

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

To the bondholders in:

ISIN NO 001 0670441

FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018 ("SIOFF01")

ISIN NO 001 0708670

FRN Siem Offshore Inc. Senior Unsecured Convertible Bond Issue 2018/2023 ("SIOFF02")

Important notice: due to the outbreak of the corona virus Covid-19, bondholders are encouraged to abstain from appearing in person at the bondholder meeting, and instead participate by proxy as described below. The Issuer may be prevented from arranging the meeting as a physical meeting. Bondholders should note that additional information on proceedings of the meeting may be given on short notice and announced on the issuer's profile on www.stamdata.no and the Issuer's website.

Oslo, 22 January 2021

Summons to Bondholders' Meetings

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in SIOFF01 and SIOFF02 (each a "**Bond Issue**", collectively the "**Bond Issues**" or the "**Bonds**" issued by Siem Offshore Inc. as issuer (the "**Issuer**" or the "**Company**", and together with its subsidiaries, the "**Group**").

The Issuer has requested the Bond Trustee to summon Bondholders' Meetings under each Bond Issue to consider the approval of the Proposal (as further set out and defined under Clause 3 below). The Proposal is an offer from the Issuer to the Bondholders to redeem all the Bonds, against a combination of cash payment (in respect of SIOFF01 only) and conversion of the Bonds to shares in the Issuer. The Proposal is part of a more comprehensive implementation of a solution to the restructuring process in the Group (the "**Restructuring**").

Capitalised terms used herein shall, unless otherwise set out herein or required by the context, have the meaning ascribed to them in:

- (a) the agreement originally dated 28 January 2013, as amended and restated on 28 June 2017, between the Issuer and the Bond Trustee in respect of SIOFF01 (the "**SIOFF01 Bond Loan Agreement**", and
- (b) the agreement originally dated 26 March 2014, as amended and restated on 28 June 2017 and 3 May 2018, between the Issuer and the Bond Trustee in respect of SIOFF02 (the "**SIOFF02 Bond Loan Agreement**", and together with the SIOFF01 Bond Loan Agreement, the "**Bond Loan Agreements**").

In these summons:

"**Bond Liabilities**" means the SIOFF01 Bond Liabilities and the SIOFF02 Bond Liabilities.

"**Initial Cut-Off Date**" means 31 December 2020.

"**Longstop Date**" means 30 June 2021.

"**Material Company**" means each of the Issuer, Secunda Canada LP, Siem Offshore Rederi AS, Siem AHTS Pool AS, Siem Pilot DA, Secunda Operating GP Inc., 3260814 Nova Scotia Limited, Singa Star Pte. Ltd. and Siem Offshore Australia Pty Ltd. and each of the following entities:

- (a) any Subsidiary of the Company whose total assets represent 10 per cent. or more of the total consolidated assets of the Group;
- (b) any Subsidiary of the Company whose total operating income represents 10 per cent. or more of the total consolidated operating income of the Group; and
- (c) any other Subsidiary of the Company to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Company, or (B) sufficient assets of the Company that such Subsidiary would have been a Material Company had a transfer occurred on or before the relevant date.

"**Restructuring Effective Date**" means the date on which the Restructuring is declared effective by the parties to the Restructuring Term Sheet, which effectiveness includes the share subscriptions concerning the Bondholders having been approved and settled.

"**Restructuring Term Sheet**" means a restructuring term sheet between the Group and the Secured Lenders.

"**Second Cut-Off Date**" means the date falling five (5) business days prior to the Restructuring Effective Date.

"**Secured Lenders**" means the European banks and other institutions which currently are lenders to the Group, and the export credit guarantors guaranteeing certain of those banks and other institutions.

"**SIOFF01 Bondholders**" means the holders of the SIOFF01 Bonds.

"**SIOFF01 Bonds**" means the Bonds issues under SIOFF01.

"**SIOFF01 Bond Liabilities**" means any and all amounts and liabilities owing by the Issuer to the SIOFF01 Bondholders under or pursuant to the SIOFF01 Bond Loan Agreement, for the avoidance of doubt including all SIOFF01 Bonds, amounting to NOK 365,704,435.08 calculated as of the Initial Cut-Off Date.

"**SIOFF02 Bondholders**" means the holders of the SIOFF02 Bonds.

"**SIOFF02 Bonds**" means the Bonds issues under SIOFF02.

"**SIOFF02 Bond Liabilities**" means any and all amounts and liabilities owing by the Issuer to the SIOFF02 Bondholders under or pursuant to the SIOFF02 Bond Loan Agreement, for the avoidance of doubt including all SIOFF02 Bonds, amounting to NOK 768,556,917.19 calculated as of the Initial Cut-Off Date.

