

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

To the bondholders in:

ISIN NO 001 0708670

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

ISIN NO 001 0670441

FRN Siem Offshore Inc. Senior Unsecured Bond Issue 2013/2018 (the "Non-Convertible Bond Issue")

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, 29 May 2020

Summons to Bondholders' Meetings

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

Capitalised terms used herein shall, unless otherwise defined, have the meaning ascribed to them in:

- (a) 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 the Convertible Bond Issue (the "**Convertible Bond Loan Agreement**"); and
- (b) 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 the Non-Convertible Bond Issue (the "**Non-Convertible Bond Loan Agreement**", and together with the Convertible Bond Loan Agreement, the "**Bond Loan Agreements**").

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.

In these summons:

"**Effective Date**" means the date on which the Bond Trustee notifies the Issuer that the conditions set out in Clause 2 (*Conditions and Effective Date*) have been satisfied.

"**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.

"**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.

"**Secured Lenders Deferral Agreement**" means the standstill agreement dated 26 May 2020 between, the Issuer, the other obligors in the Group and the Secured Lenders which, *inter alia*, will suspend the payment of interest and principal for the period up to and including 30 April 2021, includes certain undertakings from the Secured Lenders not to accelerate or enforce any of the debt owing to them from the Group as a result of non-payment of principal and interest or breach of financial covenants, for the tenor of the Secured Lenders Deferral Agreement and subject to the terms of the Secured Lenders Deferral Agreement.

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

Reference is made to the summons for bondholders' meetings dated 16 March 2020, the resolutions of the Bondholders dated 31 March 2020 and the letter from the Issuer to the Bondholders dated 27 March 2020. Reference is further made to the Issuer's notices to the Oslo Stock Exchange dated 18 May 2020 and 28 May 2020, in which the Issuer updated the market on the standstill agreement with the Secured Lenders.

As a consequence of the liquidity situation in the Group, the Group has requested its Secured Lenders to defer payment of principal and interest, and subject to the terms of the Secured Deferral Standstill Agreement the Secured Lenders have agreed to such request. The Secured Lenders Deferral Agreement will improve the Issuer's cash flow and liquidity and secure sufficient cash to operate the fleet in a challenging offshore market with possible down time caused by covid-19, during the next 11 months.

The intention is for the Issuer and its lenders to use the standstill period to agree a long-term plan to take the Issuer through the prolonged downturn and preserve the earnings capability to allow for repayment of debt when the market recovers.

It is a condition subsequent under the Secured Lenders Deferral Agreement that the Bondholders agree to a deferral of all interest, amortisation and other payments under the Bond Loan Agreements, and not to exercise any right of acceleration against the Issuer that the Bondholders might have under the relevant Bond Loan Agreement based on any breach of financial covenants or any material adverse change clause, prior to the expiry of the Deferral Period (as defined below).

Further to the above, in accordance with Clause 19.2 (*Procedural rules for Bondholders' meetings*) of the Convertible Bond Loan Agreement and Clause 16.2 (*Procedural rules for Bondholders' meetings*) of the Non-Convertible Bond Loan Agreement, the Issuer has approached the Bond Trustee to convene Bondholders' Meetings in order to obtain the Bondholders' approval to temporarily suspend and defer payment of interest and principal falling due in the period after and including the Effective Date and ending on (and including) the earlier to occur of:

- (a) 30 April 2021;
- (b) expiry or effective termination of the Secured Lenders Deferral Agreement;

- (c) 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); 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 Material Company,

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

Additionally, the Issuer will request the Bondholders to waive the financial covenants in the Bond Loan Agreements for the duration of the Deferral Period and not to exercise any right of acceleration against the Issuer that the Bondholders might have under the relevant Bond Loan Agreement based on any material adverse change clause during 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 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 Bond Trustee receives a copy of the executed Secured Lenders Deferral Agreement, together with evidence that the condition precedents thereunder have been satisfied or waived by the Secured Lenders.

3. LEGAL COUNSEL

The Bond Trustee shall be entitled to, on behalf of the Bondholders, to appoint legal counsel at the expense of the Issuer (subject to fee estimates being reasonable and approved by the Issuer) in connection with the long-term plan for the restructuring of the Issuer and the Group.

