

PROSPECTUS



Eidesvik

Eidesvik Offshore ASA

(a public limited liability company organised under the laws of Norway)

Listing of 24,000,000 Private Placement Shares issued in a Private Placement, 2,000,000 Shares issued through a Debt Conversion, and listing of up to 6,000,000 Offer Shares to be issued in connection with the Subsequent Offering on Oslo Børs

Subsequent Offering of up to 6,000,000 Offer Shares

Subscription Price: NOK 5 per Offer Share

Subscription Period: from 5 March 2018 to 19 March 2018

This Prospectus (the "**Prospectus**") has been prepared in order to provide information regarding Eidesvik Offshore ASA ("**Eidesvik Offshore**" or the "**Company**"), and together with its consolidated subsidiaries, the "**Group**") and its business in connection with (i) the listing of 24,000,000 new Shares in the Company issued in a private placement (the "**Private Placement Shares**") directed towards certain existing shareholders in the Company (the "**Private Placement**"); the listing of 2,000,000 new Shares in the Company issued through a conversion of the Company's shareholder loan of MNOK 30 from the Company's largest shareholder, Eidesvik Invest AS (the "**Debt Conversion**"); and (ii) the offering and listing of up to 6,000,000 new Shares in the Company (the "**Offer Shares**") each at a subscription price of NOK 5 per Offer Share (the "**Subsequent Offering**").

The Company's shareholders per 8 January 2018, as registered in the Norwegian Securities Depository (the "**VPS**") per 10 January 2018 (the "**Record Date**") who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action and who were not (i) invited to apply for Shares in the pre-sounding of the Private Placement; or (ii) allocated shares in the Private Placement, (the "**Eligible Shareholders**") are being granted non-transferable allocation rights (the "**Allocation rights**") that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering. Eligible Shareholders will be granted approximately 1.5788 allocation rights for each of the Company's shares (the "**Shares**") held per 8 January 2018 (as registered in VPS per 10 January 2018). Each Allocation Right will give the right to be allocated one Offer Share in the Subsequent Offering. The subscription period commences on 5 March 2018 and expires on 19 March 2018 at 16:30 CET (the "**Subscription Period**").

Allocation Rights that are not used to subscribe for Offer Shares prior to expiry of the Subscription Period will have no value and will lapse without compensation and consequently be of no value.

The Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction outside Norway. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers of the Offer Shares (pursuant to the exercise of Allocation Rights or otherwise) may lawfully be made. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under applicable securities laws of any state of the United States. Accordingly, the securities will not be sold within the United States. The securities referred to herein are being sold outside the United States in reliance on Regulation S under the U.S. Securities Act. For more information regarding restrictions in relation to the Subsequent Offering pursuant to this Prospectus, please see section 15.

Investing in the Company's Shares, including the Offer Shares involves risks and uncertainties. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" when considering an investment in the Company.

Manager

Pareto Securities

The date of this Prospectus is 2 March 2018

Important information

This Prospectus has been prepared solely for use in connection with the listing of the Private Placement Shares and the Shares issued through the Debt Conversion, as well as the offering and listing of the Offer Shares in the Subsequent Offering. The Private Placement Shares, the Debt Conversion Shares and the Offer Shares together being referred to as the New Shares.

For the definitions of terms used throughout this Prospectus, see Section 17 "Definitions and glossary of terms" of this Prospectus.

The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 No. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) No. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in Prospectuses, as amended, and as implemented in Norway. This Prospectus has been prepared solely in the English language. This Prospectus has been prepared in accordance with the proportionate schedules for small and medium-sized enterprises and companies with reduced market capitalisation in accordance with article 26b in the Commission Regulation (EC) No. 809/2004. The Financial Supervisory Authority of Norway (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described or referred to in this Prospectus. The Prospectus is valid for a period of twelve months from the date of approval by the Norwegian FSA.

The Company has engaged Pareto Securities AS (the "**Manager**") as the manager for the Private Placement and the Subsequent Offering.

All inquiries related to this Prospectus must be directed to the Company or the Manager. No other person has been authorized to give any information about or make any representation on behalf of the Company in connection with the listing and the Subsequent Offering and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Manager or by any of the affiliates, advisors or selling agents of any of the foregoing.

No action to approve, register or file the Prospectus has been made outside Norway. The distribution of this Prospectus and the offer of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the New Shares, see Section 15 "Selling and Transfer restrictions".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the New Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the New Shares on Oslo Børs, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor any sale of Offer Shares made hereunder, shall under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

In making an investment decision, each investor must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Private Placement, the Debt Conversion and Subsequent Offering, including the merits and risks involved. None of the Company, or the Manager, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality or suitability of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

This Prospectus and the terms and conditions of the Private Placement, the Debt Conversion and the Subsequent Offering as set out herein shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Sunnhordland district court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Private Placement, the Debt Conversion, the Subsequent Offering or this Prospectus.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

NOTICE TO UNITED KINGDOM INVESTORS

This Prospectus and any other material in relation to the Private Placement, the Debt Conversion and the Subsequent Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the EU Prospectus Directive ("**qualified investors**") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made, communicated, or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). The New Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole

or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

The Manager shall (i) only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the New Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "EEA") that has implemented the EU Prospectus Directive, other than Norway (each, a "Relevant Member State"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of New Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of New Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway and Sweden) should only do so in circumstances in which no obligation arises for the Company, or the Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company, nor the Manager have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Manager which constitute the final placement of New Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any New Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any New Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such New Shares acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where such New Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase any of the New Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 15 "Selling and Transfer Restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

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1. SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings		
A.1	Introduction and warnings	<p>This summary should be read as an introduction to the Prospectus.</p> <p>Any decision to invest in the Offer Shares should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant European Union member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent to the use of the prospectus by financial intermediaries	<p>Not applicable; financial intermediaries are not entitled to use this Prospectus for subsequent resale or final placement of securities.</p>

Section B – Issuer and any guarantor		
B.1	Legal and commercial name	<p>Eidesvik Offshore ASA</p>
B.2	Domicile/ Legal form/ Legislation/ Country of incorporation	<p>The Company's registered name is Eidesvik Offshore ASA. The Company is organised as a public limited liability company under Norwegian law, in accordance with the Norwegian Public Companies Act, and is registered with the Norwegian Register of Business Enterprises with registration number 986 942 785.</p>
B.3	Key factors of operations and principal activities	<p>Eidesvik Offshore ASA owns and operates a world-wide fleet of purpose-built vessels, providing ship services for offshore supply and transport of pipes, oil recovery and stand-by, maintenance, inspection, repair and construction of subsea installations, services for the offshore wind industry, seismic, survey and cable-laying.</p> <p>The Group seeks to charter the vessels mainly on long-term contracts in the segments Supply, Seismic and Subsea. Due to the current weak market, more vessels have recently</p>

		<p>been operated on short-term contracts. The Group's activities are managed from the headquarters in Langevåg at Bømlo.</p> <p>The Group operates 23 vessels, whereof 19 are wholly or partly owned by the Group. The Group owns 22 vessels (including vessels in Joint Ventures), whereof 19 are operated by the Group. Of the 22 fully- and partly owned vessels 7 are laid up at the date of this Prospectus.</p> <p>The Group's shipping business is organized in accordance with the special tax rules for shipping companies. The vessels are owned in various ship owning companies, and Eidesvik AS performs the general and business management functions for the ship owning companies.</p> <p>The Group's seismic fleet is mainly operated through operating company CGG Eidesvik Ship Management AS, which is located in Bergen. The Company owns 51 % of the shares, while the remaining 49 % are owned by CGG. The Group had 430 employees (full-time equivalents and including temps), whereof 46 onshore and 384 offshore, including 87 subcontracted</p>																								
B.4a	Significant recent trends affecting the Issuer and the industry in which it operates	The industry for offshore service vessels is in a period characterized by great uncertainty. Due to high volatility in oil prices in recent years, particularly exploration and development activity in the oil and gas sector is substantially reduced.																								
B.5	Description of group	<p>Eidesvik Offshore ASA is the parent company of the Group.</p> <p>Eidesvik Shipping AS is a wholly owned subsidiary of Eidesvik offshore ASA and is the largest vessel owning company in the Group, owning 9 vessels. The Company owns all other vessel owning companies in the Group with tax residency in the Norwegian Tonnage Tax system.</p>																								
B.6	Notifiable voting rights	<p>Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following shareholders owned more than 5% of the Shares on 19 September 2017:</p> <ul style="list-style-type: none"> • Eidesvik Invest AS holds 37,180,000 Shares, equal to 66.22% of the total number of issued Shares in the Company • Pareto Aksje Norge holds 3,120,995 Shares, equal to 5.56% of the total number of issued Shares in the Company 																								
B.7	Selected historical key financial information	<p>The following summary of consolidated financial information has been derived from the Company's consolidated annual financial statements for the years ended 31 December 2016 and 2015, prepared in accordance with IFRS as adopted by the EU, as well as the unaudited consolidated Interim financial statements as of and for the twelve month periods ended 31 December 2017, prepared in accordance with IAS 34.</p> <p><i>Condensed statement of comprehensive income:</i></p> <table border="1"> <thead> <tr> <th></th> <th>3 months ended 31.12.2017</th> <th>3 months ended 31.12.2016</th> <th>12 months ended 31.12.2017</th> <th colspan="2">Year ended</th> </tr> <tr> <th><i>(in NOK thousands)</i></th> <th><i>(unaudited)</i></th> <th><i>(unaudited)</i></th> <th><i>(unaudited)</i></th> <th><i>(audited)</i></th> <th><i>(audited)</i></th> </tr> </thead> <tbody> <tr> <td>Total operating income</td> <td>133,041</td> <td>209,407</td> <td>754,716</td> <td>784,106</td> <td>1,238,936</td> </tr> <tr> <td>Total operating expenses</td> <td>99,713</td> <td>73,484</td> <td>369,425</td> <td>368,822</td> <td>468,650</td> </tr> </tbody> </table>		3 months ended 31.12.2017	3 months ended 31.12.2016	12 months ended 31.12.2017	Year ended		<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	Total operating income	133,041	209,407	754,716	784,106	1,238,936	Total operating expenses	99,713	73,484	369,425	368,822	468,650
	3 months ended 31.12.2017	3 months ended 31.12.2016	12 months ended 31.12.2017	Year ended																						
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>																					
Total operating income	133,041	209,407	754,716	784,106	1,238,936																					
Total operating expenses	99,713	73,484	369,425	368,822	468,650																					

Operating profit before depreciation	33,328	135,923	385,291	415,284	770,286
Operating income before other income and expenses	-134,388	-236,341	-43,023	-385,994	158,181
Operating profit	-158,940	-378,348	138,395	-466,278	235,198
Net financial items	-61,622	-136,328	12,336	-98,962	-471,274
Pre-tax profit	-220,562	-514,676	150,731	-565,241	-236,076
Profit	-221,098	-513,905	147,368	-564,519	-239,892
Total attributed	-221,098	-513,905	147,368	-564,519	-239,892
Comprehensive income for the period	-246,180	-491,434	84,955	-584,757	-134,386

Condensed statement of financial position

	12 months ended		Year ended	
	31.12.2017	2016	2016	2015
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total fixed assets	3,563,098	4,176,819	5,130,381	
Total current assets	734,414	891,241	939,775	
Total assets	4,297,512	5,068,060	6,070,157	
Total equity	1,542,006	1,457,051	2,041,814	
Total long-term liabilities	2,285,737	3,115,595	3,509,199	
Total short-term liabilities	469,768	495,414	519,144	
Total liabilities	2,755,505	3,611,010	4,028,343	
Total equity and liabilities	4,297,512	5,068,060	6,070,157	

condensed statement of cash flow

	12 months ended		Year ended	
	31.12.2017	2016	2016	2015
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net cash flow from operations	352,290	346,142	649,250	
Net cash flow from investments	410,935	12,774	-706,753	
Net cash flow from financing	-765,782	-492,191	229,649	
Net change in cash and cash equivalents	7,702	-152,538	152,720	
Cash and cash equivalents at start of period	549,738	702,276	549,556	
Cash and cash equivalents at end of period	557,440	549,738	702,276	

	3 months ended	
	31.12.2017	31.12.2016
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flow from operating activity	76,137	112,666
Cash flow from investment activity	15,076	20,107
Cash flow from finance activity	-84,295	-126,392
Changes in cash holdings	6,918	6,381
Liquid assets at the beginning of the period	550,522	543,357
Liquid assets at the end of the period	557,440	549,738

B.8	Pro forma financial information	Not applicable. The Prospectus does not contain any pro forma financial information.
B.9	Profit forecast or estimate	Not applicable. The Prospectus does not contain any profit forecasts or estimates.
B.10	Audit report qualifications	Not applicable. The audit reports do not include any qualifications.
B.11	Working capital	The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C – Securities		
C.1	Description the type and the class of the securities and the security identification code	The Company has one class of shares in issue. The Company's Shares are registered in the VPS with NO 0010263023
C.2	Currency	NOK.
C.3	Number of issued shares and par value	At the date of this Prospectus, the Company's share capital is NOK 2,807,500 divided into 56,150,000 ordinary Shares with a par value of NOK 0.05 each. All the existing Shares are validly issued and fully paid.
C.4	Rights attached to the shares	The Company has one class of Shares in issue. All Shares provide equal rights in the Company. The New Shares offered in connection with the Subsequent Offering will in all respect be equal to the existing Shares of the Company, once the New Shares have been issued and registered with the Norwegian Register of Business Enterprises and the VPS. Each of the Shares carries one vote at the General Meeting.
C.5	Restriction on the free transferability of the shares	Not applicable. The Shares of the Company are freely transferable, subject to any local regulatory transfer restrictions. For further information regarding the sale and transfer of the Shares in jurisdictions other than Norway see Section 15 "Selling and Transfer Restrictions."
C.6	Application for admission to trading on a regulated market	The Shares are listed on Oslo Børs under ticker code "EIOF". The first day of trading of the shares issued in the Private Placement on Oslo Børs, is expected to be on or about the date of this Prospectus 2018 (however, so that the subscribers in the Private Placement other than Eidesvik Invest AS received pre-existing and tradable shares as settlement in the Private Placement pursuant to a share loan arrangement). The first day of trading of the Offer Shares on Oslo Børs, is expected to be on or about 26 March 2018. The Private Placement Shares and the Offer Shares are not to be offered or admitted to trading on any other market than Oslo Børs.
C.7	Dividend policy	Dividend distributions will require the consent of the Lenders to avoid such distribution to be a breach of the Company's financing agreements. Consequently, the Company does not anticipate paying dividends to its shareholders in the near term.

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Section D – Risks

<p>D.1</p>	<p>Key risks relating to the issuer and its business</p>	<p>Risk related to the Group and the industry in which it operates</p> <ul style="list-style-type: none"> • The Group's business, results of operations and financial condition depend on the level of exploration, development and production activity in the oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices • An over-supply of offshore support vessels may lead to a reduction in charter rates • Competition within the oil and gas services industry may have a material adverse effect on the Group's ability to market its services • Governmental laws and regulations relating to the oil and gas industry and could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and/or restrict the Group's ability to provide its services or operate its vessels • The Group's business involves numerous operating hazards and if a significant accident or other event occurs, and is not fully covered by the Group's insurance or any recoverable indemnity, it could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects • The Group's contracts may be subject to early termination due to certain events • The Group operates in various jurisdictions, thereby exposing the Group to risks inherent in international operations and subjecting the Group to compliance with the laws and regulations of the jurisdictions in which it operates <p>Operational risk</p> <ul style="list-style-type: none"> • The ageing of the Group's fleet may result in increased operating costs in the future and a less competitive fleet • The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues • The Group's newbuild projects are subject to risks which could cause delays or cost overruns • The market value of the vessels and/or those the Group may acquire in the future may decrease, which could cause the Group to incur losses due to impairment of book values or if it decides to sell assets • The Group may not be able to keep pace with a significant step change in technological development <p>Financial risk</p> <ul style="list-style-type: none"> • The Group's loan agreements include terms, conditions and covenants that impose restrictions on the operations of the Group. A failure to comply with the conditions and covenants may have a material and adverse effect on the Group • The Group may require additional capital in the future in order to execute its growth strategy or for other purposes, which may not be available on favourable terms, or at all
<p>D.3</p>	<p>Key risks relating to the shares</p>	<p>Risk related to the Shares</p> <ul style="list-style-type: none"> • The market value of the shares may fluctuate significantly, which could cause investors to lose a significant part of their investment • Future sales, or the possibility for future sales of substantial numbers of shares may affect the shares' market price • Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares

		<ul style="list-style-type: none"> • Eidesvik Invest AS may continue to exercise considerable influence on the Group and its operations, and the interests of the other shareholders may conflict with those of other shareholders • Pre-emptive rights to secure and pay for shares in any additional issuance may be unavailable to U.S. or other shareholders
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Section E – Offer		
E.1	Net proceeds and estimated expenses	The transaction costs of the Company related to the Private Placement, the Debt Conversion and the Subsequent Offering are estimated at approximately NOK 2 million. The net proceeds of the Private Placement, the Debt Conversion and the Subsequent Offering will be approximately NOK 178 million, assuming the maximum number of Offer Shares is issued in the Subsequent Offering
E.2a	Reasons for the offer and use of proceeds	<p>The Private Placement and the debt conversion were carried out in order to fulfil the condition to obtain at least NOK 120 million in new equity and to convert the NOK 30 million shareholder loan under the Refinancing. The net proceeds from the Private Placement shall be placed on an account pledged in favour of the Lenders, and the amounts on this account shall be applied towards (i) cash pooling and/or repayment of the Loan Facilities pursuant to the cash sweep mechanism; and/or (ii) Permitted Upgrades.</p> <p>The purpose for the Subsequent Offering is to enable Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement and thereby increase equal treatment of the Company's shareholders in connection with the Refinancing, including the Private Placement and the Debt Conversion. The proceeds of the Subsequent Offering will be used to strengthen the Company's liquidity financial position.</p>
E.3	Terms and conditions of the offer	<p>The Subsequent Offering comprises an offer by the Company to issue up to 6,000,000 Offer Shares at a subscription price of NOK 5 per Offer Share (being equal to the Subscription Price in the Private Placement).</p> <p>The Subsequent Offering will be directed towards the Eligible Shareholders, being the shareholders of the Company as of 8 January 2018 (and being registered as such in the VPS on the Record Date), who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action and who were not (i) invited to apply for Shares in the pre-sounding of the Private Placement; or (ii) allocated shares in the Private Placement. Each Eligible Shareholder will be granted approximately 1.5788 non-transferable Allocation Rights, that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering. There is no minimum subscription amount to which subscriptions in the Subsequent Offering must be made. Over-subscription is permitted. Subscription without Allocation Rights is only permitted for the investors who were allocated Private Placement Shares.</p> <p>The Subscription Period in the Subsequent Offering will commence on 5 March 2018 and expire on 19 March 2018 at 16:30 CET.</p> <p>Payment for Offer Shares allocated to a subscriber falls due on or about 21 March 2018 and the Offer Shares will be registered in the VPS and delivered on or about 26 March 2018.</p>

E.4	Interests material to the offer	<p>The Manager (and/or its affiliates) has provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions.</p> <p>Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Allocation Rights (if they are Shareholders) and may exercise their right to take up such Allocation Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities issued by the Company or other investments for their own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering.</p>
E.5	Selling entity and lock-up agreements	Not applicable. All Offer Shares will be newly issued Shares and no subscriber will be subject to lock-up.
E.6	Dilution	The Subsequent Offering will result in an immediate dilution of approximately 9.7% for Eligible Shareholders who do not participate in the Subsequent Offering (but approximately 16.6% compared to the number of shares issued at year-end 2017 i.e. before the Private Placement and Debt Conversion). For existing shareholders who did not participate in the Private Placement, the Debt Conversion and do not participate in the Subsequent Offering, the combined immediate dilution will be approximately 51.5%.
E.7	Expenses charged to the investor	No expenses or taxes are charged to the subscribers in the Private Placement, the Debt Conversion or the Subsequent Offering by the Company or the Manager.

2. RISK FACTORS

2.1 General

Investing in the Shares involves inherent risks. Prior to making any investment decision with respect to the Shares, an investor should carefully consider all of the information contained in this Prospectus, and in particular the risks and uncertainties described in this section, which the Company believes are the most relevant known risks and uncertainties faced by the Group as of the date hereof. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Shares. Should any of the following risks occur, it could have a material adverse effect on the Company's business, prospects, results of operations, cash flows and financial position, and the trading price of the Company's Shares may decline, causing investors to lose all or part of their invested capital. Additional risks not presently known to the Company or which the Company currently deems immaterial may also have a material adverse effect on the Company.

A prospective investor should consult his or her own expert advisors as to the suitability of an investment in the Shares. It is not possible to quantify the significance to the Company of each individual risk factor as each of the risk factors mentioned below may materialise to a greater or lesser degree. The order in which the individual risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of the severity or significance of individual risks.

2.2 Risk Related to the Group and the Industry in which it operates

2.2.1 *The Group's business, results of operations and financial condition depend on the level of exploration, development and production activity in the oil and gas industry, which is significantly affected by, among other things, volatile oil and gas prices*

Oil and gas prices are volatile and are affected by numerous factors beyond the Group's control, including, but not limited to, the following:

- changes in the worldwide demand for oil and gas;
- the cost of producing and delivering oil and gas;
- expectations regarding future energy prices – for both oil and gas and other sources of energy;
- the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production and impact pricing and decisions taken by OPEC with respect to oil production quotas;
- level of world-wide production of oil and gas;
- governmental laws and regulations, including environmental protection laws and regulations and policies of governments regarding the exploration for and development and production of oil and gas reserves;
- the development and exploitation of alternative fuels, and the competitive, social and political position of oil and gas as a source of energy compared with other energy sources;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- political measures in response to climate change, including, but not limited to, taxation on emissions.

The demand for the Group's services depends on the level of activity and expenditure in the oil and gas industry, which are directly affected by trends in oil and gas prices. Any prolonged reduction in oil and gas prices could lead to reduced levels of exploration, development, investment and production activity, which may in turn have a material adverse effect on the Group's business, results of operations and financial condition.

2.2.2 *Competition within the oil and gas services industry may have a material adverse effect on the Group's ability to market its services*

The Group operates in the oil and gas services industry, which is a highly competitive and fragmented industry that includes several large and smaller companies that compete in the markets the Group serves, or will serve.

The Group's larger competitors may have greater resources which could allow them to better withstand industry downturns, compete more effectively on the basis of technology and geographic scope and retain skilled personnel. The Group's operations may be materially adversely affected if its current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than the Group's products and services, or expand into service areas where the Group operates. Competitive pressures or other factors may also result in significant price competition, particularly during industry downturns, which could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, competition among vessel services and equipment providers is affected by each provider's reputation for safety and quality.

2.2.3 Governmental laws and regulations relating to the oil and gas industry and could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and/or restrict the Group's ability to provide its services or operate its vessels

The Group's services are affected by governmental laws and regulations. The industry in which the Group operates is dependent on demand for services from the oil and gas industry and, accordingly, is indirectly also affected by changing laws and regulations relating to the shipping oil and gas business and/or the energy business in general. The laws and regulations affecting the Group's business and services include laws and regulations relating to protection of the environment; quality, health and safety; import–export quotas, wage and price controls, imposition of trade barriers and other forms of government regulation and economic conditions; and taxation.

The Group and its customers are required to invest financial and managerial resources to comply with these laws and regulations. The Company cannot predict the future costs of complying with these laws and regulations, and any new laws or regulations could materially increase the Group's expenditures in the future. Existing laws or regulations or adoption of new laws or regulations limiting exploration or production activities by oil and gas companies or imposing more stringent restrictions on such activities could adversely affect the Group by increasing its operating costs, reducing the demand for its services and restricting its ability to operate its vessels. Further, failure to comply with applicable laws and regulations may subject the Group to criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets.

2.2.4 Environmental risks

The activities of the Group are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Compliance with such regulation may require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating cost. Environmental laws may result in a material increase in the cost of operating the Group's units or otherwise materially adversely affect its business, profitability, cash flows and financial condition.

In addition, the Group may be subject to contractual environmental liability, which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects

2.2.5 The Group's business involves numerous operating hazards and if a significant accident or other event occurs, and is not fully covered by the Group's insurance or any recoverable indemnity, it could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects

The Group's operations are subject to hazards inherent in the industry where it operates, service down time on its vessels, equipment defects, fires, explosions and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by employees, third parties or customers and suspension of operations. The operation of the Group's vessels is also subject to hazards inherent in marine operations, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. Damage to the environment could also result from the Group's operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires.

The Group currently maintains insurance coverage for property damage, loss of hire, occupational injury and illness, general and marine third-party liabilities and war risk. Pollution and environmental risks are generally not totally insurable. As of the date of this Prospectus, the Group's vessels are covered by existing insurance policies. Although the Group carries protection and indemnity insurance, all risks may not be adequately insured against, any particular claim may not be paid and its insurance coverage will not in all situations provide sufficient funds to protect the Group from all liabilities that could result from its operations. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

The Group may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have in the past led to increased costs, and in the future may result in the lack of availability, of insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm the Group's business, results of operations and financial condition. In addition, the Group's insurance may be voidable by the insurers as a result of certain of the Group's actions, such as the Group's ships failing to maintain certification with applicable maritime self-regulatory organizations.

The amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss. The Group's coverage includes policy limits. As a result, the Group retains the risk through self-insurance for any losses in excess of these limits. Any such lack of reimbursement may cause the Group to incur substantial costs. In addition, the Group could decide to retain substantially more risk through self-insurance in the future. Moreover, no assurance can be made that the Group has, or will be able to maintain in the future, adequate insurance against certain risks. If a significant accident or other event occurs and is not fully covered by the Group's insurance or any enforceable or recoverable indemnity from a client, it could adversely affect the Group's business, results of operations and financial position.