The information in this summons regarding the background, Issuer, the described transactions and the Proposal are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this notice including appendices in their entirety.

1. BACKGROUND

The restructuring process in the Group has been ongoing over time and the Issuer refers to the resolutions adopted in the Bondholders' Meeting on 30 October 2020, where the Bondholders approved suspension, deferral and standstill arrangements in the Issuer and certain of its subsidiaries. In the Bondholders' Meeting on 30 December 2020, these arrangements were extended until 31 March 2021.

The restructuring process in the Group has continued and the Group expects to enter into the Restructuring Term Sheet very shortly and no later than 28 February 2021.

The main terms of the Restructuring Term Sheet include:

- Total equitization of approximately USD 268 mill of debt, including:
 - Bond debt: USD 129 mill
 - Secured bank debt: USD 132 mill
 - Hedging liabilities: USD 7 mill
- Remaining debt to continue to be guaranteed by SIOFF and to be serviced in full, in part or by cash sweep only depending on categorization based on contract situation, current market conditions and forecast
- Extension of maturity for facilities with original maturity date before 31 December 2024
- Revised financial covenants
- Revised general undertakings
- Implementation subject to satisfactory refinancing solution with the Brazilian banks

As part of the Restructuring, the Secured Lenders require the Bondholders to accept (i) redemption of all SIOFF01 Bonds and settlement of all SIOFF01 Bond Liabilities, against a part payment in cash of USD 4,000,000 (the "**SIOFF01 Cash Payment**") and conversion of the remaining SIOFF01 Bond Liabilities to shares in the Issuer and (ii) redemption of all SIOFF02 Bonds and settlement of all SIOFF02 Bond Liabilities against conversion of all SIOFF02 Bond Liabilities to shares in the Issuer.

The Bonds (less the SIOFF01 Cash Payment) will be converted at a conversion rate of NOK 0.10 per share, reflecting the same conversion rate as all other debt to be equitized in the Issuer in the Restructuring. The aggregate amount of such other debt to be equitized as of the Initial Cut-Off Date is approximately USD 139 mill, of which principal and accrued interest under the credit agreements with the Secured Lenders represents approximately USD 132 mill (the "**Equitized Senior Liabilities**") and negative marked to market values exceeding collateral under hedging agreements with the Secured Lenders represents approximately USD 7 mill (the "**Equitized Hedging Liabilities**", and together with the Equitized Senior Liabilities, the "**Other Conversion Debt**"). The amount of Equitized Senior Liabilities will be fixed as of the Initial Cut-Off Date based on an agreed USD-NOK FX rate of 8,5326 (the "**Agreed FX Rate**"), while the amount of the Equitized Hedging Liabilities will be calculated as of the Second Cut-Off Date based on the Agreed FX Rate. The final amount of the Equitized Hedging Liabilities (and accordingly the Other Conversion Debt) will depend on the development of the marked to market values of the hedging agreements up to the date of termination of the same, such date not to be later than the Second Cut-Off Date.

The final amount of Other Conversion Debt is, in addition to the Equitized Hedging Liabilities, dependent on potential divestments of vessels and potential conversion of debt owed to the Brazilian banks. The cash payment (in respect of SIOFF01 only) and the shares will be distributed: (i) to the Bondholders pro rata to their claim in the Issuer; and (ii) between the Bond Issues based on their relative claim, in each case calculated as of the Restructuring Effective Date (and including accrued interest up to and including, the Restructuring Effective Date).

Interest accruing under the Bond Agreements from the Initial Cut-Off Date to and including the Restructuring Effective Date shall be added to the principal amount outstanding under the relevant Bond

Agreement on the Restructuring Effective Date, and will be included in the amount of Bond Liabilities to be converted to equity in the Issuer. Based on figures as of the Initial Cut-Off Date, the Bondholders are expected to receive shares corresponding to an ownership share in the Issuer of approximately 14% (for the SIOFF 01 Bondholders) and 32% (for the SIOFF 02 Bondholders). Based on figures as of the Initial Cut-Off Date, the existing shares in the Issuer are expected to represent approximately 4% and the total converted debt (including that of the Bondholders) will represent approximately 96% of the shares in the Issuer. The indicated ownership shares represent an estimate only, and the final allocation will depend on the factors described above.