4. THE PROPOSAL

The Issuer proposes the following (the proposals set out in Sections 4.1, 4.2 and 4.3 hereinafter together referred to as the "**Proposal**"):

4.1 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, interests or default interest under any Bond Loan Agreement (other than, with respect to the Convertible Bond Loan Agreement, conversion of Bonds to shares in the Company).*
- (b) *The Bondholders further irrevocably agree and confirm that any scheduled payments, repayments, prepayments, redemption or amortisation or mandatory payments of any principal, interest, default interest (on interest), under the Bond Agreements which falls due during the Deferral Period shall be postponed until the last date of the Deferral Period.*

4.2 Waiver of financial covenants

- (a) *The Bondholders under the Convertible Bond Loan Agreement waive the financial covenants set out in Clause 16.4 (Financial covenants) of the Convertible Bond Loan Agreement for the period from and including 30 June 2020, to and including the last day of the Deferral Period.*

- (b) *The Bondholders under the Non-Convertible Bond Loan Agreement waive the financial covenants set out in paragraph (e) (Financial covenants) of Clause 13.4 (Special Covenants) for the period from and including 30 June 2020 to and including the last day of the Deferral Period.*

4.3 Standstill

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 declaration that the Outstanding Bonds or any accrued interest, are due and payable, based on a breach by the Issuer of (i) Clauses 16.4 (Financial covenants) and/or 18.1 (i) (Material Adverse Change) of the Convertible Bond Loan Agreement and/or (ii) Clauses 13.4 (Special Covenants) paragraph (e) (Financial covenants) or 15.1 (i) (Material Adverse Change) of the Non-Convertible Bond Loan Agreement.

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:

Dagfinn Lie
CFO
Siem Offshore Inc.
Cell: +47 38 60 04 14

7. BONDHOLDERS' MEETING

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

Time: 15 June, 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 4 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."

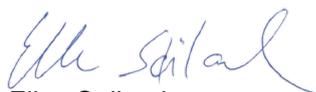
To approve the above resolution, Bondholders representing at least 2/3 of the Voting Bonds (as defined in each of the Bond Agreements) represented by in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least half of the Voting Bonds must be represented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

Enclosed: Annex 1: Bondholder's Form

 Annex 2: Copy of notice to Oslo Stock Exchange dated 18 May 2020

 Annex 3: Copy of notice to Oslo Stock Exchange dated 28 May 2020

ANNEX 1 – BONDHOLDER’S FORM

ANNEX 2 - COPY OF NOTICE TO OSLO STOCK EXCHANGE DATED 18 MAY 2020

Company update

Reference is made to the stock exchange announcement of 1 April 2020. The Company has today agreed with the secured lenders in Norway and Europe to extend the current standstill agreement until 29 May 2020. The Company and the lenders have, conditional on credit committee approvals, reached principal agreement on the terms of a long-term standstill with an aim to agree a comprehensive plan to take the Company through the prolonged downturn. The discussions with the banks are positive and we expect to execute a final agreement shortly.

ANNEX 3 – COPY OF NOTICE TO OSLO STOCK EXCHANGE DATED 28 MAY 2020

Agreement with its Banks

Siem Offshore Inc. (the "Company") has on 26 May 2020 entered into an agreement with the Group's secured lenders in Europe and Norway for a standstill agreement for the period from 29 May 2020 until 30 April 2021. The terms of the agreement includes 100% deferral of principal and interest until the end of the standstill period. The agreement also includes a waiver of financial covenants, including loan-to-value provisions. The Company has similar discussions ongoing with the secured lenders in Brazil and Canada, and the standstill agreement is conditional on agreement with these banks.

The standstill agreement is further conditional upon reaching an agreement with the bondholders of the NOK350 million senior unsecured bond (SIOFF01) due 30 October 2020 and the NOK760 million senior unsecured convertible bond (SIOFF02) due 4 November 2023, to defer payments and suspend acceleration rights until the expiry of the deferral period on 30 April 2021.

The standstill agreement will improve the Company's cash flow and liquidity and secure sufficient cash to operate the fleet in a challenging offshore market with possible down time caused by covid-19, during the next 11 months. The intention is for the Company and its lenders to use the standstill period to agree a long-term plan to take the Company through the prolonged downturn and preserve the earnings capability to allow for repayment of debt when the market recovers.