2.2.6 *The Group operates in various jurisdictions, thereby exposing the Group to risks inherent in international operations and subjecting the Group to compliance with the laws and regulations of the jurisdictions in which it operates*

The Group operates worldwide, but the main markets is Northern Europe. The Group will from time to time operate in various jurisdictions and such international operations involve additional risks, including risks of:

- terrorist acts, war, civil disturbances and acts of piracy;
- seizure, nationalization or expropriation of property or equipment;
- political unrest;
- labor unrest and strikes;
- third party claims resulting from alleged breach of patented and other intellectual property;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- impositions of embargos;
- import–export quotas, wage and price controls, imposition of trade barriers and other forms of government regulation and economic conditions that are beyond the Group's control;
- regulatory or financial requirements to comply with foreign bureaucratic actions; and
- change in taxation policies.

In addition, international operations are subject to the various laws and regulations in various countries and jurisdictions, including laws and regulations relating to:

- the vessels and the equipment requirements;
- repatriation of foreign earnings;
- oil and gas exploration and development;
- taxation of offshore earnings and the earnings of expatriate personnel;
- customs duties on the importation of vessels and related equipment;
- requirements for local registration or ownership of vessels by nationals of the country of operations in certain countries; and
- the use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favour or effectively require (i) the awarding of contracts to local contractors or to vessels owned by their own citizens, (ii) the use of a local agent or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may materially adversely affect the Group's ability to compete in those regions.

2.2.7 *The Group's international operations are exposed to the risk of acts of piracy, which could result in increasing costs of operations*

Acts of piracy and armed robbery have historically occurred in areas where the Group has operated and there is a risk that acts of piracy and armed robbery will continue to occur in these areas. As an example, Viking Forcados, a vessel owned by the Group, was attacked by pirates in 2009. Realizing continuous and fluctuating threats, there may be future attempted attacks on the Group's fleet in various risk areas. Aside from the threat of vessel loss, acts of piracy also increases the cost of insurance for the Group to the extent that voyages travel through risk areas. The risk could be mitigated through risk assessment based security arrangements and additional insurance. However, such arrangements may not be available on commercially acceptable terms, or at all, or prove to be insufficient. In addition, crew costs could also increase in such circumstances. In any event, the Group will strive to ensure strict adherence to the latest best management practices in operations adopted by the industry when transiting risk areas. The foregoing could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition, which could be exacerbated should the Group expands its operations in countries which are subject to such or if acts of piracy and armed robbery begin to impact geographic markets in which the Group operates.

2.2.8 *The Group does business in jurisdictions with inherent risks relating to fraud, bribery and corruption*

The Group operates in a number of countries, including in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption. As a result, the Group may be subject to risks under

the US Foreign Corrupt Practices Act, the UK Bribery Act and similar laws in other jurisdictions. The Group is committed to doing business in accordance with applicable anticorruption laws as well as sanctions and embargo laws and regulations and has adopted a Code of Conduct policy which is designed to promote legal and regulatory compliance with such laws and regulations. However, the Group's employees, agents and/or partners acting on its behalf may take actions determined to be in violation of such applicable laws and regulations. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might as a result materially adversely affect the Group's business, financial condition or results of operations. In addition, actual or alleged violations could damage the Group's reputation and ability to do business. Furthermore, detecting, investigating and resolving actual or alleged violations are expensive and can consume significant time and attention of senior management.

2.2.9 The Group's backlog may not be ultimately realized

The Group may not be able to perform under its current contracts due to events beyond its control or due to default of the Group, and any of the Group's customers may seek to cancel or renegotiate contracts for various reasons, including adverse conditions, or invoke suspension periods, at their discretion, resulting in lower day rates. The Group's inability or the inability of its customers to perform obligations under these contracts may have a material adverse effect on the Group's business, results of operations and financial condition.

The operation of vessels requires effective maintenance routines and functioning equipment. Certain pieces of equipment are critical for the vessels performance of the services as required in customer contracts. While efforts are made to continuously identify the need for critical spare parts and equipment, there exists a risk of unpaid downtime resulting from the time needed to repair or replace equipment which may have a long delivery time should there not be readily available spares. In addition, downtime and suspension periods may be prolonged due to complications with repairing or replacing equipment as the vessels may be situated in remote locations. Complications in the vessels' maintenance or repair may lead to increased periods of downtime and higher repair costs, which may have a material adverse effect on the Group's business, results of operations and financial condition.

2.2.10 The Group's contracts may be subject to early termination due to certain events

The Group's contracts, inter alia the Group's charter contracts, may be subject to early termination. For various reasons, including (but not limited to) adverse market conditions, decrease in demand, increase in competition, cost saving schemes and governmental or political restrictions, any of the Group's counterparties may seek to cancel or renegotiate chartering contracts, or invoke suspension of periods, at their discretion. A continued downturn in the offshore market may result in an increase in occurrences of renegotiations, suspension or termination of charter contracts. The Group's business, results of operations and financial condition may be materially adversely affected should its counterparties terminate, renegotiate or suspend their obligations towards the Group under such contracts.

2.2.11 The Group's future business performance depends on its ability to renew and extend existing contracts, and to win new contracts

All or a considerable portion of the Group's income will be dependent on contracts. As of the date of this Prospectus, the contract coverage of the Eidesvik fleet is approx. 55% for the remaining part of 2018, excluding options, and approximately 36% for 2019, excluding options. The Group's business, results of operations and financial condition could be materially adversely affected if any of its customers fail to compensate the Group for its services, were to terminate the contract with or without cause, fail to renew the existing contract or refuse to award new contracts to the Group and the Group is unable to enter into contracts with new customers at comparable day rates.

Further, the Group's ability to extend or renew these contracts, or to obtain new contracts, will depend on the prevailing market conditions. In cases where the Group is not able to obtain new contracts in direct continuation, or where new contracts are entered into on day rates substantially below the existing day rates or on terms less

favourable compared to existing contracts terms, the Group's business, results of operations and financial condition could be materially adversely affected.

Unforeseen or unanticipated risks, costs or timing when bidding for or managing contracts could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.3 Operational risks

2.3.1 The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues

Operating revenues may fluctuate as a function of changes in supply and demand for the Group's services, which in turn affect charter rates. In addition, equipment maintenance costs fluctuate depending upon the type of activity each vessel is performing. In connection with new assignments, the Group might incur expenses relating to preparation for operations under a new contract. The expenses may vary based on the scope and length of such required preparations and the duration of the firm contractual period over which such expenditures are amortized. In a situation where a vessel faces longer idle periods, reductions in costs may not be immediate as some of the crew may be required to prepare vessels for stacking and maintenance in the stacking period. Should vessels be idle for a longer period, the Group may seek to redeploy crew members who are not required to maintain the vessels to active units to the extent possible in an attempt to reduce its costs. However, there can be no assurance that such attempt will be successful.

2.3.2 Any newbuild or material upgrade projects will be subject to risks which could cause delays or cost overruns

Completion of the construction of any newbuildings or material upgrades of existing vessels will be subject to a number of risks, including:

- unexpectedly long delivery times for, or shortages of, key equipment, parts and materials;
- unforeseen design and engineering problems leading to delays;
- labour disputes and work stoppages;
- health and safety accidents and incidents or other safety hazards;
- disputes suppliers;
- last minute changes to the specifications;
- financial or other difficulties at suppliers;
- adverse weather conditions or any other force majeure events; and
- inability or delay in obtaining regulatory approvals or permits.

Failure to complete the construction of any newbuilding or material upgrade project on time may result in the delay, renegotiation or cancellation of employment contracts secured for the relevant vessel. Further, significant delays in the delivery of the newbuildings or upgraded vessels could have a negative impact on the Group's reputation and customer relationships. The Group could also be exposed to contractual penalties for failure to commence operations in a timely manner which would adversely affect the Group's business, financial condition and results of operations.

2.3.3 The ageing of the Group's fleet may result in increased operating costs in the future and a less competitive fleet

The timing and costs of repairs on the Group's fleet are difficult to predict with certainty and may be substantial. Many of these expenses, such as dry-docking and certain repairs for normal wear and tear, are typically not covered by insurance. The required maintenance and dry-docking of the Group's vessels could be more expensive and time consuming than originally anticipated. Large repair expenses could decrease the Group's profitability and repair time may imply a loss of revenue, which in turn may have a material adverse effect on the business, results of operations, cash flows and financial condition of the Group.

2.3.4 *Disruptions of deliveries by the Group's suppliers could increase operating costs, decrease revenues and adversely impact the Group's operations*

The Group relies upon the timely receipt of satisfactory equipment and other products from third party suppliers. As a result, the Group's business is dependent on its relationships and contracts with the suppliers of its products. If a producer or supplier is unable to produce and/or supply orders to the Group in a timely manner, whether due to operational difficulties, such as inclement weather conditions, a reduction in the available production capacity or otherwise, or fails to meet the Group's quality requirements, and the Group is unable to find alternative sources to provide substitute products, this could have an adverse impact on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.5 *The Group's financial condition may be materially and adversely affected if the Group fails to successfully integrate acquired assets or businesses, or is unable to obtain financing for acquisitions on acceptable terms*

The Group may in the future make strategic acquisitions of assets and businesses to support growth and profitability. Successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, obtain required licences and authorisations and ultimately complete such acquisitions and integrate acquired business or assets into the Group. If the Group makes acquisitions, it may be unable to generate expected margins or cash flows, or realise the anticipated benefits of such acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets could prove to be incorrect, and actual developments may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully and such integration may require greater investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, government authorities or other parties. The process of integrating acquisitions may also be disruptive to the Group's operations, as a result of, among other things, unforeseen legal, regulatory, contractual and other issues and difficulties in realising operating synergies, which could cause the Group's results of operations to decline. Moreover, any acquisition may divert management's attention from day to day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, there could be a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.6 *The market value of the vessels and/or those the Group may acquire in the future may decrease, which could cause the Group to incur losses due to impairment of book values or if it decides to sell assets*

The fair market value of the vessels currently owned by the Group or those the Group may acquire in the future may increase or decrease depending on a number of factors, including (but not limited to):

- general economic and market conditions affecting the offshore industry, including competition from other offshore companies;
- types, sizes and ages of the vessels;
- supply and demand for vessels;
- cost of new buildings;
- prevailing and expected level of contract day rates; and
- technological advances.

Should the Group sell any vessels when prices have fallen, the sale may be at a loss. Such losses may have a material adverse effect on the Group's business, results of operations and financial condition. Further to the aforementioned, the current downturn in the market has created significant uncertainty in determining the fair market value of the vessels currently owned by the Group.

2.3.7 *The Group conducts a portion of its operations through joint ventures, including one with CGG, exposing it to risks and uncertainties, many of which are outside its control*

The activities of the Group are in some circumstances conducted through joint ventures, associated companies and/or companies where the Group is not the sole shareholder. The Group's ability to receive dividends and other payments from such companies depends not only upon such companies' cash flows and profits, but also upon the terms of agreements with the shareholders of such companies. Conflict or disagreement with such

shareholders may lead to deadlock and result in the Group's inability to pursue its desired strategy and/or force it to exit from such companies. Also, agreements with such shareholders, or the virtue of not being the sole shareholder, may restrict the Group's freedom to carry out its business.

Specifically, the Group owns 74.70% of Eidesvik Neptun AS and 80.11% of Eidesvik Supply AS and has entered into shareholder agreements with the other shareholders in these companies. These shareholder agreements provide the other shareholders with certain rights, inter alia to demand a sale of the relevant company's vessels. The right to demand a sale of the relevant company's vessel(s) is, in connection with the restructuring, suspended until the end of the restructuring period.

There can be no assurance that the Group's partners in such companies will continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its joint ventures and the markets in which they operate. Furthermore, the partners in such companies may (a) have economic or business interests or goals that are inconsistent with those of the Group; (b) undergo a change of control; (c) experience financial and other difficulties; or (d) be unable or unwilling to fulfil their obligations under the joint ventures, which may materially adversely affect the Group's revenues, profitability, cash flows and financial condition.

2.3.8 The Group is exposed to client concentration risk

Nine of the Group's vessels are under contracts with CCG, some of these vessels are owned and operated through a joint venture between the Group and CCGs. Consequently, the Group's business, results of operations, cash flows, financial condition and/or prospects may be adversely affected if CCG becomes unable or unwilling to perform its obligations under the relevant contracts.

2.3.9 The Group may not be able to successfully implement its strategies

The Group has in the past deployed, and in the future will deploy, new strategies and initiatives, and the Group must successfully create, develop and manage such strategies and initiatives. The Group may in the future experience periods of adaptation, transformation and change due to the deployment of new strategies and initiatives, which may generate or result in periods of uncertainty with respect to, or may have a material adverse effect on, the Group's business, financial condition, results of operations, cash flows and/or prospects. In addition, the success of such new strategies or initiatives depends on a number of factors, including, but not limited to, timely and successful execution of the new strategy and/or new initiative, market acceptance and the Group's ability to manage the risks associated with such new strategies and/or new initiatives, and there can be no assurances that any such changes to the Group's strategy and/or the adoption of new initiatives will be successful or have the impact intended by management. Accordingly, such new strategies and initiatives The foregoing may have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.3.10 The Group may not be successful in attracting skilled employees or retain key personnel

The Group's success depends, to a significant extent, on the continued services of the individual members of its management team and other employees, who have substantial experience in the industry in which the Group operates. The Group's ability to continue to identify and develop opportunities depends on the management's knowledge of and expertise in the industry and on its external business relationships. There can be no assurance that any management team member will remain with the Company. Any loss of the services of members of the management team could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's vessels require a technically skilled officer staff with specialized training. As the world fleet continued to grow, the demand for technically skilled officers and crew increased, which historically has led to a shortfall of such personnel. This could happen again if the offshore supply industry should experience an upturn. Increases in the Group's historical vessel operating expenses have been attributable primarily to the rising costs of recruiting and retaining officers for the Group's fleet. If the Group is unable to employ technically skilled staff and crew, the Group will not be able to adequately staff its vessels. A material decrease in the supply of technically skilled officers or an inability of the Group to attract and retain such qualified officers could impair

the Group's ability to operate or increase the cost of crewing the Group's vessels, which may materially adversely affect the Group's business, results of operation and financial condition.

2.3.11 Labour interruptions could have a material adverse effect on the Group's operations

Most of the crews employed on the Company's vessels are at the date of this Prospectus all organized in labour unions and on ITF approved tariffs. However, if individuals of the crew are involved in a strike or other form of labour unrest, the Company's operations may be disrupted, which may have a material adverse impact on its business, results of operations and financial condition.

2.3.12 Reputational risk

The Group's reputation and its ability to do business may be impaired by the inappropriate behaviour by any of its employees or agents or those of its affiliates. While the Group is committed to conducting business in a legal and ethical manner, there is a risk that its employees or agents or those affiliated may take actions that violate the law and could result in monetary penalties against the Group or its respective affiliates and could damage the reputation and business relationship, therefore, the ability to do business of the Group. Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability

2.3.13 The Group may not be able to keep pace with a significant step change in technological development

The market for the Group's services is characterized by continual and rapid technological developments that have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance. As a result, the Group's future success and profitability will be dependent in part upon its ability to:

- improve existing services and related equipment;
- address the increasingly sophisticated needs of its customers; and
- anticipate changes in technology and industry standards and respond to technological developments on a timely basis.

If the Group is not successful in acquiring new equipment or upgrading its existing equipment on a timely and cost-effective basis in response to technological developments or changes in standards in the industry, this may have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.14 The Group uses information technology systems to conduct its business, and disruption, failure or security breaches of these systems could materially and adversely affect its business and results of operations

The Group's operations are dependent upon IT systems and other operating systems, as well as stable business solutions. Such systems may fail, for a variety of reasons that may be outside the Group's control. Any failure or disruption to these systems or business solutions could materially harm the Group's ability to carry out its business operations and efficient services to its customers, which in turn may have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

2.3.15 The Group may be subject to litigation that could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects

The operating hazards inherent in the Group's business may expose the Group to litigation, including personal injury litigation, environmental litigation, contractual litigation with clients or other contract counterparties, intellectual property litigation, tax or securities litigation, and maritime lawsuits including the possible arrest of the Group's vessels. The Group is currently not involved in any material litigation. However, the Company may in the future be involved in litigation matters from time to time. The Company cannot predict with certainty the outcome or effect of any claim or other litigation matter. Any future litigation may have a material adverse effect on the Group's business, financial position, results of operations and the Company's ability to pay dividends because of potential negative outcomes, the costs associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.

2.3.16 Violations of and/or changes in laws and regulations, including employment laws and environmental laws could increase costs or change the way the Group does business

The Group is subject to numerous regulations, including labour and employment regulations and regulations concerning the environment. If these regulations were violated by the Group's management or employees or by its vendors, the Group could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the Group's products and services and have a material adverse effect. Policies, procedures and systems to safeguard employee health, safety and security implemented by the Company may not be adequate or sufficiently implemented or adhered to. Any failure to comply with such policies procedures and systems may have a material adverse impact on its business, results of operations and financial condition.

Similarly, changes in laws could make operating the Group's business more expensive or require the Group to change the way in which it conducts its business. For example, changes in laws relating to employee hours, wages, job classification and benefits could significantly increase the operating costs of the Group. It may be difficult for the Group to foresee regulatory or legal changes impacting its business, and any actions required in order to respond to, or prepare for, such changes could be costly and/or may negatively impact the Group's operations, and could have a material adverse effect. Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate its vessels or otherwise.

2.3.17 Changes in tax laws, rules related to accounting for income taxes or adverse outcomes from audits by taxation authorities could impact the Group's effective tax rate

The Group operates in a variety of jurisdictions, and its effective tax rate is derived primarily from the applicable tax rate in these countries. The Group's effective tax rate may be lower or higher than its tax rates have been in the past due to numerous factors, including the sources of its income and the tax filing positions it takes. The Group estimates its effective tax rate at any given point in time based on a calculated combination of the tax rates applicable to its Group and on estimates of the amount of business likely to be done in any given jurisdiction. Changes in rules related to accounting for income taxes, changes in tax laws in any of the jurisdictions in which the Group operates, expiration of tax credits formerly available, changes to the rules for deduction of debt interest costs or adverse outcomes from tax audits that the Group may be subject to in any of the jurisdictions in which it operates could result in a higher tax expense or a higher effective tax rate on the Group's earnings.

2.4 Financial risks

2.4.1 The Group may require additional capital in the future in order to execute its strategy or for other purposes, which may not be available on favourable terms, or at all

The Group's business is capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through public or private debt or equity financing to execute the Group's strategy and to fund capital expenditures. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. If the Group raises additional funds by issuing additional shares or other securities the holdings of existing shareholders may be diluted. If funding is insufficient at any time in the future, the Group may be unable to fund maintenance requirements and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's results of operations and financial condition.

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or Company's ability to declare dividends to its shareholders

2.4.2 Interest rate fluctuations could affect the Group's cash flow and financial condition

The Group has incurred, and may in the future incur, significant amounts of debt. The risk of change in market interests is reduced by entering into loans with fixed interest and interest rate hedging agreements. As per 31 December 2017, approximately 15% of the Group's debt was hedged with fixed interest loans and interest rate hedging agreements. The remaining part of the debt has floating interest rate and will be exposed to changes in

market interest rates. Movements in interest rates could therefore have certain effects on the Group's cash flow and financial condition.

Further, fluctuations in currency exchange rates may have a material impact on the Group's financial performance. A significant part of the Groups vessels operate in an international market and are exposed to foreign exchange rate risk in relation to American dollars (USD) and EURO (EUR). The Group is highly exposed to currency risk since a significant portion of the income and costs and expenses in recent years is earned or incurred in foreign currencies. Foreign currency loans and forward exchange contracts are used to reduce the currency risk associated with cash flows in foreign currencies.

Depending on area of operation, the Group may experience currency exchange losses when the Group does not hedge an exposure to a foreign currency.

2.4.3 *The Group's loan agreements include terms, conditions and covenants that impose restrictions on the operations of the Group. A failure to comply with the conditions and covenants may have a material and adverse effect on the Group*

If the Group is unable to comply with the restrictions and covenants in the agreements governing its indebtedness, there could be a default under the terms of those agreements. The Group's ability to comply with these restrictions and covenants, including meeting financial ratios and measures, is, inter alia, dependent on the future performance of the Company (and its subsidiaries) and the value of underlying assets and may be affected by events beyond its control. The Group's main covenants following the refinancing is further described in section 5. If a default occurs under these agreements (or any of them), lenders could – unless such default is repaired – terminate their commitments to lend and/or accelerate the outstanding loans and declare all amounts borrowed as due and payable. If any of these events occur, the Company cannot guarantee that its assets will be sufficient to repay in full all of its outstanding indebtedness, and the Company may be unable to find alternative financing. Even if the Company could obtain alternative financing, that financing might not be on terms that are favourable or acceptable to the Company.

The Company furthermore owns 50% of Eidesvik Seven AS which owns the vessel Seven Viking. The Company has guaranteed for 50% of Eidesvik Seven AS' NOK 370 debt which matures in 2021. To the extent this debt is not refinanced or settled on or before maturity, a default by Eidesvik Seven AS under the loan could have a material adverse effect on the Group's financial position, including inter alia triggering cross default clauses under the Group's bank debt.

2.5 Risk factors relating to the Shares

2.5.1 *The market value of the shares may fluctuate significantly, which could cause investors to lose a significant part of their investment*

The trading volume and price of the Shares could fluctuate significantly. Securities markets in general have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Company's Shares include, for example, changes in the Group's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, as well as the evaluation of the related risks, changes in general economic conditions, changes in shareholders and other factors.

This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Company's Shares may therefore fluctuate based upon factors that are not specific to the Company, and these fluctuations may materially affect the price of the Company's Shares.

2.5.2 *Eidesvik Invest AS may continue to exercise considerable influence on the Group and its operations, and the interests of the other shareholders may conflict with those of other shareholders*

Eidesvik Invest AS has significant voting power in the Company and is expected to hold approximately 60% of the votes in the Company after completion of the Subsequent Offer. Consequently, Eidesvik Invest AS is expected

to have the ability to influence matters requiring shareholder and may continue to retain a significant influence in the Group. The interests of existing shareholder may differ significantly from or compete with the Group's interests or those of other shareholders, and it is possible that Eidesvik Invest AS may exercise influence over the Group in a manner that is not in the best interests of all shareholders. The concentration of share ownership could delay, postpone or prevent a change of control in the Group, and impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by the other investors. Such conflicts could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.

2.5.3 The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unwilling to pay any dividends in the future regardless of availability of distributable reserves

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the general meeting, or by the Board of Directors in accordance with an authorisation from the general meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Group's operations and the need to strengthen its liquidity and financial position. As a general rule, the general meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the general meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period. The Company's ability to distribute dividends may also be limited in the Group's financing agreements.

The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and in order to pay dividends to its shareholders.

2.5.4 Future sales, or the possibility for future sales of substantial numbers of shares may affect the shares' market price

The market price of the Company's Shares could decline as a result of sales of a large number of Company's Shares in the market on the perception that such sales could occur, or any sale of the Company's Shares by any of the Company's existing shareholders from time to time. Such sales, or the possibility that such sales may occur, might also make it more difficult for the Company to issue or sell equity securities in the future at a time and at a price it deems appropriate.

2.5.5 Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares

It is possible that the Company may in the future decide to offer additional Shares or other equity-based securities through directed offerings without pre-emptive rights for existing holders. Any such additional offering could reduce the proportionate ownership and voting interests of holders of the Company's Shares, as well as the earnings per Share and the net asset value per Share.

2.5.6 Pre-emptive rights to secure and pay for shares in any additional issuance may be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at a general meeting, existing shareholders have pre-emptive rights to participate on the basis of their existing share ownership in the issuance of any new shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and shares and doing so in the future may be impractical and costly. To the extent that the Company's shareholders, respectively, are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company, respectively, will be reduced.

2.5.7 Investors may be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organised under the laws of Norway. The Board of Directors and Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions

2.5.8 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For example, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.5.9 The transfer of shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. See chapter 15 "Selling and transfer restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States or other countries will be able to participate in future capital increases or rights offerings.

2.5.10 Exchange rate fluctuations could adversely affect the value of the shares and any dividends paid on the shares for an investor whose principal currency is not NOK

The Shares are priced in NOK, and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, investors outside Norway may be subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or of the price received in connection with any sale of the Shares could be materially adversely affected.

3. RESPONSIBILITY FOR THE PROSPECTUS

The Board of Directors of Eidesvik Offshore ASA hereby declares that, to the best of our knowledge, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

2 March 2018

The Board of Directors of Eidesvik Offshore ASA

Kolbein Kåre Rege
Chairman of the Board

Borgny Eidesvik
Board member

Lars Eidesvik
Board member

Synne Syrrist
Board member

John Egil Stangeland
Board member

4. GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus.

No representation or warranty, express or implied is made by the Manager as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Manager assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company, nor the Manager, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the New Shares regarding the legality or suitability of an investment in the New Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

4.2 Presentation of financial and other information

4.2.1 *Financial information*

The Group's financial information contained in this Prospectus relating to the Company has been derived from the audited consolidated financial statements as of, and for the years ended, 31 December 2016 and 2015, and from the Group's unaudited consolidated financial statement as of, and for the year ended 31 December 2017, as incorporated by reference in this Prospectus (see Section 16.3 "Incorporation by reference"). The financial statements for the Company as of, and for the years ended, 31 December 2017, 2016 and 2015 have been prepared in accordance with IFRS as adopted by EU. The financial statements for the Group for the years ended 41 December 2016 and 2015 have been audited by Ernst & Young AS, as incorporated by reference herein. The Group's consolidated financial statement as of, and for the year ended 31 December 2017 has not been audited.

In this Prospectus, all references to "NOK" are to the lawful currency of Norway. The Group prepares its financial statements in NOK (presentation currency). Unless otherwise noted, all amounts in this Prospectus are expressed in NOK.

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.2 *Non-IFRS financial measures / Alternative Performance Measures ("APM")*

In this Prospectus, the Company presents certain non-IFRS financial measures and ratios because they permit for a more complete and comprehensive analysis of the Company's operating performance relative to other companies and across periods. The non-IFRS financial measures and ratios presented are defined as follows:

- Contract coverage: Number of future sold days compared with total actual available days, excluding options.
- Backlog: Sum of undiscounted revenue related to secured contracts in the future.
- Utilization: Actual days for with revenue divided by total actual available days.
- Equity Ratio: Equity divided by total assets
- Net interest bearing debt: Interest bearing debt less current and non-current interest bearing receivables and cash and cash equivalents. The use of term "net debt" does not necessarily mean cash included in the calculation are available to settle debt if included in the term.