On the basis of the above, and in accordance with Clause 16.2 of the SIOFF01 Bond Loan Agreement and Clause 19.2 of the SIOFF02 Bond Loan Agreement, the Issuer has therefore approached the Bond Trustee to convene a Bondholders' Meeting in order to (briefly summarized) obtain approval to:

1. within the Longstop Date, settle the SIOFF01 Bond Liabilities and redeem all the SIOFF01 Bonds by (i) the SIOFF01 Cash Payment and (ii) conversion of the remaining amount to shares in the Issuer, both distributed to the SIOFF01 Bondholders pro rata to their claim calculated as of the Restructuring Effective Date;
2. within the Longstop Date, settle the SIOFF02 Bond Liabilities and redeem all the SIOFF02 Bonds by conversion of the outstanding amount to shares in the Issuer, distributed to the SIOFF02 Bondholders pro rata to their claim calculated as of the Restructuring Effective Date;
3. authorise the Bond Trustee to act for the Bondholders to implement the below Proposal, to subscribe to the shares for the Bondholders, and generally to act for the Bondholders to give effect to or better implement the Proposal; and
4. subject to the exceptions set out below, waive the application of the default provisions in the Bond Loan Agreements prior to and during the period up until the Restructuring Effective Date, (all as more detailed in the below Proposal).

The Issuer believes that the Proposal will represent a good solution for the Bondholders considering the current financial condition of the Issuer and the Group.

2. CONDITIONS AND EFFECTIVE DATE

The Proposal shall be effective from the time it has been approved by the Bondholders in the Bondholders' Meeting, as evidenced by a notice from the Bond Trustee. However, it shall be a condition for the Proposal to remain effective, that the Restructuring Term Sheet is signed by 28 February 2021 and the Restructuring Effective Date occurs within the Longstop Date. If the Restructuring Term Sheet is not signed by 28 February 2021 or the Restructuring Effective Date has not occurred prior to the Longstop Date, or if the Restructuring Term Sheet is terminated prior to the Longstop Date, then the Bondholders will not be bound by the Proposal (if approved in the Bondholders' Meeting) and the Bond Loan Agreements will continue unamended and in full force and effect.

3. THE PROPOSAL

The Issuer proposes the following (the proposals set out in Sections 3.1 to 3.13 hereinafter together referred to as the "**Proposal**"):

The Issuer propose the following to the Bondholders (the "**Proposal**):

In respect of SIOFF01:

3.1 All of the SIOFF01 Bond Liabilities shall as soon as practically possible and latest within the Longstop Date be settled as follows: (i) by a cash payment to the SIOFF01 Bondholders in the amount of USD 4,000,000 pro rata to their claim calculated as of the Restructuring Effective Date , and (ii) the residual claim of the SIOFF01 Bond Liabilities, shall be converted into shares in the Issuer, at the same conversion rate as will be used to convert the Other Conversion Debt into shares, such shares to be

distributed to the SIOFF01 Bondholders pro rata to their claim calculated as of the Restructuring Effective Date.

3.2 The Bond Trustee (acting on behalf of the SIOFF01 Bondholders) shall subscribe for the above shares in the Issuer. The total amount subscribed and the amount of the cash payment (USD 4,000,000) shall be settled by payment through the Paying Agent to the SIOFF01 Bondholders pro rata to their claim as calculated on the Restructuring Effective Date by setting off the amounts against the SIOFF01 Bond Liabilities.

3.3 . The said cash payment and conversion of the residual claim to shares in the Issuer shall constitute full and final settlement of any and all amounts and obligations of the Issuer to the SIOFF01 Bondholders, and the SIOFF01 Bonds shall be redeemed and cancelled.

3.4 The cash payment of USD 4,000,000 due to the SIOFF01 Bondholders shall be made by the Issuer by payment through the Paying Agent to the SIOFF01 Bondholders pro rata to their claim as calculated on the Restructuring Effective Date within 5 Business Days after the Restructuring Effective Date.

In respect of SIOFF02:

3.5 All of the SIOFF02 Bond Liabilities shall as soon as practically possible and latest within the Longstop Date be settled by converting the claim of the SIOFF02 Bond Liabilities into shares in the Issuer, at the same conversion rate as will be used to convert the Other Conversion Debt into shares, such shares to be distributed to the SIOFF02 Bondholders pro rata to their claim calculated as of the Restructuring Effective Date.

3.6 The Bond Trustee (acting on behalf of the SIOFF02 Bondholders) shall subscribe for the above shares in the Issuer. The total amount subscribed shall be settled through the Paying Agent to the SIOFF02 Bondholders pro rata to their claim as calculated on the Restructuring Effective Date by setting off the amounts against the SIOFF02 Bond Liabilities.

3.7 The said conversion of the claim to shares in the Issuer shall constitute full and final settlement of any and all amounts and obligations of the Issuer to the SIOFF02 Bondholders, and the SIOFF02 Bonds shall be redeemed and cancelled.

In respect of each Bond Issue:

3.8 The conversion of the Bond Liabilities to shares in the Issuer will be effected at the same time and at the same conversion rate as the Other Conversion Debt;

3.9 The shares in the Issuer to be issued to the SIOFF01 Bondholders and the SIOFF02 Bondholders will be registered with the Norwegian Central Securities Depository (Euronext VPS) and listed on the Oslo Stock Exchange under the same ISIN as the currently outstanding shares of the Issuer.

