

Allocation board meeting held

Reference is made to the stock exchange notice by Solstad Offshore ASA (the "Company" and together with its subsidiaries, the "Group") earlier today for the approval by the extraordinary general meeting (the "EGM") of the fully financed restructuring of the Group's debt and equity (the "Restructuring").

The Company has completed the meeting of its board of directors (the "Board") pursuant to the authorisation given to it at the EGM. As per the EGM minutes and the Board's decisions, the Company has resolved as follows:

1. A share capital decrease followed by a share capital increase and a 1000:1 share consolidation (reverse split) resulting in the new share capital of the Company being NOK 291,533, consisting of 291,533 shares, each with a par value of NOK 1 (please refer to the key information published on 19 October 2020);
2. the issuance of 48,074,688 new shares to certain secured lenders, bondholders and other stakeholders with payable claims against the Group in connection with the equitisation and conversion of NOK 9.7 billion in debt at a conversion price of NOK 3.74 per share to be settled by conversion of approximately NOK 202 in debt per new share and with no cash proceeds (the "Private Placement 1");
3. the issuance of 24,517,029 new shares to certain industrial shareholders (being Aker Capital AS and Hemen Holding Limited), Jarsteinen AS (controlled by Lars Peder Solstad (the "CEO") with family) and Espedal & Co AS (controlled by the chairman of the Board), at subscription prices per share of between NOK 2.68 and NOK 2.80, raising gross proceeds of NOK 65,959,281 (the "Private Placement 2" and together with the Private Placement 1, the "Private Placements");
4. the issuance of 4,422,026 standalone subscription rights (warrants) to certain banks, each giving the right to subscribe for one share at a conversion price of NOK 3.74 per share;
5. the issuance of a convertible loan in the amount of NOK 2,810,464 to certain industrial shareholders (being Aker Capital AS and Hemen Holding Limited) and Jarsteinen AS; and
6. the issuance of 5,038,187 warrants to the CEO as an element in his management incentive plan.

The shares issued in the Private Placement 2 and upon conversion of the convertible loan (see items 3) and 5) above) are subject to a lock-up agreement for a period of three years, or for Aker Capital AS and Hemen Holding Limited until such earlier point in time when they are no longer offered a board position in the Company. Hemen Holding Limited will not be offered a board position after 31 December 2021 and will accordingly be released from the lock up at such time.

SUBSEQUENT OFFERING

Further to the resolutions above, the Company shall carry out a subsequent offering of 1,336,973 new shares at a subscription price of NOK 2.80 per share to raise gross proceeds of up to NOK 3,743,525 (the "Subsequent Offering") towards shareholders as of 20 October 2020, as registered in the VPS on 22 October 2020 (the "Record Date"), who may not participate in the Private Placements (other than Vard Group AS) and who do not reside in a jurisdiction where such offering would be unlawful, or would (in other jurisdictions than Norway) require any prospectus filing, registration or similar action ("Eligible Shareholders").

Eligible Shareholders will be granted 8.33103381 non-transferable subscription rights for each share registered as held by such Eligible Shareholder on the Record Date, on a consolidated basis, rounded down to 0 or to the nearest whole subscription right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one share in the Subsequent Offering. Over-subscription is allowed for Eligible Shareholders. Subscription without subscription rights will not be allowed.

The subscription period for the Subsequent Offering commences on 26 October 2020 at 09:00 CET and expires on 9 November 2020 at 16:30 CET (the "Subscription Period"). Subscription rights not used to subscribe for shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

The Company has engaged Arctic Securities AS as manager (the "Manager") and Wikborg Rein Advokatfirma as legal advisor in connection with the Private Placements and the Subsequent Offering.

The Prospectus, including the subscription form for the Subsequent Offering, is available at <https://www.solstad.com/> and <https://www.arctic.com/> and is also available free

of charge at the business offices of the Company at Nesavegen 39, 4280 Skudeneshavn, Karmøy, Norway and may be obtained by contacting the Manager.

Subscriptions may be made by duly completing and delivering the subscription form, in accordance with the terms and conditions set out in the Prospectus, to the Manager. Subscribers who are Norwegian citizens may also subscribe for Offer Shares by following the link on <https://www.arctic.com/>, which will redirect the subscriber to the VPS online subscription system. In order to use the online subscription system, the subscriber must have, or obtain, a VPS account number. All online subscribers must verify that they are Norwegian citizens by entering their national identity number (Norwegian: "personnummer").

Skudeneshavn, 20 October 2020

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This information is subject of the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.