The non-IFRS financial measures/APM presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an

alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures/APM presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the non-IFRS measures/APM presented herein are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortisation and impairment, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), business practice or based on non-operating factors. Accordingly, the Group discloses the non-IFRS financial measures/APM presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies and across periods, and of the Group's ability to service its debt. Because companies calculate the non-IFRS financial measures/APM presented herein differently, the Group's presentation of these non-IFRS financial measures/APM may not be comparable to similarly titled measures used by other companies.

The non-IFRS financial measure/APM are not part of the Company's consolidated financial statements, and are thereby not audited. The Company can give no assurance as to the correctness of such non-IFRS financial measures/APM and investors are cautioned that such information involve known and unknown risks, uncertainties and other factors, and are based on numerous assumptions. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these non-IFRS financial measures/APM.

4.2.3 *Industry and market data*

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual and interim financial statements and other presentations published by listed companies operating within the same industry as the Group, as well as the Group's internal data and its own experience, or on a combination of the foregoing. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Group's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to, update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and projections, assumptions and estimates based on such information may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.3 Forward-looking Statements

This Prospectus contains forward-looking statements, including, but not limited to, certain statements as set forth under Section 7.2 "Industry overview", 7 "Presentation of the Group" and 11 "Financial Information", and elsewhere in the Prospectus. Such forward looking statements include, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as at the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "intend", "may", "might", "plan", "should", "will", "would" or, in each case, their negative, and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, the competitive nature of the markets in which the Company operates, technological developments, environmental and climate conditions government regulations, changes in economic conditions or political events. These forward-looking statements reflect only the Company's views and assessment as at the date of this Prospectus. Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include, but are not limited to, those described in Section 5 "The Refinancing, the Private Placement and the Debt Conversion", Section 8 "Industry Overview" and elsewhere in the Prospectus.

Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements

4.4 Information sourced from third parties

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

5. THE REFINANCING, THE PRIVATE PLACEMENT AND THE DEBT CONVERSION

5.1 Summary of the Refinancing

Due to the downturn in the Company's markets in general, as further described in Section 8 "Industry Overview", the Company has had continuous focus on its capital structure for some time. In March 2017, the Company settled its outstanding Senior Unsecured Bond Issue 2013/2018 by a repayment of 60% of the par value of the bonds. Furthermore, and despite the Company's cash position in the short term, the Company started negotiations with its other bank lenders in August 2017.

The aim of these negotiations was to carry out a financial restructuring before the Company entered into financial distress resulting in a limited range of restructuring options and a weakened negotiation position. It is the Company's opinion that, had the Company been unsuccessful in amending its financing terms, the most likely scenario would be that the Company would have entered into financial distress within a 12 to 18 months' period, unless the Company's markets had made a strong recovery.

On 5 January 2018, the Company signed a term sheet (the "**Term Sheet**") for a financial restructuring with Danske Bank, Norwegian branch, DNB Bank ASA, Eksportkreditt Norge AS, Garantiinstituttet for Eksportkreditt, Handelsbanken, Norwegian branch of Svenska Handelsbanken AB (publ), Nordea Bank AB (publ), Norwegian branch and Sparebank 1 SR-Bank ASA (Collectively the "**Lenders**"). The further terms of the refinancing (the "**Refinancing**") are described in this section 5.

The Term Sheet was conditional inter alia upon the Company obtaining MNOK 120 in new equity and that the Company's shareholder loan of MNOK 30 from the Company's largest shareholder, Eidesvik Invest AS, was converted to equity no later than 31 January 2018 which was the effective date for the Refinancing. Given the time constraint for the equity injection, the Company obtained the required new equity through the Private Placement and carried out the Debt Conversion as further described in Section 5.3 and 5.4. Although not required under the Refinancing, the Company's board of directors furthermore proposed to carry out the Subsequent Offering as further described in Section 6 "The Subsequent Offering".

On 31 January 2018, the Company announced that all conditions for the Refinancing, including the execution of amendment agreements pertaining to the Company's loans from the Lenders, were met or waived and that the Refinancing was effective from the date thereof (the "**Effective Date**").

The Refinancing is expected to facilitate a robust financing structure for the Group through 2022.

5.2 Amendments to the Company's loan facilities under the Refinancing

Below is a summary of the main amendments to the terms of the Company's loan facilities from the Lenders (the "**Loan Facilities**") under the Refinancing.

5.2.1 *Postponement of maturity dates*

All of the Company's Loan Facilities with a final maturity date prior to 31 December 2022 have been amended so that the final maturity date is 31 December 2022. There have not been any changes to the final maturity date of the Loan Facilities that would mature after 31 December 2022. Consequently, none of the Loan Facilities will mature prior to 31 December 2022.

5.2.2 *Mandatory prepayments*

As an agreed part of the Refinancing, on the Effective Date, Eidesvik MPSV AS prepaid an amount equal to 75% of the proceeds received by Eidesvik MPSV AS from the sale of the CGG S.A. senior notes, in an aggregate amount of USD 7,875,600 (the "**Senior Notes Proceeds**"). The prepayment was applied towards a reduction of the balloon under the USD 50,666,664 secured term loan agreement dated 28 December 2010. The remaining amount, equal to 25% of the Senior Notes Proceeds, is payable in equal instalments in addition to and simultaneously with the Reduced Instalments (as defined below) until 31 December 2020.

If any of the vessels being owned by the Group and financed by a Loan Facility (each a "**Vessel**") is sold, disposed of or becomes a total loss on or before 31 December 2022, then the sales or insurance proceeds shall immediately be used for prepayment of debt secured by such Vessel and, to the extent the Vessel is financed under a fleet loan with various secured tranches, applied towards payment of the other secured tranches. Any surplus proceeds thereafter will only be used for prepayment if required under the cash sweep mechanism described below.

5.2.3 *Reduced and postponed instalments*

In addition to the prepayment described above, each year until 30 June 2021, each borrower in the Group shall pay instalments equal to 27.5% of the originally agreed repayment schedules (the "**Reduced Instalments**") as well as any prepayment pursuant to the cash sweep mechanism described below. For the avoidance of any doubt, following the 30 June 2021, there shall be no reduction of the originally agreed amortization under any of the Loan Facilities, and the full amortisation schedule will be reinstated.

The aggregate amount of originally scheduled instalments in the period from the Effective Date to 31 June 2021, less the aggregate amount repaid under the Reduced Instalments and the cash sweep mechanism described below, shall be deferred until, and repaid in full no later than on the postponed maturity dates for the Loan Facilities (as described above).

5.2.4 *Cash sweep mechanism*

The Refinancing comprise a cash sweep mechanism whereby excess cash in the Group exceeding the thresholds below, shall be applied towards prepayment of the Loan Facilities in inverse order of maturity.

The following thresholds for excess cash shall apply:

- MNOK 490 per year-end 2018
- MNOK 350 per year-end 2019
- MNOK 245 at 30 June 2021 and 30 June 2022

The cash sweep mechanism is limited upwards to 100% of the originally agreed scheduled instalments each year. However, any shortfall in previous year(s) may be payable in the following years until 30 June 2021.

5.2.5 *Financial covenants*

The following financial covenants (and no other financial covenants) shall be applicable under the Loan Facilities from and including the Effective Date and until the maturity dates of the Loan Facilities:

- Free liquidity of the Group, on a consolidated basis, shall at all times be at least MNOK 125.
- The Group, on a consolidated basis, shall at all times maintain a positive working capital.

5.2.6 *Suspension of minimum market value covenants until 31 December 2021*

Any clauses in any Loan Facility agreement regarding prepayment, default or event of default as a result of a certain minimum market value or minimum market value ratio with respect to a Vessel, shall be suspended from and including 31 December 2017, to and including 31 December 2021.

From and including 1 January 2022 any such minimum market value clause shall be reinstated with the minimum market value threshold/minimum market value ratio adjusted to 100% of the outstanding loan under the respective Loan Facilities agreements.

5.2.7 *Customary restrictions on dividend, upgrades and investments*

Any dividend or other distributions from the Company will be subject to the Lenders' consent prior to 31 December 2022.

Furthermore, no member of the Group shall make any investments or acquisitions without the prior written consent of the Lenders, save for

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- 1) any contract- or market-driven capital expenditures or investments related to new equipment or upgrades related to the Group's Vessels, limited to an aggregate amount of MNOK 20 each year (the "**Yearly Permitted Upgrades**") during the Restructuring Period,
 - 2) any contract- or market-driven capital expenditures or investments related to new equipment or upgrades related to the Group's Vessels financed in full by additional equity injection to the Group made on certain terms ", and
 - 3) repair cost and maintenance capex incurred in the ordinary course of business.

Any unused part of the Yearly Permitted Upgrades may be rolled over and added to the amount available the following year. The upgrades or investments included in 1) to 3) above are referred to as "**Permitted Upgrades**".

5.2.8 *Change of control covenant*

Prior to the maturity dates for the relevant Loan Facilities, Eidesvik Invest AS, Borgny Eidesvik and/or Lars Eidesvik and/or their spouses, lineal descendants and/or companies owned and controlled by them (the "**Eidesvik Family**") shall in aggregate directly or indirectly own and control minimum 33.4% of the shares and voting rights in the Company, unless all Lenders approve otherwise.

Furthermore, no other person(s) acting in concert or individually other than the Eidesvik Family shall be permitted to (A) acquire or control, legally and/or beneficially, and either directly or indirectly, in excess of 1/3 of the ownership interest and/or shares in the Company; or (B) have the right or the ability to control, either directly or indirectly, the affairs or composition of the majority of the board of directors (or equivalent) of the Company, if the Eidesvik Family has reduced its ownership below 50.1% in the Company.

If the above change of control covenants are not complied with, the Loan Facilities will automatically mature.

5.3 **The Private Placement**

5.3.1 *Reason for the Private Placement and use of proceeds*

The Private Placement was carried out in order to fulfil the condition to obtain at least NOK 120 million in new equity under the Refinancing as further described above.

The net proceeds from the Private Placement shall be placed on an account pledged in favour of the Lenders, and the amounts on this account shall be applied towards (i) cash pooling and/or repayment of the Loan Facilities pursuant to the cash sweep mechanism (described under section 5.2.4); and/or (ii) Permitted Upgrades. The expenses incurred by the Company in connection with the Private Placement are estimated to approximately NOK 800,000. Consequently the net proceeds from the Private Placement was approximately NOK 119,200,000.

5.3.2 *Overview of the Private Placement*

On 8 January 2018, the Company announced that it had completed a placement of 24,000,000 Private Placement Shares at a Subscription Price of NOK 5 per Share, raising gross proceeds of NOK 120,000,000. The Private Placement was directed towards Norwegian and non-Norwegian investors subject to applicable exemptions from relevant prospectus, registration and filing requirements; (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the United States to "qualified institutional buyers" (QIBs) as defined in Rule 144A under the U.S. Securities Act as well as to major U.S. institutional investors under SEC Rule 15a-6 to the United States Exchange Act of 1934. The minimum application and allocation amount in the Private Placement was the NOK equivalent of EUR 100,000 per investor, provided that the Company could, at its sole discretion, allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to applicable regulations, including the Norwegian Securities Trading Act and ancillary regulations, were available.

All Private Placement Shares were allocated to existing shareholders of the Company. The Company's largest shareholder, Eidesvik Invest AS had pre-committed to subscribe for up to a total of NOK 100 million in the Private Placement. Eidesvik Invest AS was allocated 15,000,000 Private Placement Shares in the Private Placement equivalent to NOK 75 million.

5.3.3 Resolution relating to the Private Placement

The extraordinary general meeting held on 29 January 2018 passed the following resolution to increase the Company's share capital in relation to the Private Placement:

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-1, on the following terms:

- 1. The share capital is increased by NOK 1,200,000 by issue of 24,000,000 new shares, each with a par value of NOK 0.05.*
- 2. The subscription price is NOK 5 per share.*
- 3. The shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act section 10-4 are set aside.*

The shares may be subscribed for by Pareto Securities AS on behalf of and pursuant to proxy from the persons set out in appendix 3, in accordance with the allocation of shares set out therein.

Over-subscription is not permitted.

- 4. The shares shall be subscribed for no later than 29 January 2018 on separate subscription form.*
- 5. Contribution for the shares shall be settled no later than 30 January 2018 by cash payment to a separate account with a Norwegian credit institution.*
- 6. The shares will give right to dividend from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- 7. The estimated amount of expenses related to the share capital increase under this item 3 as well as under items 4 and 5 is MNOK 2.*
- 8. With effect from the registration of the share capital increase with the Norwegian Register of Business Enterprises, section 4 of the articles of association is amended to reflect the share capital and total number of shares after the share capital increase.*
- 9. This resolution is contingent on that the Company's general meeting also approves the share issues proposed under item 4 and item 5 below.*

Furthermore, the company is instructed not to register this share capital increase with the Norwegian Register of Business Enterprises unless (i) the share capital increase is registered simultaneously with the debt conversion proposed under item 4, and (ii) that, in the reasonable opinion of the company, all conditions precedents for the company's refinancing other than the equity injections are fulfilled or waived by the relevant parties within 31 January 2018."

5.3.4 Reasons for deviation from the shareholders' pre-emptive rights

The pre-emptive rights for subscription of shares for the existing shareholders pursuant to the Public Limited Companies Act Section 10-4 were set aside in favour of the subscribers in the Private Placement.

Within the timeframe of the Refinancing, it would not be possible to carry out a rights offering prior to the agreed Effective Date. The Company's board of directors had assessed the Private Placement in light of the equal treatment requirement, balanced the considerations that speak for and against carrying out the Private Placement and concluded that the completion of the Company's refinancing and the Private Placement in combination with the Subsequent Offer provide a financing solution which is in the common interest of the Company and all its shareholders. The private Placement is required in order to provide the Company with the necessary new equity required to fulfil certain conditions precedent for the Company's ongoing refinancing.

5.3.5 The Issuance and Listing of the Private Placement Shares

The Private Placement was registered in the Norwegian Register of Business Enterprises on 31. January 2018 and the Private Placement Shares was put on a separate ISIN pending publication of this Prospectus. Pending the publication of this Prospectus, the investors (except for Eidesvik Invest AS) received existing and unencumbered Shares in the Company that were already listed on the Oslo Børs pursuant to a share lending

agreement between the Manager, the Company and Eidesvik Invest AS. Following the publication of this Prospectus, the Private Placement Shares will be transferred to the Company's ordinary ISIN and be listed on Oslo Børs.

5.3.6 *The rights conferred by the Private Placement Shares*

The Private Placement Shares are created under the Norwegian Public Limited Companies Act.

The Private Placement Shares carry full shareholder rights equal to the existing Shares of the Company. For a description of rights attaching to Shares in the Company, see Section 12 "Shares and Share Capital".

5.3.7 *Dilution*

The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders was approximately 44.3%.

5.4 **The Debt Conversion**

5.4.1 *Reason for the Debt Conversion and use of proceeds*

The Debt Conversion was carried out in order to fulfil the condition under the Refinancing as further described above. Upon completion of the Debt Conversion the NOK 30 million shareholder loan to the Company from Eidesvik invest AS was settled in full. Consequently, the subscription price per Share issued in the Debt Conversion was NOK 15, which is higher than the subscription price in the Private Placement and the Subsequent Offer where the Company obtained cash proceeds.

5.4.2 *Resolution relating to the Private Placement*

The extraordinary general meeting held on 29 January 2018 passed the following resolution to increase the Company's share capital in relation to the Debt Conversion:

The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-1, on the following terms:

1. *The share capital is increased by NOK 100,000 by issue of 2,000,000 new shares, each with a par value of NOK 0.05.*
2. *The subscription price is NOK 15 per share.*
3. *The shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act section 10-4 are set aside.*

The shares may be subscribed for by Eidesvik Invest AS.

Over-subscription is not permitted.

4. *The shares shall be subscribed for no later than 29 January 2018.*
5. *Payment for the shares shall be settled by way of set-off against claims on the Company pursuant to the shareholder loan issued to the Company as further described in the expert statement. The expert statement pursuant to the Norwegian Public Limited Liability Companies Act section 10-2 (3), cf. section 2-6 is attached as appendix 4.*

Set-off shall be considered made with effect from the time of subscription of shares pursuant to this resolution.

6. *The shares will give right to dividend from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
7. *The estimated amount of expenses related to the share capital increase under this item 4 as well as under items 3 and 5 is NOK 2.*

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8. *With effect from the registration of the share capital increase with the Norwegian Register of Business Enterprises, section 4 of the articles of association is amended to reflect the share capital and total number of shares after the share capital increase.*
 9. *This resolution is contingent on that the Company's general meeting also approves the share issues proposed under item 3 and item 5 below.*

Furthermore, the company is instructed not to register this share capital increase with the Norwegian Register of Business Enterprises unless the share capital increase is registered simultaneously with the private placement resolved under item 3.

5.4.3 *The Issuance and Listing of the Shares issued in the Debt Conversion*

The Debt Conversion was registered in the Norwegian Register of Business Enterprises on 31 January 2018 and the Shares issued in the Debt Conversion was put on a separate ISIN pending publication of this Prospectus. Following the publication of this Prospectus, the Shares issued in the Debt Conversion will be transferred to the Company's ordinary ISIN and be listed on Oslo Børs.

5.4.4 *The rights conferred by the Shares issued in the Debt Conversion*

The Shares issued in the Debt Conversion are created under the Norwegian Public Limited Companies Act.

The Shares issued in the Debt Conversion carry full shareholder rights equal to the existing Shares of the Company. For a description of rights attaching to Shares in the Company, see Section 12 "Shares and Share Capital".

5.4.5 *Dilution*

The percentage of immediate dilution resulting from the Debt Conversion for the Company's shareholders was approximately 6.2%.

6. THE SUBSEQUENT OFFERING

6.1 Reason for the Subsequent Offering and use of proceeds

The purpose for the Subsequent Offering is to enable Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement and thereby increase equal treatment of the Company's shareholders in connection with the Refinancing, including the Private Placement and the Debt Conversion.

The proceeds of the Subsequent Offering will be used to strengthen the Company's liquidity financial position.

6.2 Overview of the Subsequent Offering and key dates

The Subsequent Offering comprises up to 6,000,000 Offer Shares, each with nominal value of NOK 0.05, at a Subscription Price of NOK 5 per Offer Share, being the same subscription price as in the Private Placement. The shares issued in the Subsequent Offering will be issued under the Norwegian Public Limited Liability companies Act.

The below timetable sets out certain key dates for the Subsequent Offering:

First day of trading in the Shares excl. Subscription Rights	9 January 2018
Start of Subscription Period	5 March 2018
End of Subscription Period	19 March 2018
Allocation letter and payment instructions distributed to subscribers	20 March 2018
Payment Date for the Offer Shares	21 March 2018
Registration of share capital increase related to the Subsequent Offering	On or about 26 March 2018
Listing and first day of trading of the Offer Shares on Oslo Børs	On or about 26 March 2018

6.3 Resolution relating to the Subsequent Offering

The following resolution to increase the Company's share capital in connection with the Subsequent Offering was passed by the extraordinary general meeting held on 29 January 2018:

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-1, on the following terms:

- 1. The share capital is increased by minimum NOK 0.05 and maximum NOK 300 000 by issue of minimum 1 and maximum 6,000,000 new shares, each with a par value of NOK 0.05.*
- 2. The subscription price is NOK 5 per share.*
- 3. The shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act section 10-4 are set aside. Each of the Company's shareholders as at 8 January 2018, as registered in the Company's shareholder register in VPS on 10 January 2018 (the "Record Date"), except shareholders who were invited to apply for shares in the pre-sounding of the private placement resolved under item 3 above or were allocated shares in the private placement, shall receive approximately 1.5788 non-transferable allocation rights for each share registered as held by such shareholder as at the Record Date. The number of allocation rights granted to each shareholder will be rounded down to the nearest whole allocation right. Each allocation right will (subject to the restrictions in section 4 below) give the right to subscribe for and be allocated one new share. Oversubscription is permitted. Subscription of shares without allocation rights is not permitted except for as described in section 8 below.*
- 4. The shares cannot be subscribed for by shareholders (or other persons) who, in the Company's assessment, are resident in foreign jurisdictions where such offering of shares would be unlawful or require any prospectus, registration or similar action.*
- 5. A prospectus, which shall be approved by the Financial Supervisory Authority of Norway in accordance with the Norwegian Securities Trading Act chapter 7, shall be prepared and published in connection with*

the share capital increase (the "Prospectus"). Unless the board of directors determines otherwise, the Prospectus shall not be registered with or approved by any authorities outside Norway.

6. *The subscription period shall commence on 5 March 2018 and end on 19 March 2018 at 17:30 hours (CET). If the Prospectus is not approved in time for the subscription period to commence on 5 March 2018, the subscription period shall commence on the second trading day on Oslo Børs after such approval and end at 17:30 hours (CET) two weeks thereafter. The subscription period shall in no event end later than 30 June 2018.*
 7. *The shares are subscribed by completing, signing and returning the subscription form attached to the Prospectus, or by electronic subscription as described in the Prospectus.*
 8. *Allocation of shares shall be based on the following criteria:*
 - (i) *Allocation shall be made to subscribers based on allocation rights which have been validly exercised.*
 - (ii) *If all allocation rights are not exercised, additional allocation shall be made to subscribers who have validly exercised allocation rights and oversubscribed. Such allocation shall be made proportionally based on the number of allocation rights exercised by each such subscriber.*
 - (iii) *Shares not allocated pursuant to section (i) and (ii) above shall be allocated by the board of the directors in their sole discretion to subscribers who subscribed for shares in the share capital increase resolved under item 3 and have subscribed without allocation rights.*
- To the extent that proportional allocation in accordance with section (ii) above is not possible, the board of directors shall determine the allocation by drawing lots.*
9. *Contribution for the shares shall be settled by cash payment to a separate account with a Norwegian credit institution no later than 22 March 2018, or the fourth trading day on Oslo Børs after expiry of the subscription period if the subscription period is postponed pursuant to section 6 above. Payment shall be made in accordance with the instructions in the Prospectus. Each subscriber with a Norwegian bank account shall by completion of the subscription form grant Pareto Securities AS a one-time power of attorney to debit a specific bank account for the subscription amount corresponding to the number of allocated shares, and such debit will take place on or around the payment date.*
 10. *The shares will give right to dividend from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
 11. *The estimated amount of expenses related to the share capital increase under this item 5 as well as under items 3 and 4 is MNOK 2.*
 12. *With effect from the registration of the share capital increase with the Norwegian Register of Business Enterprises, section 4 of the articles of association is amended to reflect the share capital and total number of shares after the share capital increase.*
 13. *Completion of this resolution is conditional upon that the share capital increase resolved under item 3 is completed and registered in the Norwegian Register of Business Enterprises."*

In order to allocate shares to the Eligible Shareholders in accordance with the terms and purpose of the Subsequent Offering, it was necessary to waive the shareholders' preferential rights in favour of the subscribers in the Subsequent Offering.

6.4 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 5 per Offer Share, which is identical to the Subscription Price per Private Placement Share in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager.

6.5 The Subscription Period

The Subscription Period for the Subsequent Offering commences on 5 March 2018 and expires at 16:30 (CET) on 19 March 2018 and may not be closed prior to this date or extended.

6.6 Record Date for Eligible Shareholders and Allocation Rights

Eligible Shareholders who are registered in the Company's shareholder register in the VPS as of the Record Date (10 January 2018) are granted non-transferable Allocation Rights, that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering. The Eligible Shareholders will be granted approximately 1.5788 Allocation Right for each Share registered in VPS on the Record date. The number of Allocation Rights granted to each shareholder will be rounded down to the nearest whole Allocation Right.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired until and including 8 January 2018 will give the right to receive Allocation Rights, whereas Shares that were acquired from and including 9 January 2018 will not give the right to receive Allocation Rights.

The Allocation Rights will be delivered free of charge and the recipient will not be debited any charges. Allocation Rights that are not used to subscribe for Offer Shares prior to expiry of the Subscription Period will have no value and will lapse without compensation and consequently be of no value.

6.7 The subscription procedure and subscription office

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form (the "**Subscription Form**") to the subscription office listed below (the "**Subscription Office**") during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Correctly completed Subscription Forms must be received by the Subscription Office at the following addresses or email addresses by, or in the case of online subscriptions be registered by, no later than 16:30 hours (CET) on 19 March 2018:

Pareto Securities AS
Dronning Mauds gt 3
P.O. Box 1411 Vika
N-0115 Oslo
Norway
Telephone: +47 22 87 87 00
E-mail:
www.paretosec.com

Neither the Company nor the Manager may be held responsible for delays in the mail system or for Subscription Forms forwarded by facsimile that are not received in time by the Manager. It is not sufficient for the Subscription Form to be postmarked within the deadline. The Company reserves the right to discard any Subscription Forms received after 16:30 hours (CET) on 19 March 2018.

Multiple subscriptions (i.e. subscriptions on more than one Subscription Form) within the Subscription Period are permitted. Please note, however, that each Subscription Form will only be counted once (e.g. if the same Subscription Form is received by fax more than once, or if it is received by both fax and mail, it only counts as one subscription). Two separate Subscription Forms submitted by the same subscriber with the same amount of Offer Shares subscribed for on both forms will only be counted once unless otherwise is explicitly stated on the Subscription Form. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

There is no minimum subscription amount to which subscriptions in the Subsequent Offering must be made. Oversubscription is permitted. Subscription without Allocation Rights is only permitted for the investors who

were allocated Private Placement Shares; however, such subscribers may only be allocated Offer Shares to the extent not all of the Offer Shares have been allocated through subscriptions or over subscriptions by the holders of non-transferable Allocation Rights.

Norwegian residents with a Norwegian identification number (*Nw. "personnummer"*) may subscribe for Offer Shares by following the following link on the Manager's website www.paretosec.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. Neither the Manager nor the Company assumes any responsibility for failure to subscribe or inability to subscribe for Offer Shares due to technical or internet problems.

The Company and the Manager may at its sole discretion refuse any improperly completed, delivered or executed Subscription Forms or any subscription that may be unlawful.

