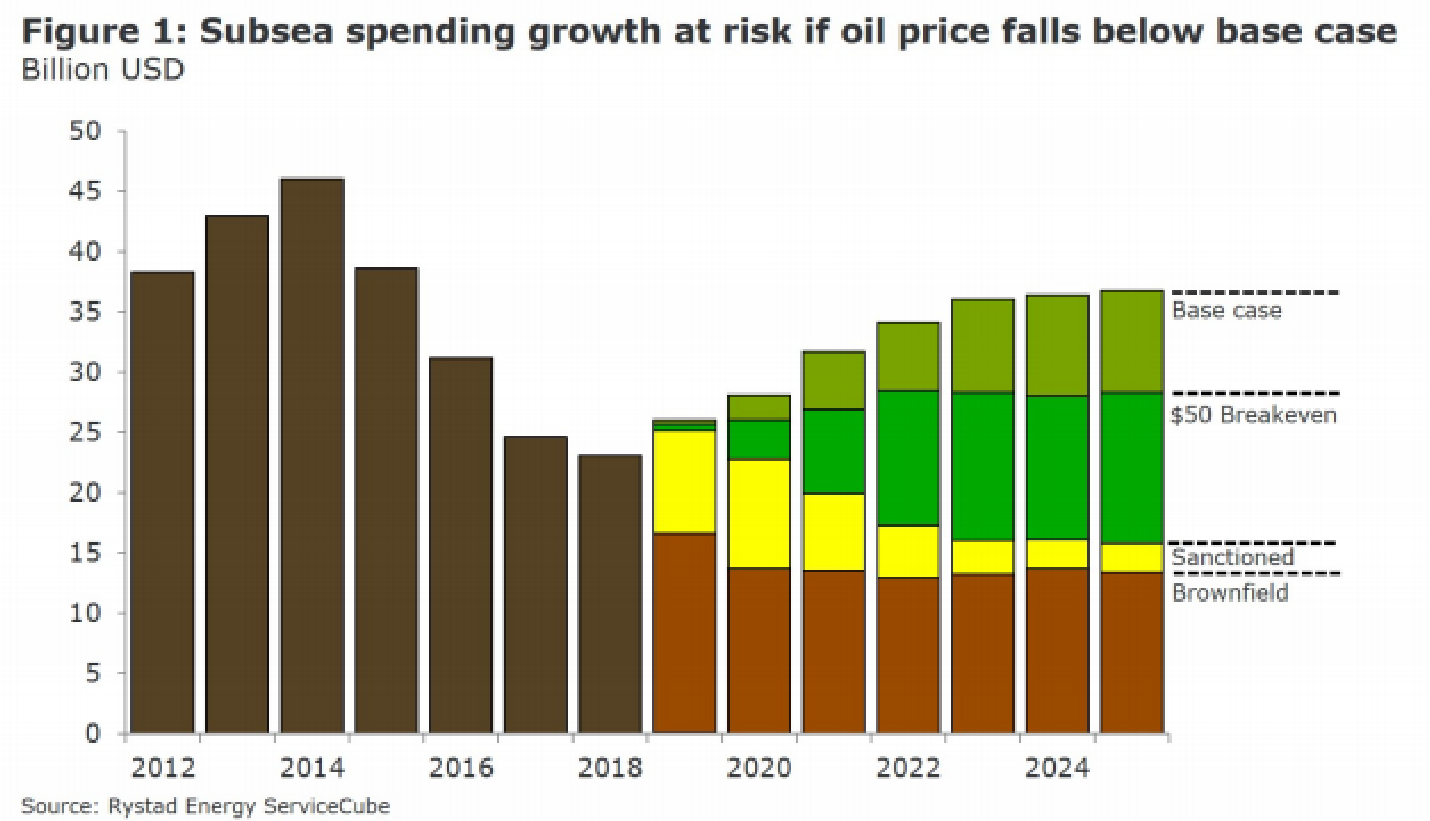
Boa OCV

- Modest increase in tenders last 6-12 months
- Rates remain subdued, only modest rates improvement Y/Y
- Utilization is still key objective

AHTS

- Improvement in demand drivers, i.e Rig Count, in the North Sea
- Supply Overhang of idle/laid up vessels
- Need (notable) improvement in other regions, i.e. Brazil
- Uncertain outlook

Global Subsea E&P Spending



- At around USD60/bbl the total Subsea Market will grow with CAGR of 7% to 2025
- At USD50/bbl the Subsea Market will grow by 5& to 2022, then flat
    - Short-term helped by sanctioned projects
    - Especially Brazil vulnerable to lower oil prices
- Oil COs CF decent also at USD50/bbl (ref 9 Sept Pareto E&P Spending Survey)
    - Hurdle Rates and Break-even prices below USD 50/bbl

Source: Rystad, Boa Offshore, Pareto Sec'

Q&A