3.10 The Issuer and the Bond Trustee are entitled to provide any calculation to be adjusted or rounded downwards in order to complete the distribution of the cash payment, and the conversion into shares, or in connection with any other resolution or action contemplated by this Proposal.

3.11 The application of the default provisions in the Bond Loan Agreements for any Event of Default having occurred, or occurring prior to or during the period up until the Restructuring Effective Date, is waived, provided that such waiver shall automatically lapse on the earlier to occur of:

- (a) expiry or effective termination of the Restructuring Term Sheet;
- (b) the date on which (A) a liquidator, receiver, administrator, Controller (as defined in the Corporations Act 2001 (Commonwealth of Australia)) or other similar office is appointed (including without limitation opening of court administered debt negotiations (Nw. *gjeldsforhandling*) or reconstruction (Nw. *rekonstruksjon*) with respect to any Material Company,

or (B) any Material Company 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);

- (c) the date on which any attachment, sequestration, distress, execution or analogous event which affects the whole or any substantial part of the property, undertaking or assets of any Material Company has remained undischarged for a period exceeding thirty (30) days; and
- (d) the date on which the required majority of the Secured Lenders accelerates the liabilities under a facility agreement between a member of the Group and such Secured Lenders, which results in the termination of the Restructuring Term Sheet.

3.12 This Proposal is contingent on:

- (a) the Company delivering to the Bond Trustee no later than on the Restructuring Effective Date, an undertaking by the Company's board of directors in favour of the Bond Trustee (for the benefit of the Bondholders) not to carry any equity issues directed exclusively at Siem Industries Inc. for a period of 12 months following the Restructuring Effective Date;
- (b) the Restructuring Term Sheet being signed by 28 February 2021; and
- (c) the Restructuring Effective Date becoming effective prior to the Longstop Date.

3.13 The Bondholders authorise the Bond Trustee to vote in favour of any issue with a view to implementing the above, to subscribe for the shares on behalf of the Bondholders, to amend the Bond Loan Agreements if so required or desired, and to take any action, negotiate, adjust, amend, finalise, enter into and deliver any agreements, notices, arrangements or other documentation and generally (without limitation) to do any and all other acts, matters and things necessary to give effect to or for better implementing the above, all in the Bond Trustee's discretion.

4. SUPPORT FROM BONDHOLDERS

The Issuer has informed the Bond Trustee that it has obtained undertakings from key Bondholders representing a substantial share of all Bonds entitled to vote that they support the restructuring process of the Group and that they will vote in favour of the Proposal.

5. NON-RELIANCE

The request is put forward from the Issuer to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable and vote accordingly.

6. FURTHER INFORMATION

For more detailed information about the Issuer or the Proposal, please see www.siemoffshore.com or contact:

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CFO
Siem Offshore Inc.
Cell: +47 90 19 90 51

7. BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting for each of the Bond Issues:

Time: 5 February 2021, 12:00 hours (Oslo time),

Place: The premises of Nordic Trustee AS
Kronprinsesse Märthas plass 1, 7th floor
N-0160 Oslo

Agenda:

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

It is proposed that each Bondholders' Meeting resolves the following:

"The Proposal (as defined in section 3 above) is approved by the Bondholders' Meeting, on the condition as set out in section 2 above. The Proposal is adopted even if the Bondholders' Meeting for the other Bond Issue does not approve the Proposal.

The Bond Trustee is authorised to enter into the necessary agreements in connection with decisions made by the Bondholders' Meeting in the relevant Bond Issue as well as carry out necessary completion work, including making necessary amendments to the Bond Loan Agreements in each Bond Issue."

To approve the above resolution, Bondholders representing at least 2/3 of the Voting Bonds (as defined in each of the Bond Loan Agreements) represented by in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least half of the Voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Loan Agreements will remain unchanged.

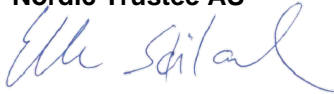
Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. If the bonds are held in custody – i.e. the owner 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 Bond 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 the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail or post – please see the first page of this letter for further details). At the Bondholders' Meeting votes may be cast based on Bonds held at close of business on the day prior to the date of 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 the Bond Trustee, to notify the Bond Trustee by telephone or e-mail (mail@nordictrustee.no) within 16:00 hours (4pm) (Oslo time) the Banking Day before the meeting takes place. Please note that those who intend to register their proxies electronically with VPS must do so within 20:00 hours (8 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

Nordic Trustee AS



Ellen Søliland

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Enclosed: Annex 1: Bondholder's Form

ANNEX 1 – BONDHOLDER’S FORM