The subscription for Offer Shares is irrevocable and may not be withdrawn, cancelled or modified once it has been received by the Manager.

6.8 Allocation of Offer Shares

The allocation of Offer Shares will be made by the board of directors of the Company by applying the following criteria:

- i. Allocation shall be made to subscribers based on the number of Allocation Rights which have been validly exercised.
- ii. If all Allocation Rights are not exercised, additional allocation shall be made to subscribers who have validly exercised Allocation Rights and oversubscribed. Such allocation shall be made proportionally based on the number of Allocation Rights exercised by each such subscriber.
- iii. Finally, shares not allocated pursuant to section (i) and (ii) above shall be allocated by the board of directors in their sole discretion to subscribers who subscribed for shares in the Private Placement and have subscribed without Allocation Rights.

The allocation of Offer Shares will take place after the expiry of the Subscription Period on or about 19 March 2018. Notifications of allocation and the corresponding subscription amount to be paid by each subscriber will be issued by mail or otherwise on or about 20 March 2018. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact the Subscription Office on or about 20 March 2018 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities should be able to see how many Offer Shares they have been allocated from on or about 20 March 2018.

The board of directors reserves the right to round off, regulate or in another way reject or reduce any subscription not covered by Allocation Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. No fractional Offer Shares will be allocated.

The Company will publish the result of the Subsequent Offering on or about 19 March 2018 through the information system of Oslo Børs at www.newsweb.no under the ticker EIOF.

6.9 Payment for the allocated Offer Shares

Payment for the allocated Offer Shares falls due on 21 March 2018 (the "**Payment Date**").

6.9.1 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Manager with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or about the Payment Date. The Manager is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Manager to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscribers bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscribers bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Manager with a one-time irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

6.9.2 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Manager, telephone number +47 22 87 87 00 for further details and instructions.

6.10 Overdue payments

Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100; currently 8.50% per annum as at the date of this Prospectus.

The Company and the Manager reserve the right to have the Manager pre-fund the payment on behalf of subscribers who have not made payment for the Offer Shares within the Payment Date. Irrespective of such pre-funding (if any), if the subscriber fails to comply with the terms of payment or should payments not be made when due, the subscriber will remain liable for payment of the Offer Shares allocated to it and the Offer Shares allocated to such subscriber will not be delivered to the subscriber.

In such case the Company and the Manager reserve the right to, at any time and at the risk and cost of the subscriber, re-allot, cancel or reduce the subscription and the allocation of the allocated Offer Shares, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares in accordance with applicable law. If Offer Shares are sold on behalf of the subscriber, such sale will be for the subscribers account and risk and the subscriber will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Manager as a result of, or in connection with, such sales. The Company and/or the Manager may enforce payment for any amounts outstanding in accordance with applicable law.

6.11 Financial intermediaries

6.11.1 General

All persons or entities holding Shares or Allocation Rights through financial intermediaries (i.e., brokers, custodians and nominees) should read this Section 6.11. All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the receipt and exercise of Allocation Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

Neither the Company nor the Manager is liable for any action or failure to act by a financial intermediary through which Shares are held.

6.11.2 Allocation Rights

If a Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Shareholder details of the aggregate number of Allocation Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Shareholder with this information in accordance with its usual customer relations procedures. Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

6.11.3 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to the deadline.

6.11.4 Subscription

Any Eligible Shareholder who holds its Allocation Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Shareholders and for informing the Manager of their exercise instructions.

6.11.5 Method of payment

Any Eligible Shareholder who holds its Allocation Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in the Prospectus. Payment by the financial intermediary for the Offer Shares must be made no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

6.12 Delivery and trading of the Offer Shares

The Company expects to register the share capital increase pursuant to the Subsequent Offering in the Norwegian Register of Business Enterprises on or about 26 March 2018, provided that full payment for the allocated shares has been received by the Company. As soon as practically possible thereafter, the allocated and paid Offer Shares will be transferred to the subscribers' VPS accounts.

The Offer Shares may not be traded before registration of the share capital increase with the Norwegian Register of Business Enterprises and deliver of the Offer Shares to the subscribers VPS-accounts. The first day of trading on Oslo Børs is expected to be on or about 26 March 2018.

6.13 Publication of information relating to the Subsequent Offering

In addition to press releases on the Company's website www.eidesvik.no, the Company will use Oslo Børs' information system at www.newsweb.no to publish information in respect to the Subsequent Offering. The Company expects to publish the result of the Subsequent Offering on or about 19 March 2018.

6.14 The rights conferred by the Offer Shares

The Shares of the Company are, and the Offer Shares will be, created under the Norwegian Public Limited Companies Act.

The Offer Shares will in all respects carry full shareholder rights equal to the existing ordinary Shares of the Company from the date the share capital increase is registered in the Norwegian Register of Business Enterprises. For a description of rights attaching to Shares in the Company, see Section 12 "Shares and Share Capital" of this Prospectus.

6.15 Dilution

The Subsequent Offering will result in an immediate dilution of approximately 9.7% for Eligible Shareholders who do not participate in the Subsequent Offering (but approximately 16.6% compared to the number of shares issued at year-end 2017 i.e. before the Private Placement and Debt Conversion). For existing shareholders who did not participate in the Private Placement, the Debt Conversion and do not participate in the Subsequent Offering, the combined immediate dilution will be approximately 51.5%.

6.16 Participation by major shareholders and members of the Company's management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering

6.17 VPS registration

The Company's Shares are registered in VPS, the Norwegian Central Securities Depository. The Shares' ISIN is NO 0010263023. The Company's VPS registrar is DNB Bank ASA, Registrar Department, Po.box 1600, Sentrum, NO-0021 Oslo, Norway.

The Placement Shares, the Shares issued in the Debt Conversion and the Offer Shares will be listed on Oslo Børs under the ticker code EIOF.

6.18 Share capital following the Private Placement and the Subsequent Offering

The final number of Offer Shares to be issued in connection with the Subsequent Offering will depend on the number of Offer Shares subscribed. The maximum number of Offer Shares to be issued is 6,000,000 Offer Shares, all with a nominal value of NOK 0.05 per Share, which will give a further increase in the Company's share capital by up to NOK 300,000 to a maximum of NOK 3,107,500 divided into 62,150,000 Shares.

6.19 Proceeds and costs

The transaction costs of the Company related to the Private Placement, the Debt Conversion and the Subsequent Offering are estimated at approximately NOK 2 million, and accordingly the net proceeds of the Private Placement, the Debt Conversion and the Subsequent Offering will be approximately NOK 178 million, assuming the maximum number of Offer Shares is issued in the Subsequent Offering.

No expenses or taxes are charged to the subscribers in the Private Placement, the Debt Conversion or the Subsequent Offering by the Company or the Manager.

6.20 Jurisdiction and governing law

This Prospectus, the Subscription Form and the terms and conditions of the Subsequent Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Subsequent Offering shall be subject to the exclusive jurisdiction of Bømlo District Court.

6.21 Interest of natural and legal persons involved in the Subsequent Offering

The Manager or its affiliates have provided from time to time, and will provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which it

may have received and may continue to receive customary fees and commissions. The Manager, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Allocation Rights (if they are Shareholders) and may exercise their right to take up such Allocation Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities issued by the Company or other investments for their own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Manager does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Manager will receive a commission of 1.5% of the gross amounts subscribed in connection with the Subsequent Offering and, as such, have an interest in the Subsequent Offering. The Manager has previously received a commission based on the amount raised in the Private Placement.

Except for the above, the Company is not aware of any natural or legal person having an interest in the Subsequent Offering which is material in the context of the Subsequent Offering.

6.22 Selling and transfer restrictions

See Section 15 "Selling and Transfer Restrictions" for certain applicable selling and transfer restrictions relating to the Offering.

6.23 Mandatory anti-money laundering procedures

The Subsequent Offering is subject to the Norwegian Money Laundering Act No. 11 of March 6, 2009 and the Norwegian Money Laundering Regulations No. 302 of March 13, 2009 (collectively the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway.

7. PRESENTATION OF THE GROUP

7.1 Overview

Eidesvik Offshore ASA owns and operates a world-wide fleet of purpose-built vessels, providing ship services for offshore supply and transport of pipes, oil recovery and stand-by, maintenance, inspection, repair and construction of subsea installations, services for the offshore wind industry, seismic, survey and cable-laying.

The Company is a public limited liability company pursuant to the Norwegian Public Limited Companies Act, incorporated under the laws of Norway. The legal and commercial name of the Company is Eidesvik Offshore ASA. The Company was incorporated on 3rd June 2004 and is registered in the Norwegian Register of Business Enterprises under the organisation number 986 942 785. The Company's registered business address is Langevåg, 5443 Bømlo, Norway. The telephone number is +47 53 44 80 00.

7.2 History and important events

Eidesvik Offshore ASA was set up in June 2004 to take over the previous Eidesvik Holding AS' shares in Eidesvik AS, Eidesvik Shipping AS, Eidesvik Shipping Ltd (UK) and Eidesvik Subsea AS, all subsidiaries of Eidesvik Holding AS. Eidesvik Holding AS was dissolved in 2004.

The Group has many years' experience in various segments of the maritime sector: Fishing, shipping and offshore. Today the Group focuses on providing vessels for supply and logistics, stand-by rescue service, oil-recovery, inspection, maintenance and repair of subsea installations, subsea cable laying, seismic and survey and accommodation and service for the wind offshore wind industry.

The key events in the history of Group are:

1965 The company which would later evolve into the Company was founded by the brothers Lauritz and Kristian Eidesvik. The company first started investing in fishing vessels

1972 As the offshore activity on the Norwegian continental shelf picked up, Mr. Lauritz Eidesvik built up the offshore business

1976 Started delivering offshore shipping services to the world oil industry;

1978 Entered the "anchor handling tug supply" (AHTS)– market

1980 Entered the seismic survey market

1990 Expanded into the Platform supply vessel (PSV)– market

1991 Co-founders of Petroleum Geo Services ASA

1992 Geo Explorer First 3D seismic vessel in operation

1996 Viking Lady delivered. Largest PSV in the world

1997 De-merger of the then current Eidesvik group, assets divided between Lauritz and Kristian Eidesvik

1998 Eidesvik entered the subsea market

1998 Viking Poseidon, - the first Multi-Purpose-Supply Vessel (MPSV)

1998 Veritas Viking, - the first of three Viking Class seismic vessels

1999 Subsea Viking, - specially designed DP3 vessel for subsea inspection, maintenance and repair (IMR) work

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- 2001 Started development of Light Well Intervention Vessel (LWIV)
- 2001 Eidesvik strengthened its position in the subsea market by establishing Eidesvik Subsea AS
- 2003 Viking Energy, the first platform supply vessel to be powered by LNG, was delivered, and Eidesvik bought 40% in OMAK Maritime Ltd. in Nigeria and started operations in Nigeria.
- 2003 Granted a Statoil Safety Award for development of "Viking Energy"
- 2004 Viking Avant delivered, - A New PSV design for safer operations (HSE) and especially equipped for operation in the Barents Sea
- 2004 Reorganisation and demerger of Eidesvik Holding Group and Eidesvik Offshore ASA was established.
- 2005 Raised NOK 451 million in a private placement to institutional investors in Norway and internationally
- 2005 Eidesvik Offshore ASA listed on Oslo Stock Exchange
- 2005 Bought Kingfisher – subsea vessel built in 1989
- 2005 Delivery of Viking Thaumás – newbuild PSV
- 2005 Bought Viking Forcados – subsea vessel built in 2002
- 2006 Delivery of Viking Athene – new built PSV
- Sale of Viking Queen and Viking Troll, the last fully-owned AHTS vessels
- 2007 Viking Poseidon converted to seismic vessel and renamed Viking Vanquish
- Bought a fishing vessel and converted her to seismic vessel under the name Viking Vision
- Delivery of Acergy Viking – new built IMR vessel
- Bought shares in Viking Troll – AHTS built in 2000
- Delivery of Viking Queen – new built PSV powered by LNG
- Eidesvik Subsea AS activities phased out, assessed to be non-core business
- 2009 Delivery of the new Viking Poseidon – subsea vessel
- Delivery of Viking Lady – new built PSV powered by LNG
- Opportunistic sale of PSV Viking Nereus
- 2010 Delivery of Oceanic Vega – new built seismic vessel
- PSV's Viking Surf and Viking Thaumás exit the West-African region and enter Brazil
- Sale of Viking Troll shares, the last AHTS vessel shares
- 2011 Delivery of Oceanic Sirius – new built seismic vessel
- 2012 Delivery of Viking Prince – new built PSV powered by LNG

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- Delivery of Viking Princess – new built PSV powered by LNG
- Bought Viking Nereus – PSV from 2004
- Sale of PSV's Viking Surf and Viking Thaumias, the last vessels in the Brazilian region.
- Placed NOK 300 million Senior unsecured bond in the bond market
- 2013 Delivery of Seven Viking – new built subsea vessel
- Sale of subsea vessel Viking Forcados, exits the West-African region
- 2015 Delivery of Viking Neptun – new built subsea vessel
- 2016 Entered the offshore renewables market
- 2017 Sale of subsea vessel Viking Poseidon and buy-back of NOK 300 million Senior unsecured bond
- Formed Joint Venture Global Seismic Shipping AS, a 7 vessel seismic tonnage group, with CGG
- 2018 Raised NOK 120 million in a private placement to institutional investors and converted NOK 30 million shareholder loan to equity as a part in the Company's financial restructuring as further described in Section 5 "The Refinancing, the Private Placement and the Debt Conversion".

7.3 Vision strategy and core values

7.3.1 Mission statement

The Group aims to be the preferred partner in shipping for its key customers by offering tailor-made logistics solutions and other service solutions. The Group will own and charter a fleet of high-specification offshore service vessels, and actively develop the service concept, working closely with its main customers. The Company shall be perceived in the market as the most innovative, adaptive and solution oriented operator.

7.3.2 Objectives

The Company intends to be a major supplier in its segment of maritime services to offshore companies worldwide. The focus is on innovation, customized solutions, quality, safety, environment and profitability.

The Company's key objectives are:

- Be perceived as the most innovative supplier of offshore logistics, specialized vessels and subsea services
- Be a discussion partner for customers in optimizing maritime solutions
- Always offer the best and most integrated solutions at the right price with focus on total costs for the customer
- Continue building shareholder value and offer investors a competitive return
- Sustain an adequate cash flow and financial position
- To maximize its financial freedom and allow for volatility in the market

7.3.3 Strategy

Offshore logistics, specialized vessels and subsea services will continue to be the Company's primary business areas.

Within offshore logistics, the Company will endeavour to offer tailor-made and comprehensive low-cost and low- emission solutions to oil companies through fleet optimization and a high level of utilization. The Company will pursue both strategic and organic growth opportunities in this segment. The Company believes that the oil companies and other customers will continue to strengthen focus on environmental issues, which in turn will increase the demand for low-emission vessels.

Within the area of specialized vessels, the Company will continue to develop and provide its customer with the most effective vessels for seismic and other specialized operations.

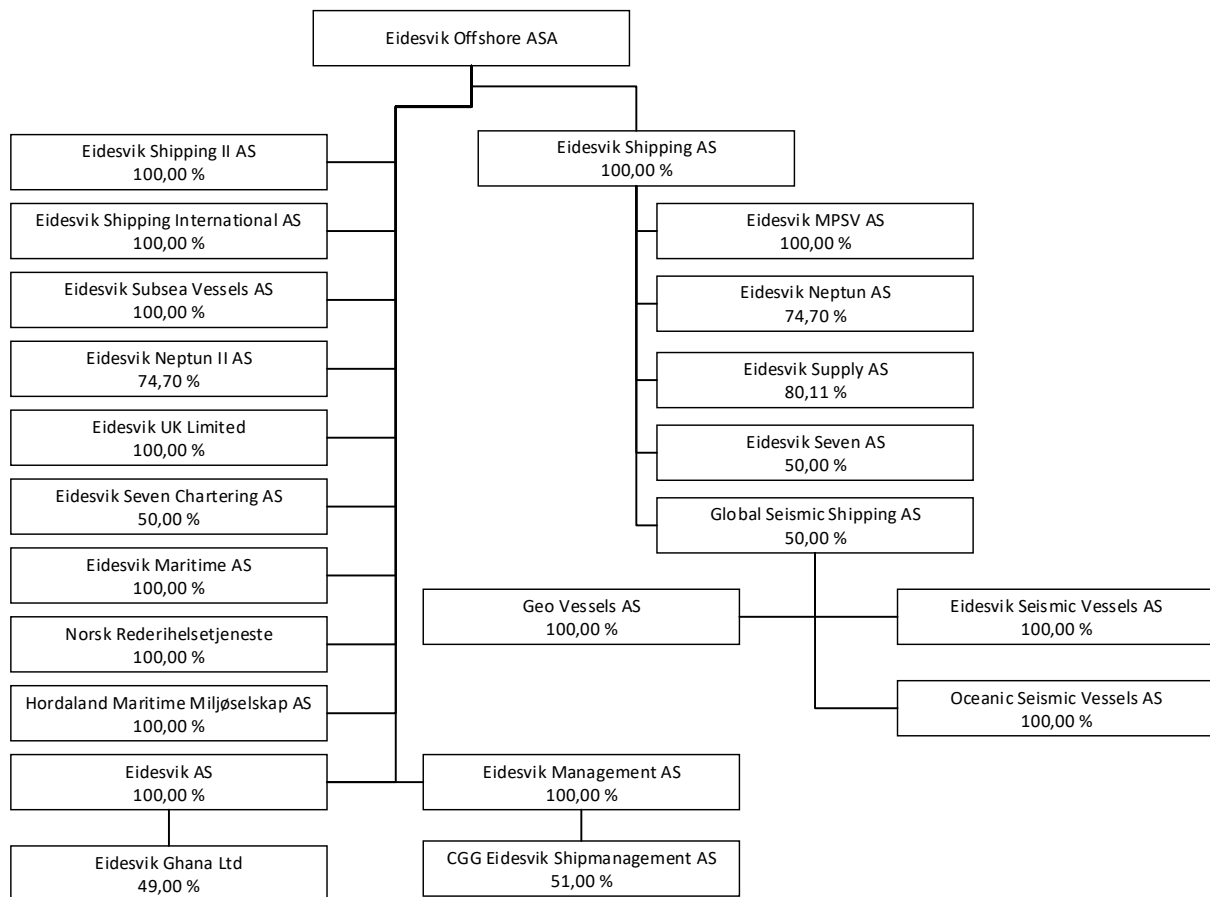
In subsea services, the Company will pursue a prudent growth strategy, developing expertise and track record on selected subsea services such as inspection, maintenance, repair and construction. The Group sees interesting niche opportunities in the subsea market in the future, and will accordingly continue to focus on this market in cooperation with other companies.

The Company's strategy is:

- To tailor the fleet as closely as possible to customer needs at all times, requiring the Company to be technologically and operationally innovative.
- To maintain the highest standards of safety, quality and seamanship.
- To continue the focus on long-term charters, which in the opinion of the Company will secure the best return for its shareholders over time.
- To be prepared to buy and sell tonnage at any time in line with changes in the rate of return and market conditions required.
- Focus on the North Sea for its supply vessels, but use its experience from the North Sea in other areas.
- In the seismic business area, to focus on long-term contracts and achieve to be a high quality and low-cost vessel and maritime crew provider. The services in this business segment will normally not include seismic personnel or expertise.
- In the subsea and wind market, to focus on worldwide operations for first class clients with stringent requirements towards equipment, personnel and operational performance.
- The Company will normally crew its vessels with its own employees with the greatest possible expertise in their various positions, but will hire personnel from other companies in order to achieve lower daily cost as long as the quality of operation can be maintained. The Company will continue its training program to secure the best possible standards of operation and quality.

7.4 Legal structure and description of the companies in the Group

The Group's legal structure and ownership percentage is included in the below chart:



Eidesvik Offshore ASA is the parent company of the Group.

Eidesvik Shipping AS is the largest vessel owning company in the Group, owning 9 vessels. The company owns all other vessel owning companies in the Group with tax residency in the Norwegian Tonnage Tax system. The company is incorporated in Norway.

Eidesvik MPSV AS is a vessel owning company, owning 2 vessels. The company is incorporated in Norway.

Eidesvik Neptun AS is a vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Eidesvik Supply AS is a vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Eidesvik Seven AS is a Joint Venture vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Global Seismic Shipping AS is a Joint Venture holding company owning 100 % of the shares in Geo Vessels AS, Eidesvik Seismic Vessels AS and Oceanic Seismic Vessels AS. The company is incorporated in Norway.

Geo Vessels AS is a Joint Venture vessel owning company, owning 5 vessels. The company is incorporated in Norway.

Eidesvik Seismic Vessels AS is a Joint Venture vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Oceanic Seismic Vessels AS is a Joint Venture vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Eidesvik Shipping II AS is a vessel owning company, owning 1 vessel. The company is incorporated in Norway.

Eidesvik Shipping International AS holds various chartering contracts for the Group and bareboat contracts with vessel owning companies in the Group. The company is incorporated in Norway.

Eidesvik Subsea Vessels AS holds from time to time various chartering contracts for the Group and bareboat contracts with vessel owning companies in the Group. The company is incorporated in Norway.

Eidesvik Neptun II AS holds various chartering contracts for the Group and bareboat contracts with vessel owning companies in the Group. The company is incorporated in Norway.

Eidesvik UK Limited holds from time to time various chartering contracts for the Group and bareboat contracts with vessel owning companies in the Group. The company is incorporated in the United Kingdom.

Eidesvik Seven Chartering AS is a Joint Venture company and holds charter contracts for the ship owning Joint Venture Eidesvik Seven AS. The company is incorporated in Norway.

Eidesvik Maritime AS employs the maritime crew for the Group. The company is incorporated in Norway.

Eidesvik AS is the management company of the Group employing most of the on-shore personnel, with no material assets. The company is incorporated in Norway.

Eidesvik Management AS is a holding company owning 51% of the shares in the Joint Venture company CGG Eidesvik Shipmanagement AS. The company is incorporated in Norway.

CGG Eidesvik Ship Management AS is a Joint Venture ship management company mainly operating the jointly owned vessels with CGG. The company is incorporated in Norway.

7.5 Description of the Group's operations

The Group shall be a leading "Partner in Shipping" in offshore logistics, seismic and subsea operations. The Group shall exercise good seamanship and be a powerhouse for progressive shipping and operational solutions. The Group's main goal is to increase and secure the Group's long-term value creation, and thereby create the basis for further growth, secure jobs and higher share values. The Group seeks to achieve this through ensuring that the Group's vessels have the highest degree of long-term employment as possible.

The purpose of the Company is, according to the Articles of Association, to "operate a shipping business and all that relates to this, including owning stocks and shares in companies operating similar or related businesses".

At the date of this Prospectus, this purpose is realized through operating 23 vessels, whereof 19 are wholly or partly owned by the Group. The Group owns 22 vessels (including vessels in Joint Ventures), whereof 19 are operated by the Group. Of the 22 fully- and partly owned vessels 7 are laid up at the date of this Prospectus.

The Group seeks to charter the vessels mainly on long-term contracts in the segments Supply, Seismic and Subsea. Due to the current weak market, more vessels have recently been operated on short-term contracts. The Group's activities are managed from the headquarters in Langevåg at Bømlo. The shipping business is organized in accordance with the special tax rules for shipping companies. The vessels are owned in various ship owning companies, and Eidesvik AS performs the general and business management functions for the ship owning companies.

The Group's seismic fleet is mainly operated through operating company CGG Eidesvik Ship Management AS, which is located in Bergen. The Company owns 51 % of the shares, while the remaining 49 % are owned by CGG. CGG is an international player in the market for geoscience, supply of seismic equipment, and seismic data acquisition and is a major long-term customer for the Eidesvik Group and joint venture partner in the Global Seismic Shipping AS. CGG has world-wide operations, is headquartered in Paris and listed on Euronext Paris stock market.

The Eidesvik Group had 430 employees (full-time equivalents, including temps), whereof 46 onshore and 384 offshore, including 87 subcontracted.

7.6 Principal markets

Eidesvik owns and operates vessels in the 3 segments supply, seismic, and subsea/wind. These markets are further described in Section 8 "Industry Overview". The Group operates worldwide, but the main markets is Northern Europe.

Supply

The Group's PSVs are mainly being used for carrying goods, water, drilling mud, chemicals, etc. to and from the offshore installations. At the date of this Prospectus, the Group owned 7 (2 laid up) and operated 9 supply vessels (4 laid up). 5 vessels use LNG as fuel. The strategic geographical region for operations in this segment is at the date of this Prospectus defined to be in Europe.

Seismic

The Group's seismic vessels delivers maritime capacity to clients who acquire marine seismic data, either as streamer vessels or source vessels. At the date of this Prospectus, the Group owned fully or partly 11 seismic vessels (6 laid up) and operated 10 seismic vessels (3 laid up). The seismic vessels are operated worldwide and in various areas depending on the customers' requests.

Subsea

The Group's subsea vessels are mainly being used for under water construction, inspection, maintenance and repair work, as well as for other support for under water operations. In addition, some subsea vessels provide services to offshore wind companies. At the date of this Prospectus, the Group owned fully or partly and operated 4 subsea vessels. The subsea vessels are operated worldwide and in various areas depending on the customers' requests.

The Group operates a modern fleet of highly specialized vessels world-wide for the offshore oil and wind industry. Most of the Group's vessels are equipped to provide services in more than one market (multipurpose vessels) so that they are not dependent on one particular type of service. This makes for considerable flexibility and adaptability in a market which can be volatile. The Group's vessels are owned by its subsidiaries or in joint venture with other companies.

7.7 Contracts

7.7.1 Overview of the Group's fleet contracts

Below is an overview of the Group's fleet contracts.

PSV Vessels, consolidated	Contract type	Charterer	Contract expiry	Charterer's option
Viking Lady	Lay up			
Viking Queen	SPOT			
Viking Athene	Lay up			
Viking Avant	Time Chart	Statoil	Feb 2018	Feb 2019
Viking Energy	Time Chart	Statoil	Apr 2018	Apr 2019
Viking Prince	SPOT			
Viking Princess	Time Chart	Chevron UK	Jul 2019	
Subsea Vessels, consolidated	Contract type	Charterer	Contract expiry	Charterer's option
Acergy Viking	Time Chart	Siemens WP Service	Jan 2020	Apr 2020
Subsea Viking	Time Chart	SBGS	Nov 2020	
Viking Neptun	Time Chart	Adwen	Apr 2018	

Subsea Vessels, Joint Ventures	Contract type	Charterer	Contract expiry	Charterer's option
Seven Viking	Time Chart	Subsea 7	Jan 2021	Jan 2024

Seismic Vessels, consolidated	Contract type	Charterer	Contract expiry	Charterer's option
Viking Vanquish	Bareboat	CGG	Nov 2020	
Viking Vision	Lay up			
Veritas Viking	Lay up			
Vantage	Time Chart	SBGS	Nov 2018	

Seismic Vessels, Joint Ventures	Contract type	Charterer	Contract expiry	Charterer's option
Oceanic Vega	Bareboat	CGG	Mar 2027	
Oceanic Sirius	Bareboat	CGG	Mar 2027	
Geo Coral	Bareboat	CGG	Mar 2027	
Geo Caribbean	Lay up/Bareboat from April 2018	CGG	Mar 2027	
Geo Celtic	Lay up/Bareboat from July 2020	CGG	Mar 2027	
Oceanic Challenger	Lay up			
CGG Alize	Lay up			

In time chart and spot contracts, both vessel and crew are supplied under the same contract, and the ship-owner (or the contract holder) usually bears technical and operational off-hire risk. In bareboat contracts, the vessel is supplied only, and the charterer usually bears the off-hire risk.

7.7.2 *Material contracts outside the Group's ordinary course of business*

Eidesvik and CGG entered into an agreement in January 2017 regarding a change in the bareboat contract for the seismic vessel Viking Vanquish, which expires in November 2020, effective from January 2017. The dayrate was reduced for the remainder of the contract period. As a consequence of this Group received in 1st Quarter 2017 listed CGG notes with maturity in 2021 and in 2nd Quarter other debt instruments with nominal value of TUSD 18,168 (as described below) as compensation for the termination. In 1st quarter 2017, the Company has received notes from CGG and sold them. The cash settlement was TUSD 7,875.6.

The Company has in 2017 furthermore entered into an agreement with CGG to establish a new ownership set-up for 7 seismic vessels. This new set-up was based on the creation of a new holding company that will hold the shares in two entities. One of the entities owns the two vessels formerly co-owned by CGG and the Company (Oceanic Vega and Oceanic Sirius), and the other entity owns five vessels formerly owned by CGG and where three are currently cold-stacked (Geo Celtic, CGG Alize and Oceanic Challenger). The two ship owning entities are financially separated and no guarantees will be established between the two or from the owners. The new holding company, jointly owned by CGG and the Company in equal parts, became operational at the beginning of the second quarter of 2017. CGG will continue to charter the Oceanic Vega and Oceanic Sirius from the new company and has extended the current contract until March 2027 on a reduced charter rate through the whole charter period. CGG progressively charters the Geo Coral (from the second quarter 2017 onwards), Geo Caribbean and Geo Celtic vessels, as the charters of other vessels currently in operation expire. The transaction where the Joint Venture Global Seismic Shipping AS ("**GSS**") is recognized in 2nd Quarter 2017 consists of the following main elements which influences mainly profit from joint ventures:

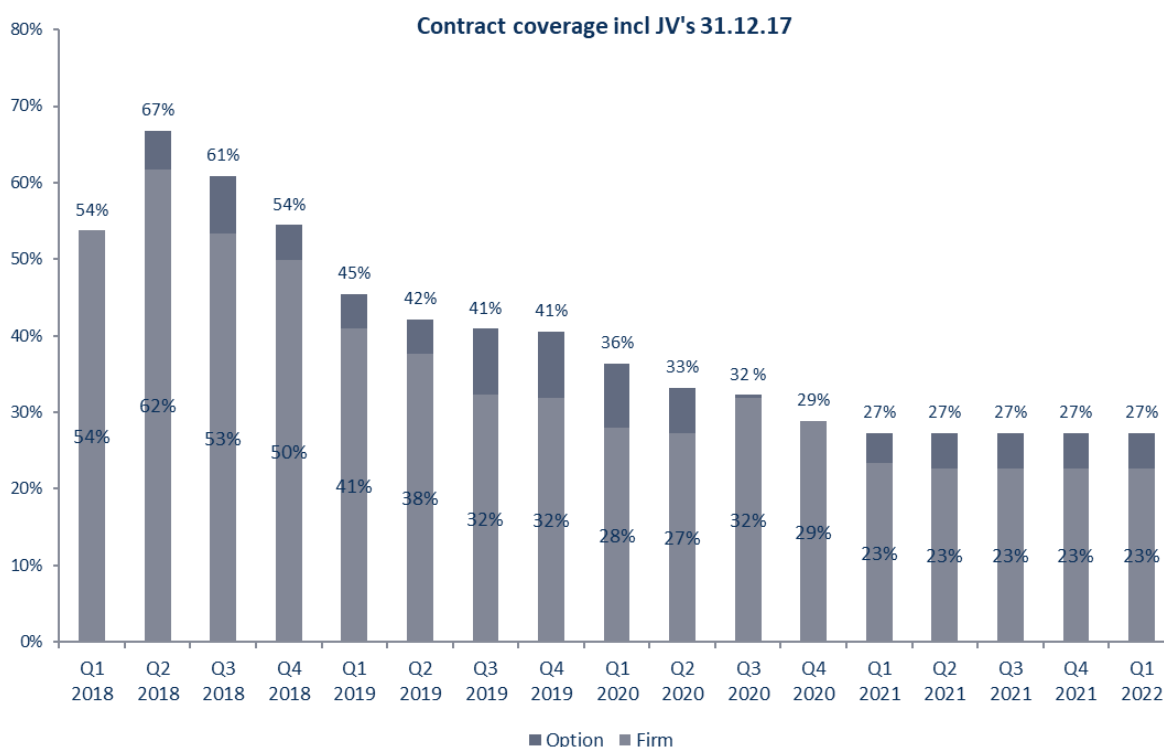
- i) The contract change for Oceanic Vega and Oceanic Sirius conducted 20 April 2017 created a receivable versus former contract party in CGG with corresponding revenue recognition.
- ii) Eidesvik Shipping AS has reorganized its ownership in the formerly 51% owned Eidesvik Seismic Vessels AS (ESV) and Oceanic Seismic Vessels AS (OSV) to include 50% of Global Seismic Shipping AS and established receivables with ESV and OSV of a total of TUSD 9,342.
- iii) GSS purchased the shares in the formerly 100% owned Geo Vessels AS (GV) against settlement in the receivable described in i) and further receivables against ESV and OSV of a total of TUSD 9,342.
- iv) CGG transferred the receivable of TUSD 11,665 together with further receivables of TUSD 6,503 against ESV and OSV created at the establishment of GSS, totaling to TUSD 18,168 to Eidesvik

MPSV AS as rest compensation for the contract change referred to in the 1st Quarter 2017 report. After this companies in the Group has total ESV and OSV receivables of TUSD 27,510. CGG companies have no such receivables.

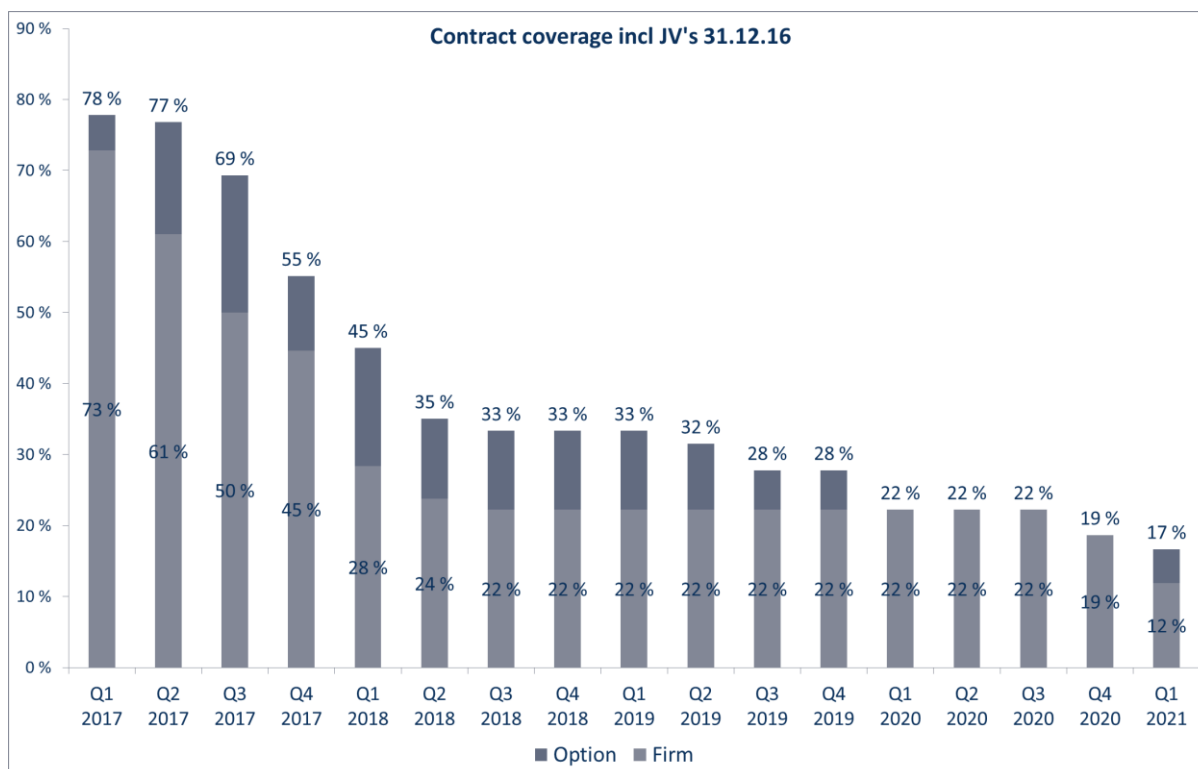
The company has in 1st Quarter 2017 negotiated with the bondholders in the company's bond loan regarding full repayment at 60% of nominal value. This resulted in a gain on buy-back of bonds of TNOK 120.000. The repayment of the bond is partly financed by the sale of Viking Poseidon. In addition Eidesvik Invest AS has granted the company an interest-free shareholder loan of TNOK 30.000 related to the bond repayment.

7.7.3 Contract coverage including Joint Ventures

The Company's and the Joint Venture's future contract coverage is shown in the below chart.



Compared to the corresponding period in the previous year (2016, see the below chart), the Company has with its Joint Ventures some lower contract coverage the first year, when options are included. When excluding options, the firm contract coverage from Q2 2018 is somewhat higher than the corresponding period in 2016.



7.8 Investments

7.8.1 Historical principal investments

Below is the Group's principal investments carried out in 2015, 2016 and 2017, to the date of this Prospectus. The principal investments have been related to delivery of vessels, but the Group has also invested in various upgrades of the vessels in the fleet. For further details regarding the investment cash flow, reference is made to section 11.5, purchase of fixed assets.

2015:

Viking Neptun (subsea) – delivered from Kleven Verft 17 February, (MNOK 1,261 (whereof MNOK 347 was prepaid as yard instalments in 2013-2014)).

2016:

Acergy Viking (subsea/wind) – vessel refitted for operations in offshore wind market, (MNOK 25).

2017 and to the date of this Prospectus:

Acergy Viking (subsea/wind) – vessel upgraded with SPS and equipped with offshore gangway system (MNOK 54).

7.8.2 Ongoing and future investments

The Group does not currently have any ongoing investments and has not made firm commitments to undertake any principal future investments.

7.9 Property, plant and equipment

The Group's material assets are the vessels currently in operation. A description of the Group's existing fleet with relevant information for each segment is provided below. Reference is also made to the description of the vessels' contracts provided in section 7.7.1.

PSV Vessels, consolidated	Building-/ conversion year	Ship deck	Powered by	LOA	Owning Company
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Viking Lady	2009	1.000 sqm	LNG, Battery	92,20 m	Eidesvik Shipping AS
Viking Queen	2008	1.000 sqm	LNG, Battery	92,20 m	Eidesvik Shipping AS
Viking Athene	2006	700 sqm	MGO	73,40 m	Eidesvik Shipping AS
Viking Avant	2004	1.010 sqm	MGO	92,17 m	Eidesvik MPSV AS
Viking Energy	2003	1.030 sqm	LNG, Battery	94,90 m	Eidesvik Shipping AS
Viking Prince	2012	1.021 sqm	LNG	89,60 m	Eidesvik Supply AS
Viking Princess	2012	1.050 sqm	LNG, Battery	89,60 m	Eidesvik Shipping AS

Subsea Vessels, consolidated	Building-/ conversion year	Crane capacity	Beds	LOA	Owning Company
Acergy Viking	2007	100 t	74	97,60 m	Eidesvik Shipping II AS
Subsea Viking	1999	75 t	70	103,00 m	Eidesvik Shipping AS
Viking Neptun	2015	400 t	150	145,60 m	Eidesvik Neptun AS

Subsea Vessels, Joint Ventures	Building-/ conversion year	Crane capacity	Beds	LOA	Owning Company
Seven Viking	2012	135 t	90	101,05 m	Eidesvik Seven AS

Seismic Vessels, consolidated	Building-/ conversion year	Type of seismic	Number of towing points	LOA	Owning Company
Viking Vanquish	1998/2007	3D	12	93,35 m	Eidesvik MPSV AS
Viking Vision	1997/2007	3D	14	105,00 m	Eidesvik Shipping AS
Veritas Viking	1998	3D	10	93,35 m	Eidesvik Shipping AS
Vantage	2001	3D	10	93,35 m	Eidesvik Shipping AS

Seismic Vessels, Joint Ventures	Building-/ conversion year	Type of seismic	Number of towing points	LOA	Owning Company
Oceanic Vega	2010	3D	20	106,00 m	Eidesvik Seismic Vessels AS
Oceanic Sirius	2011	3D	20	106,00 m	Oceanic Seismic Vessels AS
Geo Coral	2010	3D	16	100,80 m	Geo Vessels AS
Geo Caribbean	2008	3D	14	100,80 m	Geo Vessels AS
Geo Celtic	2007	3D	12	108,30 m	Geo Vessels AS
Oceanic Challenger	2000/2006	3D	12	91,30 m	Geo Vessels AS
CGG Alize	1999/2008	3D	16	100,00 m	Geo Vessels AS

The economic lifetime of a vessel is usually decomposed according to its various general parts, being hull and machinery, equipment and special equipment. The composition is dependent on the vessel type. The lifetime of these general parts is assumed to be from 15 to 30 years, which will have to result in some upgrades over the lifetime of the vessel as a whole. The weighted average of these parts results in an economic lifetime of approx. 25 years for a new vessel, and usually somewhat less for a converted vessel. There is a general risk that older vessels close to its economic lifetime may have difficulties obtaining contracts in a weak market. Of the vessels listed above there are two consolidated (unconverted) vessels close to 20 years; being Subsea Viking and Veritas Viking. Contract prospects and technical condition for both vessels are assessed to be sufficient to uphold the assumption of 25 years economic lifetime. The total book value of the two oldest vessels per 31.12.2017 was NOK 160 million, and represents a smaller part of the Group's total assets.

7.10 Litigation and disputes

From time to time, the Company and other companies in the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

Neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

7.11 Environment

The Group has a conscious and targeted environmental focus on its operations. The Group has continued the efforts to develop environmentally friendly and energy saving vessels. Phase 3 of the Fellowship project has been completed on board supply vessel Viking Lady. The Fellowship project is a technology collaboration between Eidesvik, DNV GL and Wartsila, which initially was aimed at testing fuel cell in a maritime environment. In 2012, a battery pack was also installed on the vessel Viking Lady. The project met all the expectations to both fuel cell technology and battery technology, and another milestone was reached for the company in a global environmental context. In 2014, the Fellowship project was granted support for phase 4, and through phase 4, Eidesvik AS continued the development of hybrid solutions using battery technology, and the Company has a strong focus on the context between new technology and energy efficiency. This project was ongoing through 2016. Based on the results from Fellowship phase 3, the Group installed another battery pack on a PSV in 2015. During 2016 and 2017, the Group has installed battery packages on 2 other vessels. The Group consider this technology with great environmental potential. The Group's goal is to implement hybrid solutions on more vessels in the coming years.

The Group's operations at sea are run in accordance with international and national laws and regulations. In order to reduce the risk of accidents, there is great focus on preventative maintenance, as well as manning the vessels with highly qualified personnel. Eidesvik is working continuously to reduce the total emission from the operation of its vessels. Blue:E, the Company's program for environmentally friendly operation is playing an important role in order to operating the vessels as environmentally friendly as possible. Energy efficient operation is an important part of the daily operation.

All vessels in the Eidesvik fleet are approved with regard to the new IMO requirements for an energy efficiency plan. This task is in line with the company's blue:E initiative. Environmental index ESI (Environmental Ship Index) is acknowledged by the Norwegian Coastal Administration and several ports as the basis for environmental differentiation of fees/rates. Nine of the Group's vessels are registered in ESI, all with a very favorable environmental profile. This has given a lot of positive mention, and it illustrates that it is possible to reduce costs through environmentally sound choices.

The company has considerable focus on developing the health, safety and environment efforts further. The quality and safety system "Eidesvik Management System" is certified by DNV GL to meet the requirements of ISM / ISO 9001 / ISO 14001 / MLC 2006, and the ISPS Code. The EMS project was initiated in 2014, focusing on simplification and ease of use for all employees in the company. Among other things, this means fewer words in procedures, combining procedures and transfer to a more checklist based system, like in the aviation industry. The management is continuously carrying out awareness work in HSEQ, and has particular focus on the exchange of experience, which facilitates continuous improvement.

8. INDUSTRY OVERVIEW

8.1 Overview

Eidesvik Offshore operates in three key markets:

- (i) Subsea services comprising owning and providing subsea vessels to third parties, who employ the vessels to perform offshore installation and subsea construction services, offshore inspection, maintenance and repair services;
- (ii) Owning, operating and chartering out of platform supply vessels, performing services related to transportation of cargo in support of offshore installations, offshore rigs, pipelay and construction campaigns, and general support of drilling rigs and floating and fixed installations.
- (iii) Owning, operating and chartering out of seismic vessels, directly and through the 50% owned joint venture Global Seismic Ship. Seismic vessel are generally chartered to specialised seismic companies, that use the vessels along with equipment ("streamers"), often owned by the seismic company itself, to gather seismic data that in turn is sold to oil companies.

Offshore service vessels can be divided into four main segments: platform supply vessels, anchor handling tug & supply vessels, subsea vessels, and seismic vessels. Eidesvik Offshore operates in all segments except anchor handling tug & supply vessels. The Company's largest competitors include Solstad Farstad, DOF, Edison Chouest, Bourbon Offshore, Gulfmark Offshore, and Tidewater for Subsea and platform supply vessels. For seismic vessels, the largest competitors include PGS, Polarcus, and Shearwater.

Section 8.2 "General energy market overview – demand" and Section 8.3 "Offshore production is an increasing share of total oil production" describe the key drivers of the markets in which Eidesvik Offshore operates, while Section 8.4 "The offshore vessel market" describes the state of the most important market segments, largely by referring to utilisation and day rates for vessel types. Note that such day rates are representative for the revenues obtained by Eidesvik Offshore's vessels on new contracts, however these rates cannot be used to accurately predict Eidesvik Offshore's revenues, as revenues are generated by long-term contracts entered into at times with different market conditions and are influenced by the type and complexity of contracts, the amount of additional services as well as the geographical regions of operation.

8.2 General energy market overview – demand

Over the past couple of years there have been large upheavals in world energy markets, triggered by a steep decline in oil prices and knock-on effects leading to significantly lower demand for the services provided by the Group. At the same time, the supply side has grown significantly with average annual growth rate of approximately 7% over the last five years, according to Pareto Securities research¹. Demand has decreased over the same period due to lower activity. Several vessel owners have laid-up vessels.

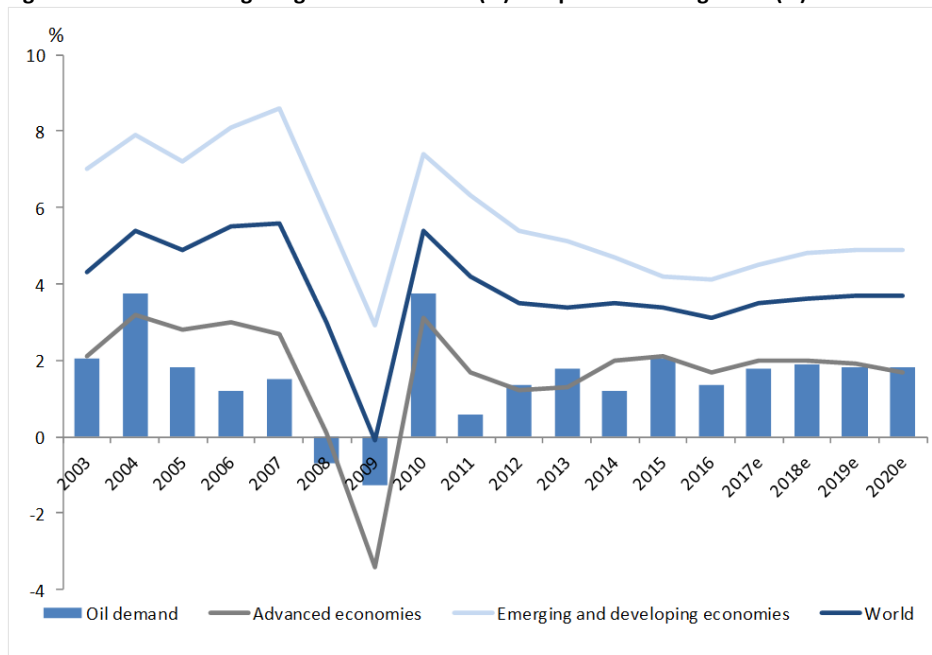
8.2.1 Oil overview and demand

According to IMF's most recent World Economic Outlook ("**WEO**") October 2017 forecast, the global economic real (inflation adjusted) growth which was estimated at 3.2% in 2016, is projected at 3.6% in 2017 and 3.7% in 2018. For both 2017 and 2018 this is a 0.1%-point upward revision from the April 2017 WEO forecast. The pickup in global activity that started in the second half of 2016 is projected to be somewhat stronger than in the April 2017 WEO, especially in emerging markets and developing economies but with broad growth also in advanced economies.

Oil demand growth hit at five-year high in 2015 at 1.9 million bbl/day – equal to a 2.0% growth rate year-over-year – slowing to 1.33 mill bbl/day in 2016 or a growth rate of 1.4%. According to projections by the IMF, IEA, and Pareto research, a higher growth is expected in 2017 and 2018.

¹ Source: Data from the IHS Marine Base (subscription service), calculated year-end 2011 to year-end 2017.

Figure 8-1: Annual change in global oil demand (%) compared to GDP growth (%)



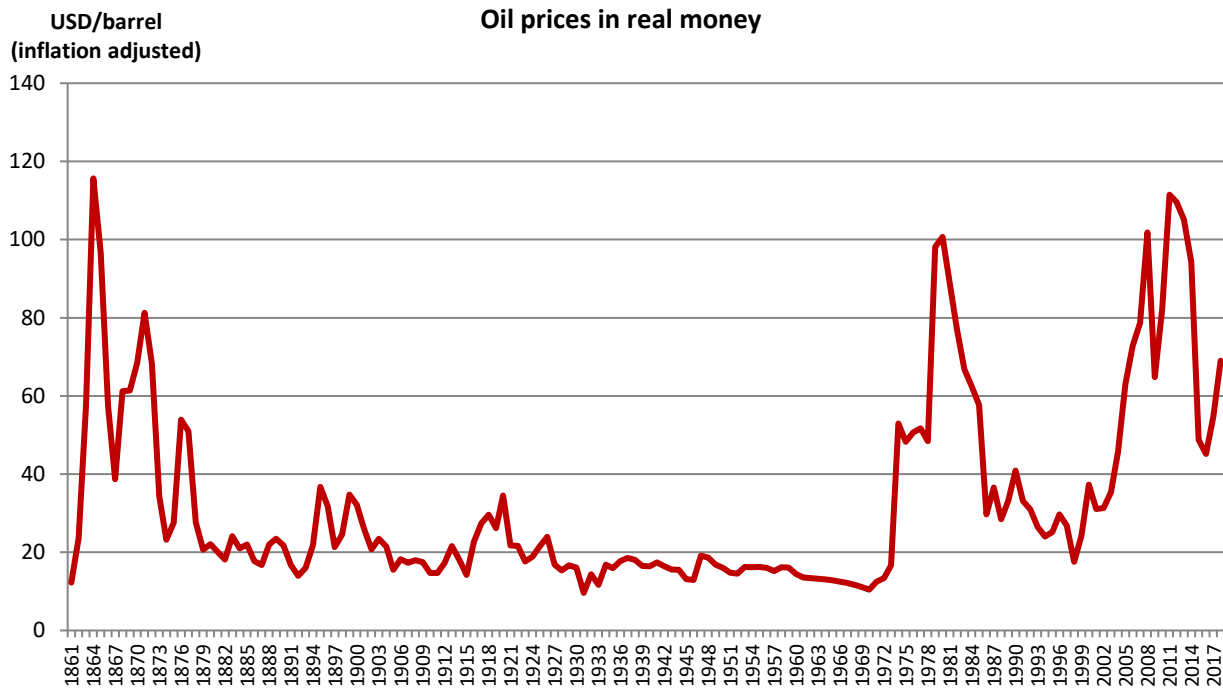
Source: International Monetary Fund (IMF), International Energy Agency (IEA), Pareto Securities Research.

8.2.2 The oil price has dropped significantly

After seeing very high growth through the 2000's oil prices, oil price reached "all-time-high levels" in 2011 and maintained USD 100 – 120 per barrel price range for brent oil until the middle of 2014. From summer 2014, the oil price dropped dramatically down to levels of less than USD 30 per barrel early 2016. The average oil price for 2016 ended at USD 45 per barrel and for the first 11 months of 2017 USD 54 per barrel, while at the date of this Prospectus, the oil price for North Sea brent is in the range of approximately USD 63 per barrel, an increase from the low levels seen a few months earlier. The large variations are by the Company seen as a signal of great uncertainty in the oil market, triggering uncertainty among oil companies and hesitance in awarding new contracts. The oil companies' hesitance in investing in increased production is negatively influencing the demand for both offshore service vessels and subsea services.

The figure below illustrates historical crude oil prices in real (inflation adjusted) money.

Figure 8-2: Historical oil price in constant money



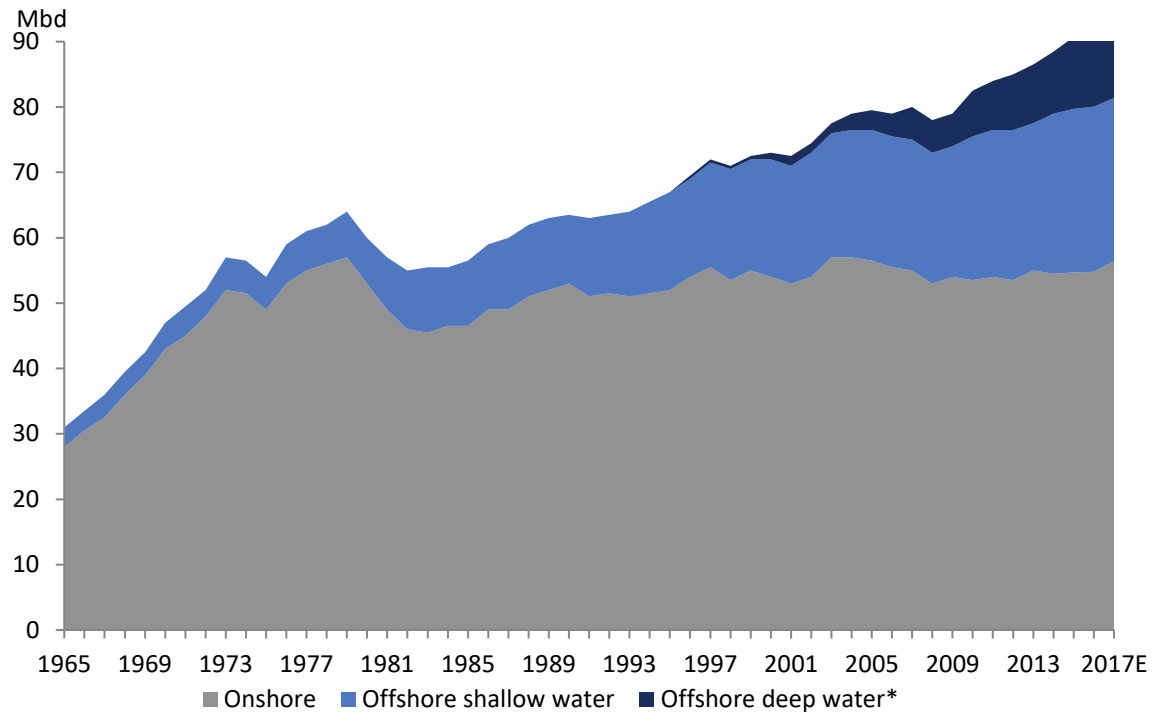
Source: Data from BP ("BP Statistical Review of World Energy 2016", <http://www.bp.com/statisticalreview>). Year-to-date average price is Pareto Securities Corporate Finance estimate. The last point marks the oil price as of 10 January 2018.

8.3 Offshore production is an increasing share of total oil production

Since 1980, the global oil consumption has increased 38% from approximately 61 million barrels per day to approximately 97 million barrels per day in 2016 (according to BP Energy Outlook 2017²), representing a growth rate of 1.6% from the previous year and 1.2% average growth rate per annum from 2005 to 2015. The onshore production is approximately flat over the same period, from 53 million barrels in 1980 to around 56 million barrels in 2016, while offshore production has increased more than 300% from approximately 7 million to approximately 35 million barrels per day in 2016. The deepwater offshore production was nil in 1965, and the first year with registered deepwater production was 1996 whereas in 2016, it accounted for around 12.5% of the global production capacity.

² Source: BP Statistical Review of World Energy 2017.

Figure 8-3: Development in oil production since 1965



Source: Pareto Securities based on data from Infield Systems (subscription service).

* Numbers from the graph for offshore share of total oil production:

- 1980: ~12%
- 1990: ~16%
- 2000: ~26%
- 2010: ~33%
- 2016: ~38%

Deepwater share of total production:

- ~1.5% in 2000
- ~8.5% in 2010
- ~12.5% in 2016

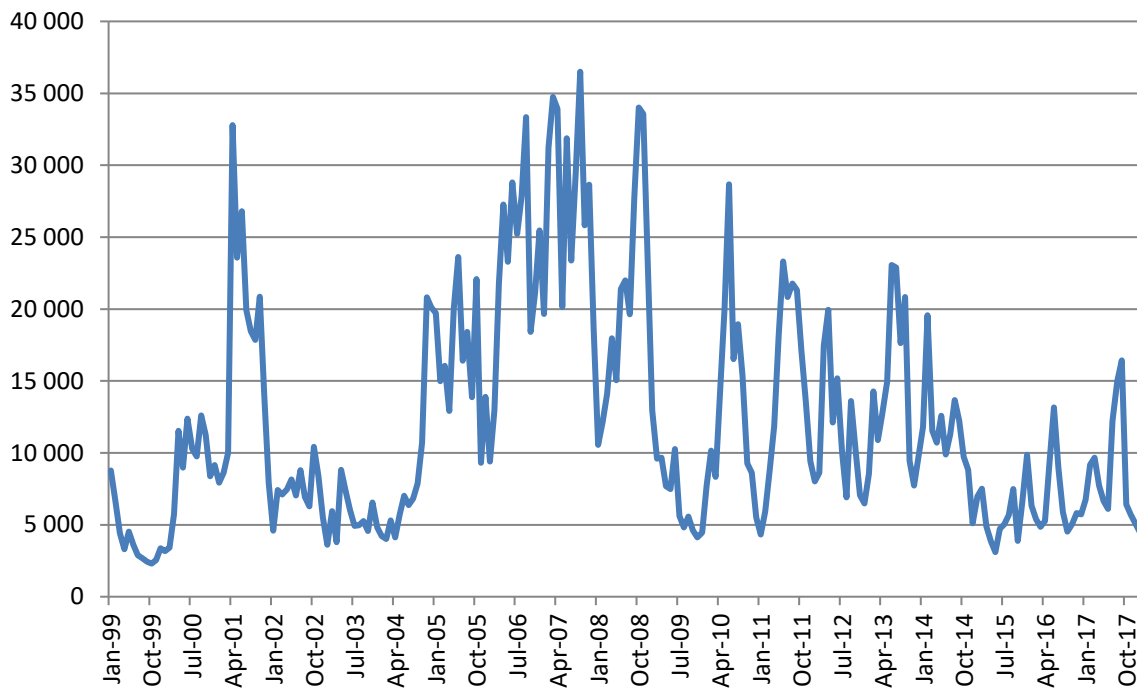
8.4 The offshore vessel market

8.4.1 Introduction

In total, there are around 4,500 vessels categorised as offshore service vessels. The vessels can be divided into several categories and segments, of which the two most common categories are Platform Supply Vessels ("PSV") and Anchor Handling Tug Supply vessels. The Company is present in the PSV market, but not in the AHTS segment. Owners of PSVs and AHTS vessels provide vessels with traditional marine crew to clients, typically being oil companies or offshore contractors. A third category of vessels is subsea vessels, where vessels are used to provide additional services such as inspection, ROV, diving- and pipe-laying services ("Subsea/CSV"). Finally, we include a fourth category, seismic vessels ("Seismic"). This is a specialised segment as Seismic vessels being owned by only a handful of vessel owning companies. The segments Subsea/CSV, and Seismic market are therefore described separately.

The offshore service vessels operate globally, however the North Sea market is used as a gauge for the condition of the market, as it represents the only well-developed market for short-term contracts (spot market), and therefore fluctuations in the supply-demand balance have an immediate impact on day rates. As the North Sea market is the only well-developed spot market, vessels in other markets tend to mobilise to the North Sea market if they do not obtain long-term contracts in other markets. The spot rates are therefore considered a good representation of the state of the market; while day-to-day variations can contain significant statistical noise, monthly averages, as shown in figure 8-4 below, provides a good gauge of the state of the underlying market. As illustrated in the figure, rates have been low since the start of 2015 but with periods of higher rates both in 2016 and 2017.

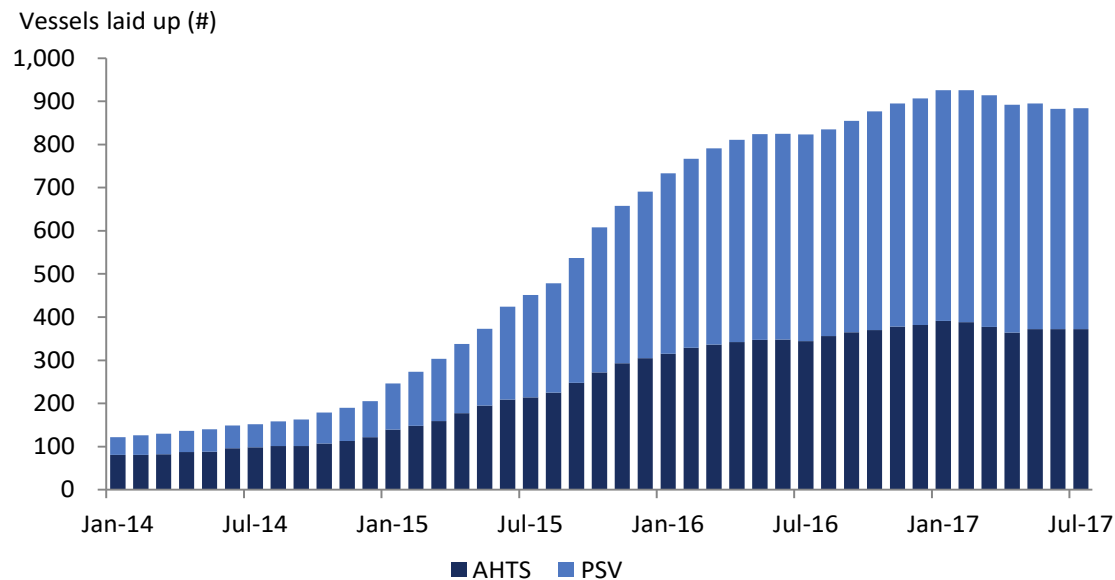
Figure 8-4: Average day rates for offshore vessels (GBP per day, measured on a monthly basis) – PSV >=3,500 dwt



Source: Pareto Securities estimates based on daily fixture reports from Pareto JGO Offshore shipbrokers (starting January 2009) and Clarksons (until December 2008). Updated as of January 2018

Another indication of market activity is the number of vessels that have been laid-up by their owners, effectively taken out of the market as their owners foresee revenues to be lower than the variable operating expense of having a vessel active. Again reference is made to the North Sea due to availability of statistics.

Figure 8-5: Vessels in lay-up



Source: Pareto Securities Equity Research, E&P Spending Survey August 2017. AHTS vessels included for reference.

8.4.2 Platform supply vessels

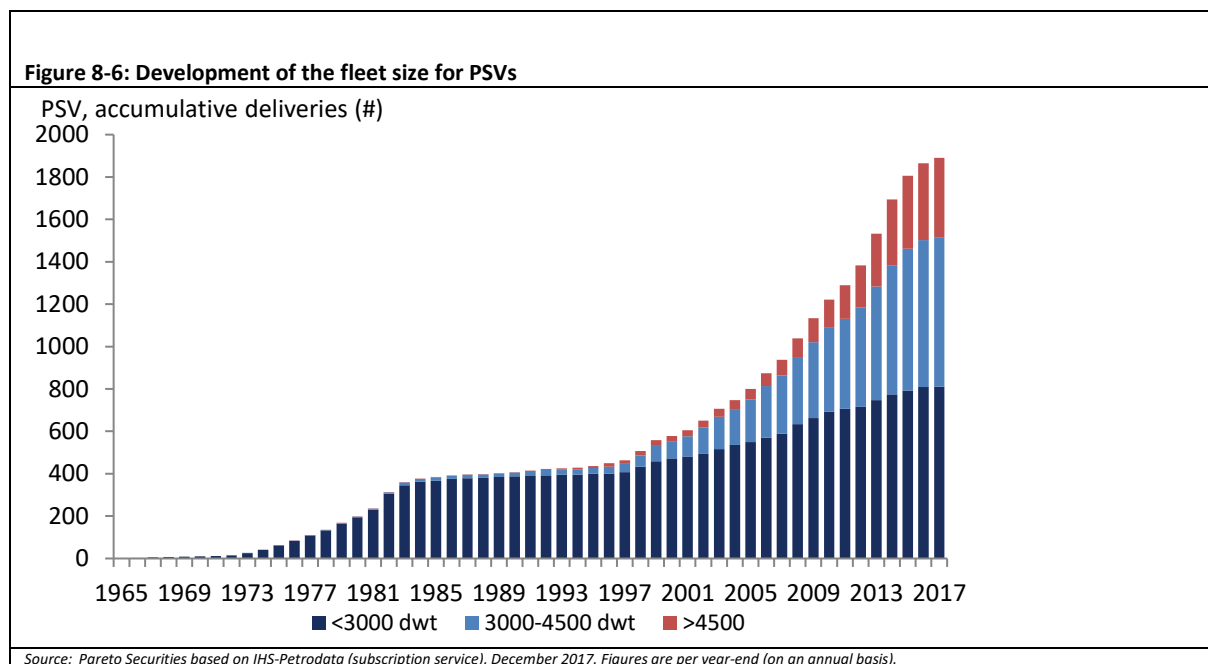
PSVs are specially designed for transport of supplies to and from offshore installations. On deck the vessels carry containers, equipment and pipes (the latter applies mostly for larger PSVs). Under deck the vessels transport a variety of different fluids in separate tanks, like mud & brine, cements or other dry bulk, water, fuel and drill-cut. Furthermore, some vessels have tanks for special fluids like methanol.

PSVs are typically classified according to their carrying capacities:

- Size of free deck space;
- Total carrying capacity in dead weight tons (dwt); and
- Type and capacity of special tanks carrying mud & brine, fuel, dry bulk, methanol and similar capacities.

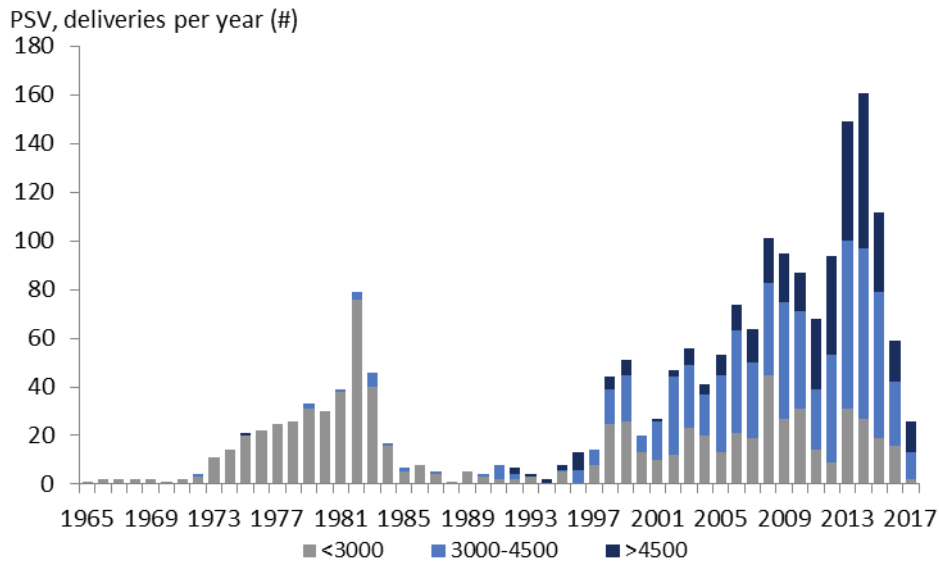
Historically, PSVs with more than 2,000 dwt have been considered large. However, as the trend continues towards larger and larger vessels, PSVs with dwt between 3,000 and 4,500 are now considered medium-sized and vessels with a carrying capacity above 4,500 dwt are considered to be large vessels. Classified by deck area this corresponds to approximately 600-800 m2 for medium-sized vessels, and above 800 m2 for large vessels.

The following figure shows the annual development of the global PSV fleet up to and including 2017.



A relatively large portion of the current world-wide PSV vessel fleet was built during the 1980s, whereas from 1990 until around 2005 the fleet was relatively stable, with around 800 PSVs of all sizes delivered until 2005. Over the 10 years from 2007 to 2017, the fleet grew approximately 100% and the total number of PSVs delivered is approximately 1,890 vessels as at end-2017. Of these, approximately 800 vessels or 43% are small (less than 3,000 dwt), approximately 700 vessels or 37% are medium sized (between 3,000 and 4,500 dwt), and 375 vessels or 20% are large (more than 4,500 dwt). For comparison, in 2007, 62% of the PSVs were “small” after this definition, 29% were “medium”, and only 8% were “large”.

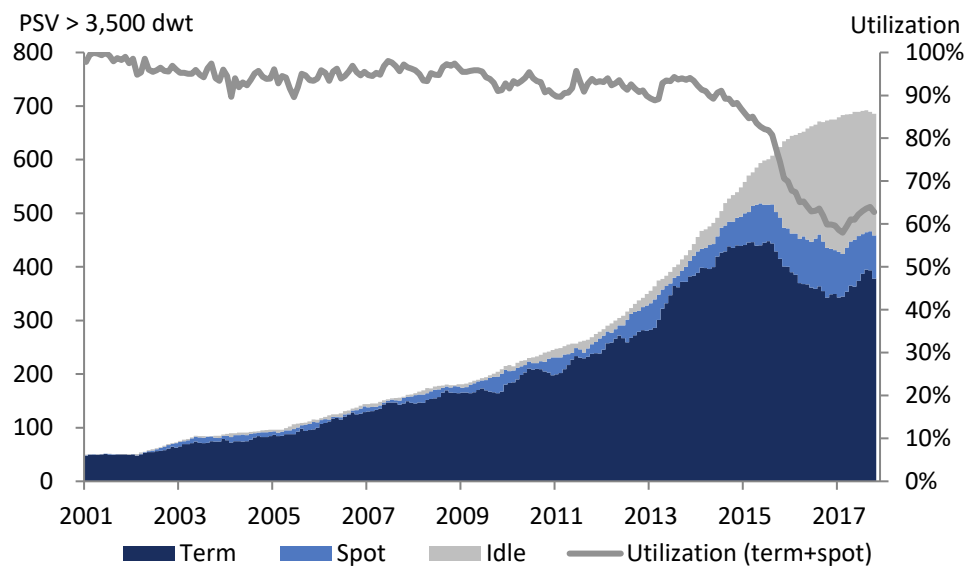
Figure 8-7: Development of the fleet size for PSVs



Source: Pareto Securities based on IHS-Petrodata (subscription service), October 2017. Figures are per year-end on an annual basis (estimate for year-end 2017 based on actuals per October).

The following figure shows the fleet development and utilisation for PSVs with dwt above 3,500.

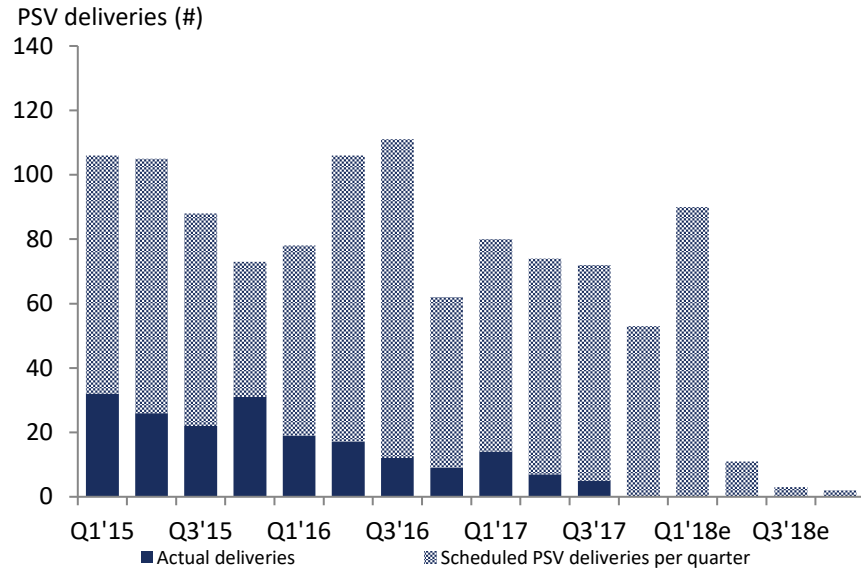
Figure 8-8: Fleet development and utilisation for large PSVs (>3,500 dwt)



Source: Pareto Securities based on IHS-Petrodata (subscription service), October 2017.

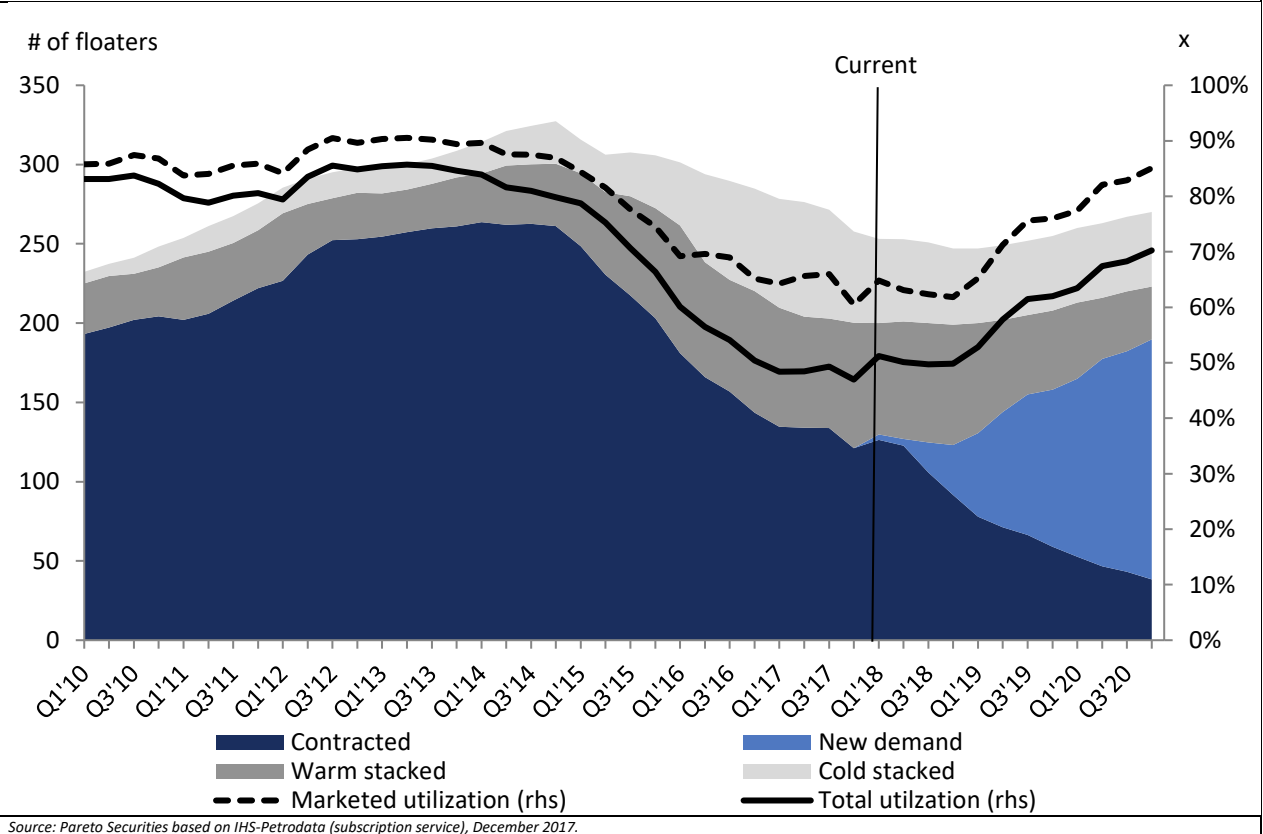
Considering only larger vessels of the size in which the Company has vessels, utilisation has dropped from the 80-90% range seen between 2005 and 2014 down to around 60-65% currently.

Figure 8-9: Newbuild activity –number of newbuild PSVs delivered from shipyards (planned and actual)



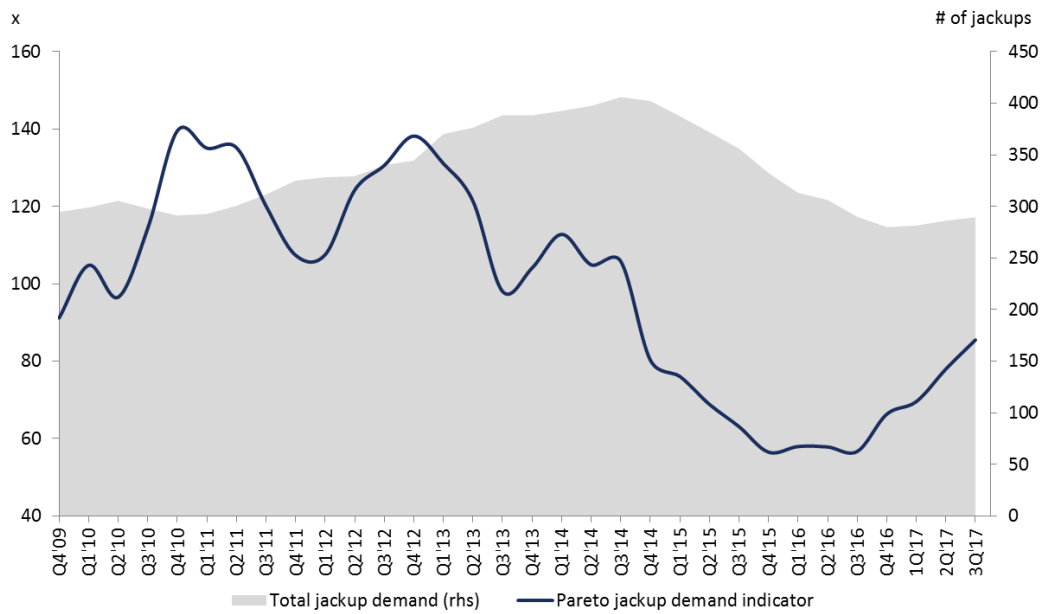
Source: Pareto Securities based on IHS-Petrodata (subscription service), December 2017.

Figure 8-10: Demand driver – offshore rigs (floaters)



Source: Pareto Securities based on IHS-Petrodata (subscription service), December 2017.

Figure 8-11: Demand driver – offshore rigs (jackups)



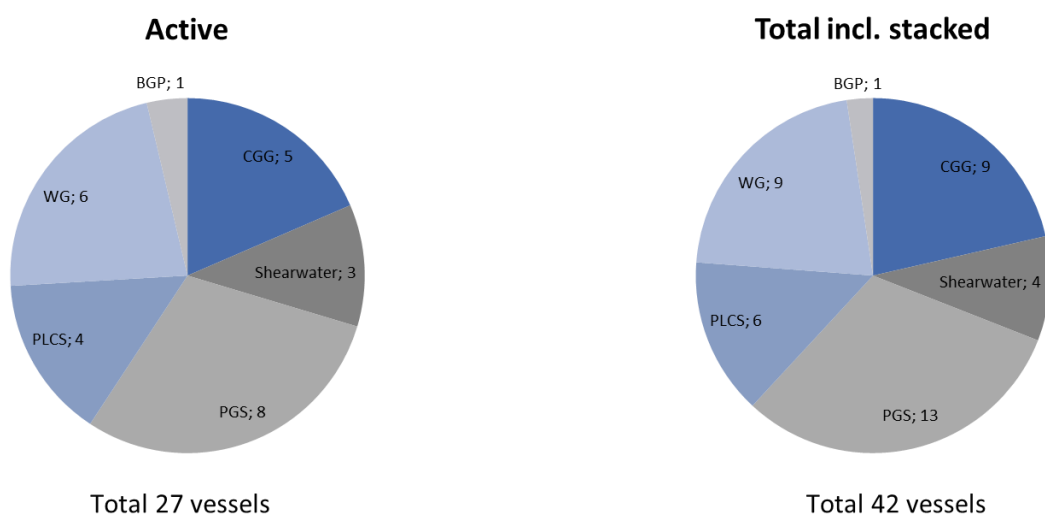
Source: Pareto Securities based on IHS-Petrodata (subscription service), December 2017.

An important demand driver for all types of offshore vessels, including subsea vessels described in Section 8.4.4 "Subsea/CSV", but particularly PSVs, is the number of active offshore rigs. As illustrated in figure 8-10 and 8-11 above, rig demand (indicating how many rigs are working) increased steadily until late 2014 and early 2015. Thereafter the number declined from around 264 in the first quarter of 2014 to 134 in the second quarter of 2017 for floaters, and for jackups from peak of 400 in the third quarter of 2014 to a trough of 275 in the second quarter of 2017.

8.4.3 Seismic

The market for Seismic vessels is significantly more concentrated than for other offshore service vessels. While there are estimated 4,500 offshore service vessels in total, spread over several hundred owners, Pareto Securities research estimates that there are 42 Seismic vessels designated as "3D Seismic vessels" owned by six vessel owners. Only estimated 27 are currently active (not stacked), as illustrated below:

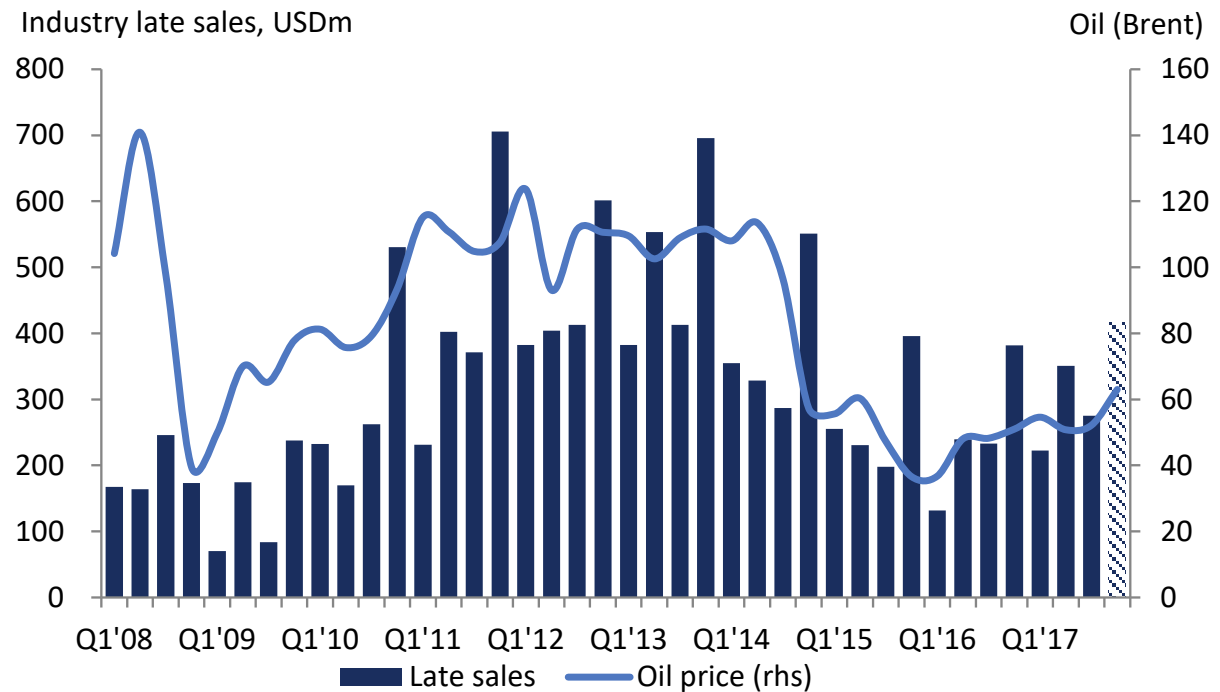
Figure 8-12: World fleet of Seismic 3D vessels



Source: Pareto Securities based on IHS-Petrodata, December 2017. Abbreviations: PLCS = "Polarcus", WG = "WesternGeco".

The underlying market for Eidesvik Offshore is the demand for seismic data from oil companies, creating sales from the industry players such as CGG, PGS, and Western Geco. The demand for seismic data is described by "late sales" in the industry, which is estimated below by Pareto Securities research.

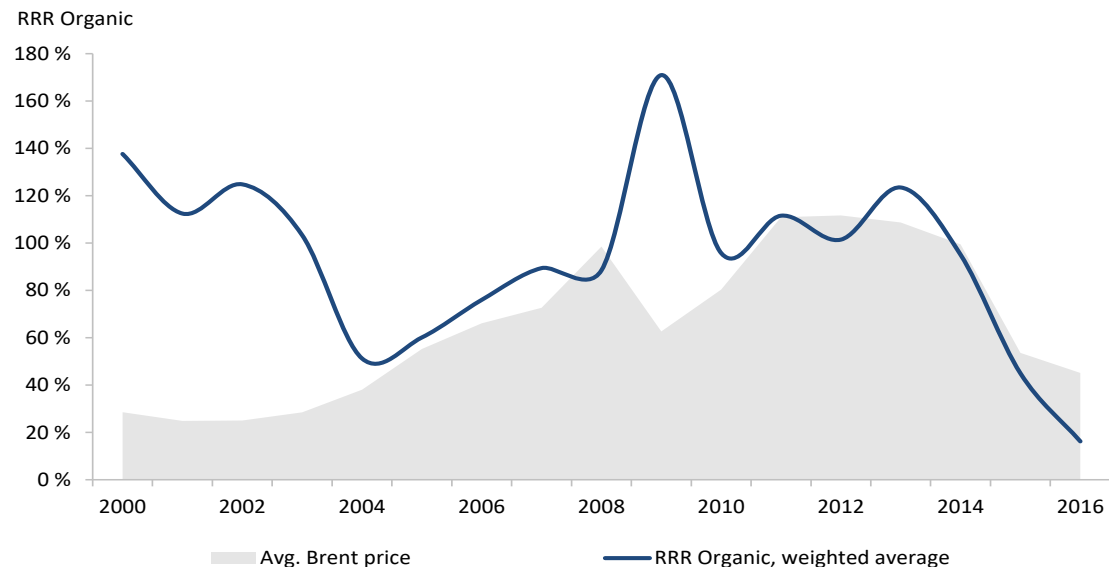
Figure 8-13: Late sales of seismic data by seismic companies



Source: Pareto Securities equity research, Seismic update December 2017.

The demand for seismic data, and indirectly Seismic vessels, is indirectly driven by the development in the oil companies' reserves. Measured by the reserve-replacement ratio ("RRR"), which is the ratio of new reserves discovered to production over the same period, which – over time – should be around 1.0x (meaning oil companies discover as much as they produce).

Figure 8-14: Estimates reserve-replacement-ratio for oil companies



Source: Pareto Securities equity research, Seismic update December 2017, based on August 2017 Pareto Securities E&P Survey.

The ratio is estimated at 20% for the year 2016, which means 80% of the oil production came from reserves that were not replaced. This indicates that new discoveries are required in order to maintain oil production, in the longer time horizon.

8.4.4 Subsea/CSV

Offshore construction and support vessels are commonly referred to as subsea vessels. These are mainly utilised in the installation, inspection and maintenance of subsea equipment related to the offshore oil and gas production, as well as related offshore structures such as platforms and buoys. They are further involved in laying of pipe, installation of mooring systems and construction of offshore structures as well as removal of such structure. The vessels are also engaged in work related to other offshore installations such as offshore windmills and electrical cables.

The main element in the segment is offshore construction vessels which are generally large vessels specialised for pipelaying, installation, removal and construction work using specialised pipelaying systems, large cranes and lifting equipment (A-frames). A sub-segment is made up by the construction support vessels, which are generally smaller and more generic vessels. A considerable portion of this fleet is made up by supply vessels that have been upgraded with extra accommodation, cranes or similar.

The subsea vessel market can be divided into the following sub-categories:

Offshore construction vessels:

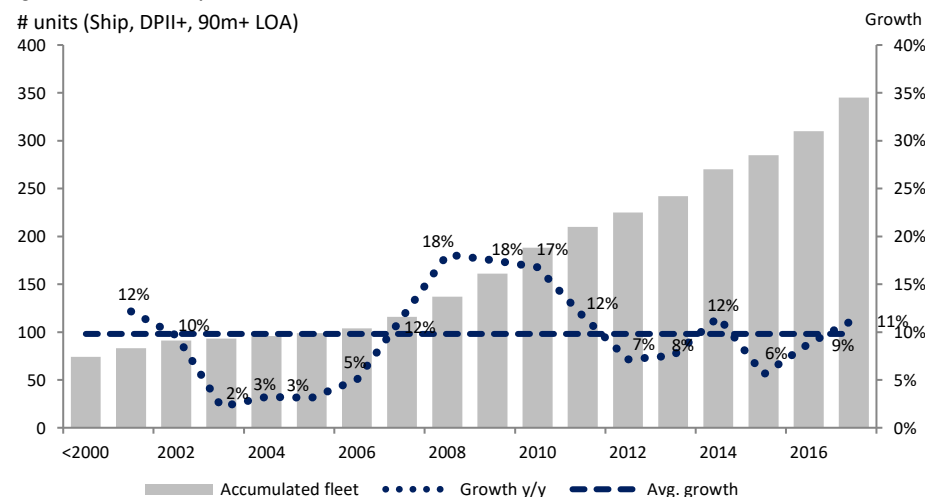
- Pipelaying vessels
- Diving support vessels
- Heavylift/derrick barges
- Well-intervention vessel

Construction support vessels:

- Survey vessels
- Remotely operated vehicle support vessel
- Multipurpose supply vessels

Subsea vessels are often chartered out to subsea contractors on long-term contracts, where the ship owner supplies vessel and marine crew, while the contractors provide the remaining crew and equipment. Key assets are often modified to meet the contractor's requirements, and are usually owned or chartered in on long contracts (up to 10 years), while the smaller and more generic assets can often be chartered to the contractors on a job-to-job basis.

Figure 7-12: Fleet development for subsea vessels



Source: Pareto Securities based on IHS-Petrodata (subscription service), September 2017.

Subsea vessels operate globally on contracts, where the characteristics of the contracts vary significantly with respect to the size and cost of the vessels, what equipment beyond the vessel is included in the contract price (such as remotely operated vehicles and cranes) and the magnitude of the crew included in the day rate (marine crew, remotely operated vehicle operators and project crew). Therefore, in order to present the day rates for subsea vessels in a manner that is comparable between different vessels and contract types, a day rate index is

applied where comparable vessels are grouped and then the development in day rates is compared over time, as shown in figure 7-13 below. It can be noted that day rates more than doubled from 2005 to 2007, after which the development was relatively flat with moderate variations. The sharp increase in day rates was partly driven by increased operating costs as well as vessel prices. From the end of 2014, day rates dropped from an index of 230 to 100, or approximately 60%, with a low-point of 80 or approximately 65% below the peak. There have not been significant changes in day rates year-to-date 2017, however the number of fixtures has continued to be low also in 2017. Due to the complexity of contracts and wide scope of vessel sizes and equipment, and differences in costs between regions, the index should be viewed over time with limited emphasis on single data points.

Figure 7-13: Development in day rates for subsea vessels

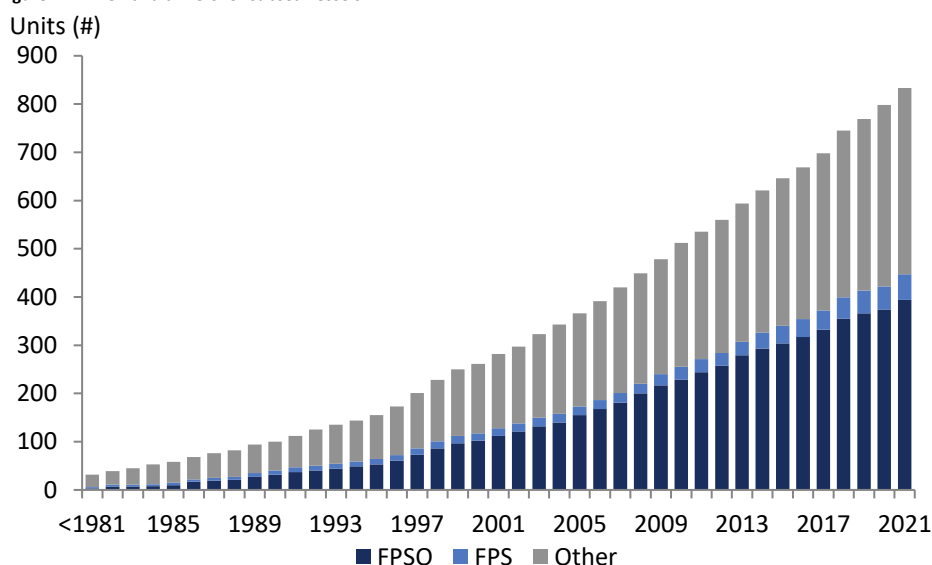


Source: Pareto Securities based on IHS-Petrodata (subscription service), November 2017.

The demand for subsea vessels is, compared to the demand for PSVs, more driven by subsea installations and less by fixed installations. The key long-term demand indicators for subsea vessels are; the number of Floating Production, Storage and Offloading units (FPSOs), the number of Semi-submersible drill ships, the number of Spar buoys and the number of Tri-legged Platforms (TLPs). The development up until year-end 2016 are shown in figure 7-14, along with projections until 2021³. The graph shows a trend with stable growth in the installed base.

³ Source: Pareto Securities based on IHS FieldsBase, as updated. Forward looking estimates per 15 December 2017.

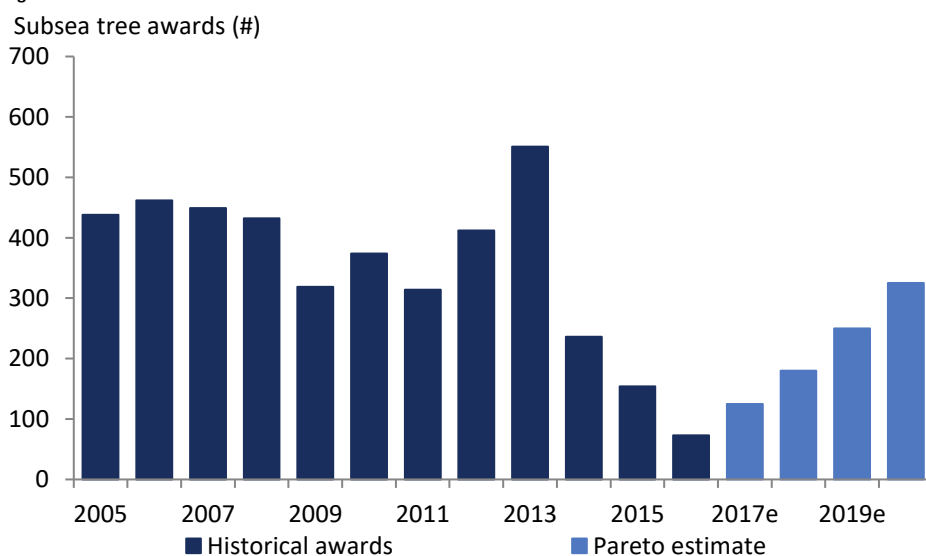
Figure 7-14: Demand drivers for subsea vessels



Source: Pareto Securities based on IHS FieldsBase (subscription service), as updated. Forward looking estimates per 15 December 2017.

In order to review short- and medium-term variations in demand, the number of new installations (as opposed to the number of installed units which only require maintenance) is also considered. The best indicator is perceived to be the number of contracts awarded for installation of subsea trees. As shown in figure 7-15 below, the annual number has been 300 and 450, which average close to 400 awards each year. The number of awards increased temporarily in 2013 to an unusually high number of 550 awards, followed by a sharp decline to 250 in 2014 and further decline to approximately 75 in 2016. According to estimates by FPS Base, the number is expected to recover somewhat to around 125 in 2017 followed by a gradual return to normal levels – the same report estimates that a level of around 325 is reached by 2020.

Figure 7-15: Demand drivers for subsea vessels



Source: Pareto Securities based on FPS Base (subscription service). Annual fleet numbers, forward looking estimates per 30 September 2017.

8.5 Market trends

Into 2018, the oil prices have remained between USD 60 and USD 70 per barrel which is higher than the average for 2017. There is still over-supply of vessels in the segments in which the Company operates, and the rates for short-term contracts are low. There are signs of recovery particular for high-end subsea vessels. The Company signed agreements for one seismic vessel and one subsea vessel in January with tenor until year-end, and a 12-month extension for one of its PSVs in February 2018.

9. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

9.1 Board of Directors

9.1.1 Overview

The overall management of the Group is vested in the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties. As of the date of this Prospectus, the Board of Directors consists of 5 members.

The Company's Articles of Association provide that the Board shall have no fewer than 3 members and no more than 7 members. The Board is elected for a term of 2 years, unless decided otherwise by the general meeting. Board members may be re-elected.

As at the date of this Prospectus, the Company's Board of Directors consists of the following:

<i>Name</i>	<i>Position</i>	<i>Director Since</i>	<i>Term expires</i>
Kolbein Kåre Rege	Chairman	2005	2018
Borgny Eidesvik	Board member	2005	2019
Lars Eidesvik	Board member	2005	2018
Synne Syrrist	Board member	2013	2019
John Egil Stangeland	Board member	2016	2018

All of the members of the Board of Directors are independent of the Management.

The Company's business address functions as a C/O-address for the Board members.

9.1.2 Brief biographies of the members of the Board Directors

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company)

Kolbein Kåre Rege (born 1951), Chairman of the Board

Mr. Rege holds a law degree from the University of Bergen. Previous work experience as Executive Officer in Bergens Privatbank AS, Deputy Judge in Midhordland District Court, various positions in Bergen Bank ASA, latest as Assistant Manager, and, from 1988 to 2005 as attorney at law in Haugesund. Mr. Rege has served and serves as chairman and board members of several companies, among others since 1994 as chairman of the board of directors of Eidesvik Offshore ASA (former Eidesvik Holding AS). Mr. Rege has served as managing director of Eidesvik Invest AS from January 2005. Mr. Rege is a Norwegian citizen and resides in Kristiansand, Norway.

<i>Current directorships and management positions</i>	Managing director and chairman of: Nieblok Invest AS and Eldøyane Næringspark AS. Managing director and board member of: Eidesvik Invest AS, Eidesvik Eiendomsinvest AS, Eidesvik Skipsandel I AS, Eidstril AS, Stril Myster AS, Viking Dynamic AS. Chairman of: Eidesvik Offshore ASA and Munchsgt 9 AS. Board member of: AS Langevåg Senter, Sagafjord Sea Farm AS, Sunnhordland Mek. Verksted AS.
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<i>Previous directorships and management positions last five years</i>	Chairman of Sunnhordland Mek Verksted from 1998 to 2017.
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Borgny Eidesvik (born 1958), Board member

Mrs. Eidesvik is educated from Drottningborg Commercial School in Grimstad and she hold an Executive MBA from BI Norwegian Business School 2009. She has been working in the accounting department of Eidesvik. Mrs Eidesvik controls 55% of the shares in Eidesvik Invest AS through the investment company Bømmelfjord AS of which she controls 60 % and own 20 % of the shares through her 100 % owned company Bømmelfjord Holding AS. She joined the board of Eidesvik Offshore ASA in October 2004. Mrs. Eidesvik is a Norwegian citizen and resides in Bømlo, Norway.

<i>Current directorships and management positions</i>	<p>Managing director and chairman of: Bømmelfjord Holding AS. Managing Director of: Bømmelfjord AS Chairman of: Eidesvik Eiendomsinvest AS and AS Langevåg Senter. Deputy chairman: Eidesvik Invest AS and Eidesvik Skipsandel I AS.</p> <p>Board member of: Eidesvik Offshore ASA, Haugesund Sparebank, Levia AS, Bømmelfjord AS, Langevåg Bygdatun AS, Atheno Prosjektutvikling AS, Havlandet Invest AS and Eidesvik Neptun AS.</p>
<i>Previous directorships and management positions last five years</i>	

Lars Eidesvik (born 1959), Board member

Mr. Eidesvik is educated from Drottningsborg Commercial School in Grimstad and the Mate School in Haugesund. Mr. Eidesvik has previous work experience as a Captain on a fishing boat. Mr. Eidesvik joined the board of Eidesvik Offshore in 2004. Mr. Eidesvik owns 45% of the shares of Eidesvik Invest AS through his wholly owned investment company Evik AS. Mr. Eidesvik is a Norwegian citizen and resides in Bømlo, Norway.

<i>Current directorships and management positions</i>	<p>Managing director and chairman of: Salt Aquaservice AS, Autogården AS and Hasseløy Drift AS. Managing director of: Evik AS Chairman of: Eidesvik Invest AS, Skagen Eiendom AS, Sagafjord Sea Farm AS, Hasseløy Utvikling AS, Eidesvik Skipsandel I AS, Hasseløy Eiendomsinvest AS, Haugesund Næringspark AS and Haugesund Næringspark II AS. Deputy chairman of: Eidesvik Eiendomsinvest AS and Bømlo skipsservice AS. Board member of: Evik AS, Eidesvik Offshore ASA, Arctic Seaweed AS, AS Langevåg enter, Skagen Eiendom Sør AS, Eldøyane Næringspark AS, Trygvason AS, Eidstril AS, Stril Myster AS and Viking Dynamic AS.</p>
<i>Previous directorships and management positions last five years</i>	Board member of: Los Marine AS until 2017, Tubilah AS until 2015

Synne Syrrist (born 1972), Board member

Mrs. Syrrist has work experience as an independent consultant, and as financial analyst in Elcon Securities ASA and First Securities ASA. She has also an extensive non-executive experience from both listed and private companies, and is currently among others a member of the boards of Awilco Drilling Plc and Awilco LNG ASA. She holds a

Master of Science from NTH and is a Certified Financial Analyst (AFA) from NHH. Mrs. Syrrist is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions	Board member of: Eidesvik Offshore ASA, Awilco LNG ASA, Awilco Drilling Plc, Castelar Corporate Finance AS, Aqualis ASA, Ghilardi+Hellsten Arkitekter AS, Østfold Logistikkbygg AS, 0495 Grefsen AS, Midt-Norge Bilpark AS, Sørlandet Bilpark AS, Vestfold Logistikkbygg AS, Telemark Logistikkbygg AS, Østfold Etatbygg AS
Previous directorships and management positions last five years	Chairman of: DnB NOR ShippingInvest I ASA, IP ShipHolding I AS, IP Shipping I AS, IP Skipseiende 2 AS, LPG Ships I AS, DnB NOR Spipseidende 3 AS, DnB NOR Spipseidende 4 AS, DnB NOR Spipseidende 5 AS, DnB NOR Spipseidende 6 AS, DnB NOR Spipseidende 7 AS, DnB NOR Spipseidende 8 AS, DnB NOR Profesjonell Shippinginvestor I AS. Board member of: Weifa ASA, Norwegian Property ASA, Gblobal Rig Company Inc, Global Active 1 AS, Global Active 2 AS, Global Active 3 AS, Global Active 4 AS, Intex Resources AS, Vetro Solar AS, Scana Industrier ASA.

John Egil Stangeland (born 1964), Board member

Mr. Stangeland holds a degree in mechanical engineering from the University of Stavanger, and a BBA in general business and marketing from University of Texas, Austin. He also holds an Executive MBA from BI and Nanyang Technological University from 2011. He has been shipbroker with Seabrokers AS, Stavanger from 1990 until 1997, thereafter business development manager in Eidesvik AS until 2003. From 2004 he has been employed with the supplybase company NorSea Group AS, where he has held the position of CEO since 2012. Mr. Stangeland is a Norwegian citizen and resides in Sandnes, Norway.

Current directorships and management positions	Managing director: NorSea Group AS, Viking Fighter AS and NorSea Group AS. Chairman of: Vestbase AS, Norsesea Group Property AS, Norsesea Group Operations AS, Coast Center Base AS, Norsesea Group Denmark AS, NSG Wind AS and Viking Fighter AS. Board member of: Eidesvik Offshore ASA, Norsesea Eiendom Dusavik AS, Stordbase AS, Norsesea Eiendom Tananger AS, Vestbase Eiendom AS, Polarbase AS, KS Coast Center Base, CCB AS, Polarbase Eiendom AS, Maritime Logistic Services AS, NorSea AS, NSG Maritime AS, Norsesea Group UK Ltd, Norsk Olje og Gass, Eidstril AS, Viking Dynamic AS, Stril Myster AS, Risavika Havn AS, Jes Invest AS and Ridehallen AS.
Previous directorships and management positions last five years	Board member of: NSG Digital AS from 2017 to 2018.

9.1.3 Remuneration

The annual compensation of the members of the Board of Directors is determined by the general meeting. At the annual general meeting on 22 May 2017, it was determined that the Board's remuneration for the year 2016 was set to NOK 440 000 for the chairman of the Board, NOK 220 000 for each of the other Board members and NOK 40 000 for the members of the audit committee.

9.1.4 Shares and options held by the Board of Directors

Name	Position	Number of Shares	Number of options
Kolbein Kåre Rege ¹	Chairman	35,450	0
Borgny Eidesvik ²	Board member	37,180,000	0
Lars Eidesvik ³	Board member	0	0
Synne Syrrist	Board member	0	0
John Egil Stangeland ⁴	Board member	0	0

¹ Shares are held personally and through Nieblok Invest which is controlled by Kolbein Kåre Rege

² Borgny Eidesvik controls 55% of the shares in Eidesvik Invest AS (which owns 37,180,000 shares in the Company) through the investment company Bømmelfjord AS of which she controls 60 % and owns 20 % of the shares through her 100 % owned company Bømmelfjord Holding AS. The remaining 80 % ownership is owned by her closed related parties.

³ Lars Eidesvik controls 45% of the shares in Eidesvik Invest AS which owns 37,180,000 shares in the Company

⁴ John Egil Stangeland does not own, directly or indirectly, any shares in the Company, but is the CEO and 40% owner of Jes Invest AS which owns 10,000 shares in the Company.

9.2 Management

9.2.1 Overview

The Group's executive management is responsible for the daily management and the operations of the Group. The executive management of the Company currently consists of three individuals.

The names of the members of the management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Served since
Jan Fredrik Meling	CEO	2005
Jan Lodden	COO	2002
Thor Krukhaug	CFO	2017

All members of the management are employed by the Company.

The Company's business address functions as a C/O-address for the management.

9.2.2 Brief biographies of the members of the management

Set out below are brief biographies of the members of the management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Jan Fredrik Meling (born 1956), President & CEO

Jan Fredrik Meling was appointed CEO of the Company in 2005. He has 20 years of experience within the industry. Prior experience includes the positions as CEO of Stolt Nielsen Seaway A/S and Biomar A/S in Denmark. Jan Fredrik Meling holds a MBA.

Current directorships and management positions	Haugesund Rederiforening (chairman) Nordisk Skipsrederforening (board member) Norges Rederiforbund (board member)
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<i>Previous directorships and management positions last five years</i>	Eidesvik AS – chairman Eidesvik Shipping AS (chairman) Eidesvik MPSV AS (chairman) CGG Eidesvik Ship Management AS (chairman) Eidesvik Supply AS -(chairman) Hordaland Maritime Miljøsekskap AS (chairman) Viking Surf AS - (chairman) Eidesvik OCV AS - (chairman) Eidesvik Shipping International AS (chairman) Eidesvik Subsea Vessel AS (chairman) Eidesvik Management AS (chairman) Eidesvik Maritime AS (chairman) Eidesvik Seven AS (chairman) Eidesvik Neptun AS (chairman) Eidesvik Neptun II AS (chairman) Eidesvik Seven Chartering AS (chairman) Eidesvik Shipping II AS (chairman) Eidesvik Offshore ASA (board member) Eidesvik Seismic Vessel AS (board member) Oceanic Seismic Vessels AS (board member) Geo Vessels AS (board member) <i>Global Seismic Shipping AS (board member)</i> <i>Eidesvik Ghana Limited (board member)</i>
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Jan Lodden (born 1963), Executive Vice President & COO

Jan Lodden has been with the Company since 1998 and was appointed COO of the Company in 2002. He holds a Master in Maritime.

<i>Current directorships and management positions</i>	Langevåg Bygdatun AS (chairman) Nora Invest I AS (board member) Bømlo Bryggeri AS (board member)
<i>Previous directorships and management positions last five years</i>	Eidesvik AS (board member) Eidesvik Shipping AS (board member) Eidesvik MPSV AS (board member) CGG Eidesvik Ship Management AS (board member) Viking Surf AS (board member) Eidesvik OCV AS (board member) Eidesvik Shipping International (board member) Norsk Rederihelsetjeneste AS (board member) Eidesvik Subsea Vessel AS (board member) Eidesvik Seismic Vessel AS (board member) Eidesvik Management AS (board member) Eidesvik Maritime AS (board member) Oceanic Seismic Vessels AS (board member) Eidesvik Seven AS (board member) Eidesvik Neptun AS (board member) Eidesvik Neptun II AS (board member) Eidesvik Seven Chartering AS (board member) Eidesvik Shipping II AS (board member) Geo Vessels AS (board member) Global Seismic Shipping AS (board member)

Thor Krukhaug (born 1978), CFO

Thor Krukhaug was appointed CFO in May 2017. He has 12 years of experience from various finance and accounting positions in the Company prior to his appointment as CFO. Thor Krukhaug holds a Master of Economy and Business Administration degree from the Norwegian School of Economics (NHH) and is Certified European Financial Analyst.

<i>Current directorships and management positions</i>	None
<i>Previous directorships and management positions last five years</i>	None

9.2.3 Remuneration

The remuneration paid to the members of the management in 2017 was NOK 5,484,813. The table below sets out the total remuneration paid to the members of the management in relation to the financial year 2017 (all in NOK).

Name	Position	Salary	Pension contribution	*Other remuneration	Total amount
Jan Fredrik Meling	CEO	2,081,501	256,690	116,122	2,628,314
Jan Lodden	COO	1,452,657	105,026	16,488	1,574,172
Thor Krukhaug	CFO	1,080,761	89,078	112,488	1,282,327

Mr. Meling has been granted a bonus scheme which has a maximum annual bonus of NOK 500.000. The bonus is dependent upon certain key performance indicators, and is decided by the Chairman of the Board.

* Other Remuneration: company car, telephone, insurances, free canteen cost and free ferry cost

9.2.4 Shares and options held by members of the management

As of the date of this Prospectus, the members of the management have the following shareholdings and options in the Company (including direct and indirect ownership):

Name	Position	Number of Shares	Number of options
Jan Fredrik Meling	CEO	130,000	0
Jan Lodden	COO	44,842	0
Thor Krukhaug	CFO	242	0

9.3 Benefits upon termination

Except for that the CEO has a 6 months' mutual termination period and, on certain terms, the right to receive 18 months' pay after termination of his employment, no employee, including any member of management, has entered into employment agreements that provide for any special benefits upon termination of employment.

No member of the Board of Directors has service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

9.4 Pensions

The Company has a defined contribution pension. With a defined contribution pension, the employer saves to the employee's retirement pensions. The employer pays a monthly deposit to each employee's pension account. The deposits are invested, yield a return and is used as a retirement pension after the employee has completed 62 year.

The companies in the group have different pension schemes. Pension schemes are mainly financed through payments to insurance companies or pension funds. Pension payments normally depend on several factors, such as age, number of years in the company, and salary.

The CEO has a defined-benefit pension scheme, and meets the requirements of the Mandatory Occupational Pensions Act. The schemes give rights to future benefits. These depend mainly on the number of qualifying years, wage level at retirement and the size of the benefits from national insurance. The liabilities are covered through an insurance company.

The Company is obligated to have an occupational pension scheme according to the Mandatory Occupational Pensions Act. The Company's pension schemes meet the requirements of this act.

Defined benefit pension

The defined benefit pension scheme was dismantled for most land employees in December 2015. This was replaced by a defined contribution scheme effective from 31 December 2015. All employees at sea in the Group's companies participate in a defined benefit pension scheme. The Group has several contracts, where the main difference between the contracts consists in whether one is employed on board a vessel (seafarers) or in land-based activities. The main terms are 60% pension of leaving salary and 30 years' pensionable service in all contracts. In the contract for maritime employees, the contract gives the right to pension from the age of 60. Other group schemes give the right to pension from the age of 67. This scheme also includes dependent's pension and disability pension, as well as children's pension. The schemes had 325 (492) members as at 31 December 2016.

The liability is calculated using linear earning. Estimate deviations due to changes in actuarial assumptions, are included in other income and costs (OCI) in the period in which they occur.

9.5 Loans and guarantees

Except for the loans described in chapter 9.12 the Company has not granted any loans, guarantees or other commitments to any of the members of the Board of Directors or Management

9.6 Employees

The following table illustrates the number of employees as per the end of each calendar year for 2017, 2016, 2015 and per 31 January 2018 divided into maritime/offshore and office employees.

Area	31.01.2018	Year ended 31 December		
		2017	2016	2015
Eidesvik Maritime Norway, Offshore	290	297	352	454
Office Employees	54	55	60	67
Total	344	352	412	511

9.6.1 Employee share incentive scheme and options to employees

The Group has not implemented any arrangements for involving the employees in the capital of the issuer.

9.7 Conflicts of interests, etc.

For information on the Group's involvement in transactions with related parties, see Section 9.12 "related party transactions".

Borgny Eidesvik is the widow of Lars Eidesvik's brother, Simon Eidesvik. Other than this, there are no family relations between any of the members of the Board of Directors or members of Management.

There are currently, to the Company's knowledge, no actual or potential conflicts of interest between the private interests or other duties of any of the members of management and the Board of Directors and their duties towards the Company, including any family relationships between such persons.

9.8 Convictions for fraudulent offences, bankruptcy etc

During the last five years preceding the date of this Prospectus, no member of the Board or the management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

9.9 Board and management practices

The Company has adopted routines and guidelines to ensure proper distribution and handling of information, internally in the Group and for the management and the Board of Directors, and distribution of information to the market. The Company has elected not to establish a remuneration committee.

9.10 Corporate governance

The Company has adopted and implemented a corporate governance regime based on the Corporate Governance Code. The Company complies with the Corporate Governance Code, except for the deviations described below.

General Meeting: Not in compliance with Corporate Governance Code as it is only the Chairman of the Board and the auditor who are present at the General Meeting. It has been considered unnecessary that all board members shall be present. The General Meeting is conducted in accordance with Norwegian Public Limited Liability Companies Act, and the Board has not established separate routines for how to manage the General Meeting.

Election committee: Not in compliance with corporate Governance Code as the majority shareholder controls more than 50% of the shares.

Corporate Assembly and Board, composition and independence: Not in compliance with Corporate Governance Code as Annual Report does not include information about participation in Board Meetings. This information is not considered relevant as it is very seldom that any of the Board member are absent.

Acquisition principles: The Board has not established main principles of how to act in a take-over situation, as the shareholding in the Company makes it very unlikely that the company will be subject to a take-over attempt.

The Company has included a report on its compliance with the Code and reasoning for any deviations in its annual report which is incorporated by reference to this Prospectus, please see section 16.3 "Documents incorporated by reference".

9.11 Audit committee

The Board of Directors has elected an audit committee amongst the members of the Board of Directors. The audit committee comprises of three members of the board Pursuant to section 6-43 of the Norwegian Public Companies Act, the audit committee shall:

- prepare the Board of Directors' supervision of the Company's financial reporting process;

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- monitor the systems for internal control and risk management;
 - have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
 - review and monitor the independence of the Company's auditor, including in particular the extent to which services than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

9.12 Related party transactions

The Company borrowed an interest-free loan of MNOK 30 from the main owner Eidesvik Invest AS in March 2017, which was converted to equity in through the Debt Conversion (as described in the Restructuring). Apart from this, and ordinary operating related transactions with the Joint Ventures Eidesvik Seismic Vessels AS, Oceanic Seismic Vessels AS, Global Seismic Shipping AS, CGGVeritas Eidesvik Ship Management AS, Eidesvik Seven AS and Eidesvik Seven Chartering AS, and the related companies Eidesvik Invest AS, Langevåg Senter AS, Bømlo Skipsservice AS, Evik AS, Bømmelfjord AS, Viking Dynamic AS, Viking Fighter AS and Maritime Logistic Services AS, no material related-party transactions have been conducted since 1 January 2015. The Company leases Langevåg Senter from Eidesvik Invest AS. The lease agreement expires 1 January 2033 with an option to renew the lease six times for five years at a time. The Company pays an annual lease of NOK 5.716 million and will increase to NOK 6.716 million from 01.07.2018 (adjusted in accordance with the consumer price index) after a two-year period of reduced lease payments.

10. CAPITALISATION AND INDEBTEDNESS

10.1 Capitalisation and indebtedness

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 11 "

Financial information", the Company's audited consolidated annual financial statements for the years ended 31 December 2016 and 2015 as well as the unaudited consolidated Interim financial statements as of and for the twelve month periods ended 31 December 2017, incorporated by reference to this Prospectus.

This Section provides information about the Company's unaudited consolidated capitalization and net financial indebtedness as of 31 December 2017.

Except for the Refinancing described in section 5, there has been no material amendments to the Company's unaudited consolidated capitalisation and net financial indebtedness since 31 December 2017. The material amendments are shown in the table below.

Capitalisation	As of 31 December 2017 (unaudited)	Material amendments after 31 December 2017 (unaudited)	After material amendments (unaudited)
<i>In NOK thousands</i>			
Indebtedness			
<i>Total current debt:</i>			
Guaranteed and secured ⁴	312,252	-218,298 ⁸	93,954
Unguaranteed and unsecured ⁵	157,516	-2,708 ⁸	154,808
<i>Total non-current debt:</i>			
Guaranteed and secured ⁶	2,256,265	+218,298 ⁸	2,474,563
Unguaranteed and unsecured ⁷	29,472	+2,708 ⁸	32,180
Total indebtedness	2,755,505	⁸	2,755,505
Shareholders' equity			
Share capital ⁹	1,508	+1,300 ¹⁰	2,808
Other reserves ⁷	1,508,047	+148,700 ¹¹	1,656,747
Total equity attributable to owners of the parent equity	1,509,555	+150,000	1,659,555
Non-controlling interests	32,452		32,452
Total equity	1,542,006	+150,000	1,692,006
Total capitalisation	4,297,512	+150,000	4,289,098

All secured debt are secured in vessels. Unguaranteed and unsecured debt of NOK 28.6 million includes bank debt related to a sold vessel, where the sales proceeds did not cover the debt, which at the time was secured.

⁴ Secured interest-bearing bank debt.

⁵ TNOK 3,736 relates to unsecured interest-bearing bank debt.

⁶ Secured interest-bearing bank debt.

⁷ Total amount includes arrangement fee regarding the bank debt (reduces the amount with TNOK 13,121). This is amortized over the loans maturity. TNOK 24,825 relates to unsecured interest-bearing bank debt, TNOK 926 relates to other unsecured interest-bearing loan, and TNOK 16,841 relates to other unsecured long-term pension related liabilities.

⁸ Refinancing, see Section 5.2.3. Instalments are reduced to 27.5% of original instalment schedule, and hence, the corresponding amount reclassified from current to non-current debt.

⁹ In the 4th quarter report of 2017 paid-in capital is TNOK 284,222. In this table the equity is divided in Share capital, Non-controlling interests and Other reserves (the residual).

¹⁰ Private placement and conversion of shareholder loan, see Section 5.3. Private placement increases Share capital with TNOK 1,200, and conversion of shareholder loan increases Share capital with TNOK 100.

¹¹ Private placement and conversion of shareholder loan, see Section 5.3, Increases Other reserves with TNOK 148,700.

Net financial indebtedness

	As of	Material	After material
	31 December 2017	amendments after	amendments
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<i>(In NOK thousands)</i>			
(A) Cash	557,440	+71,536 ¹²	628,976
(B) Cash equivalents			
(C) Trading securities	-5,003		-5,003
(D) Liquidity (A)+(B)+(C)	552,437	+71,536	623,973
(E) Current financial receivables			
(F) Current bank debt			
(G) Current portion of non-current debt	315,988	-221,006 ¹³	94,982
(H) Other current financial debt	30,000	-30,000 ¹⁴	
(I) Current financial debt (F)+(G)+(H)	345,988	-251,006	94,982
(J) Net current financial indebtedness (I)-(E)-(D)	-206,449	-322,542	-528,991
(K) Non-current bank loans	2,268,896	+172,542 ¹⁵	2,441,438
(L) Bonds issued			
(M) Other non-current loans			
(N) Non-current financial indebtedness (K)+(L)+(M)	2,268,896	+172,542	2,441,438
(O) Net financial indebtedness (J)+(N)	2,062,447	-150,000	1,912,447

10.2 Contingent and indirect indebtedness

As of 31 December 2017, and as of the date of this Prospectus, the Group did not have any contingent or indirect indebtedness, except for a guarantee issued by the fully owned subsidiary Eidesvik Shipping AS in favour of Subsea 7 ASA as security for 50 % of the bank loan related to the subsea vessel Seven Viking owned by the Joint Venture company Eidesvik Seven AS. The vessel is on fixed charter to January 2021, and maturity for the loan is January 2021. The remaining loan balance in January 2021 is approximately MNOK 370.

¹² Private placement of TNOK 120,000, less of Prepayment of TNOK 48,464.

¹³ Refinancing, see Section 5.2.3. Instalments are reduced to 27.5% of original instalment schedule, and hence, the corresponding amount reclassified from current to non-current debt.

¹⁴ Conversion of shareholder loan, se Section 5.4.

¹⁵ Refinancing (see footnote 7) and Prepayment of TNOK 48,464, see Section 5.

11. FINANCIAL INFORMATION

11.1 Introduction and basis for preparation

The following summary of consolidated financial information has been derived from the Company's consolidated annual financial statements for the years ended 31 December 2016 and 2015, prepared in accordance with IFRS as adopted by the EU, as well as the unaudited consolidated Interim financial statements as of and for the twelve month periods ended 31 December 2017, prepared in accordance with IAS 34.

The historical results of the Company are not necessarily indicative of its results for any future period. For a discussion of certain risks that could impair the business, operating results, financial condition, liquidity and prospects of the Group, see Section 2 "Risk Factors". The following summary of consolidated financial data should be read in conjunction with other information contained in this Prospectus, including the Group's annual financial statements and the notes therein and unaudited interim financial statement incorporated by reference to this Prospectus

11.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgements, please refer to Note 2 of the Group's annual financial statements and Note 2 and 5 of the Group's interim financial statement as of and for the twelve month periods ended 31 December 2017.

11.3 Statement of comprehensive income

The table below sets out selected data from the Group's consolidated statement of comprehensive income for the years ended 31 December 2016 and 2015 and its interim statement of comprehensive income for the twelve month periods ended 31 December 2017. It also sets out its interim statement for the three month periods ended 31.12.2017 and 31.12.2016.

	3 months ended 31.12.2017	3 months ended 31.12.2016	12 months ended 31.12.2017	Year ended	
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Freight income	133,041	174,101	599,285	748,800	1,123,931
Other income		35,306	155,432	35,306	115,005
Total operating income	133,041	209,407	754,716	784,106	1,238,936
Personnel expenses	67,747	34,955	251,651	235,791	314,154
Other operating expenses	31,966	38,529	117,774	133,031	154,496
Total operating expenses	99,713	73,484	369,425	368,822	468,650
Operating profit before depreciation	33,328	135,923	385,291	415,284	770,286
Ordinary depreciation	53,716	68,781	225,326	292,459	322,106
Impairment of assets	114,000	303,483	202,989	508,819	290,000
Operating income before other income and expenses	-134,388	-236,341	-43,023	-385,994	158,181
Profit from Joint Ventures	-24,552	-142,007	181,419	-80,284	77,017

Operating profit	-158,940	-378,348	138,395	-466,278	235,198
Financial income	4,346	757	134,366	3,742	4,610
Financial expenses	-26,546	-40,377	-169,971	-148,672	-167,585
Change in market value on financial instruments					20,913
Net agio (disagio)	-39,421	-96,708	47,941	45,968	-329,211
Net financial items	-61,622	-136,328	12,336	-98,962	-471,274
Pre-tax profit	-220,562	-514,676	150,731	-565,241	-236,076
Tax	-536	771	-3,363	721	-3,816
Profit	-221,098	-513,905	147,368	-564,519	-239,892
Attributable to shareholders of the parent company	-206,671	-487,711	155,368	-553,001	-196,914
Non-controlling interests	-14,427	-26,194	-8,000	-11,518	-42,978
Total attributed	-221,098	-513,905	147,368	-564,519	-239,892
Other comprehensive income	-25,082	22,471	-62,413	-20,238	105,506
Comprehensive income for the period	-246,180	-491,434	84,955	-584,757	-134,386

The income statement reflects the downturn in the industry with a trend of decline in revenues. Viking Neptun was delivered in 2015 and operated on contract to Technip, with very strong results its first year, however utilization and revenue declined thereafter. In autumn 2017, the vessel commenced a contract in the offshore renewable market. Acergy Viking completed its contract to Subsea 7 in December the same year, was refitted for offshore renewables work and commenced a contract with Siemens. The vessel was later equipped with a gangway system and upgraded to meet SPS standard.

The Company sold several vessels during the periods. Viking Poseidon, that was operated on a strong contract until May 2016 before being laid up, was sold in Q1 2017. This sale provided sufficient liquidity to repay both the mortgage debt on the vessel and the company's MNOK 300 senior unsecured bond loan, with original maturity in 2018. This was in line with the Company's objective to reduce overall debt, and also reduce the number of stakeholders ahead of the financial restructuring process with banks and shareholders. The bond was repurchased at 60% of par value, resulting in a financial income of MNOK 120 in Q1 2017. In 2015, two vessels were sold, the European Supporter and Viking 2 that were sold in Q4 2015 with a total gain on sale of MNOK 115. The European Supporter was debt free and the sale provided cash of close to MNOK 180 which was retained in the company.

The contract for the seismic vessel Viking Vanquish was renegotiated, and from January 2017, the daily charter rate was reduced to 25% of the original rate. The rate reduction was partly compensated by Eidesvik Offshore receiving CGG senior notes and debt instruments issued by the Joint Venture companies Eidesvik Seismic Vessels AS and Oceanic Seismic Vessels AS.

In addition, several vessels finalized contracts they had been awarded prior to the industry downturn. The market downturn is reflected in impairments of assets in the periods, where future market prospects resulted in lower revenue estimates and hence, lower value-in-use valuation which, along with third-party broker assessments, has been the main basis for valuation in the impairment assessments. Especially the market for PSVs became challenging with falling utilization and observed day rate. Along with weakening outlook and falling

vessel values the company conducted impairment charges of vessels totalling to MNOK 290 in 2015, MNOK 509 in 2016 and MNOK 114 in 2017.

The reduction in crew expenses and other operating expenses reflects a reduction in number of offshore employees, more use of foreign labour and vessels in lay- up mode versus being in operation.

In 2017 the Joint Venture company was formed together with CGG. Reference is made to section 7.7.1.

Segment information, operating profit:

(in NOK thousands), (2015-2016 audited, 2017 unaudited)	Seismic			Subsea			Supply			Other			Consolidated		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Operating income	268 929	189 144	211 386	289 962	314 436	639 843	176 428	254 416	366 256	19 398	26 110	21 451	754 717	784 106	1 238 936
Share Joint Venture	433 614	126 269	120 906	79 951	80 023	80 493							513 564	206 292	201 399
Total operating income including share of JV	702 543	315 413	332 292	369 913	394 459	720 336	176 428	254 416	366 256	19 398	26 110	21 451	1 268 281	990 398	1 440 335
Operating expenses	56 965	14 745	14 852	126 841	153 376	197 424	140 644	178 754	221 061	44 975	21 946	35 310	369 425	368 821	468 647
Share Joint Venture	5 061	520	388	30 109	31 975	32 661							35 170	32 495	33 049
Total operating expenses including share of JV	62 026	15 265	15 240	156 950	185 351	230 085	140 644	178 754	221 061	44 975	21 946	35 310	404 595	401 316	501 696
Depreciation/amortisation	143 029	55 365	60 901	127 381	265 051	138 965	156 225	479 026	410 276	1 680	1 837	1 964	428 315	801 279	612 106
Share Joint Venture	107 935	141 647	45 198	17 911	18 150	17 721							125 846	159 796	62 919
Total depreciation/amortisation including share of JV	250 964	197 012	106 099	145 292	283 201	156 686	156 225	479 026	410 276	1 680	1 837	1 964	554 161	961 075	675 025
Operating profit including share of JV	389 552	103 136	210 953	67 671	-74 092	333 565	-120 441	-403 364	-265 081	-27 257	2 327	-15 823	309 525	-371 993	263 614
Net financial items and tax in JV	-57 089	-79 021	-10 133	-11 719	-15 264	-18 281							-68 808	-94 285	-28 414
Share of results in other JV	-102 321												-102 321		
Operating profit	230 142	24 115	200 820	55 952	-89 356	315 284	-120 441	-403 364	-265 081	-27 257	2 327	-15 823	138 395	-466 279	235 200

All the Group's main market segments have experienced a substantial reduction in activity level. This has resulted in a situation of oversupply of the kind of vessels the Group is operating, and the financial statements of all segments reflects the effect of this, with lower utilisation of assets and a corresponding reduction in daily charter rates.

11.4 Condensed statement of financial position

The table below sets out selected data from the Group's statement of financial position as at 31 December 2016, and 2015 and its interim statement of financial position as at 31 December 2017.

(in NOK thousands)	12 months ended		Year ended	
	31.12.2017	31.12.2016	2016	2015
	(unaudited)	(unaudited)	(audited)	(audited)
Vessels	2,967,810	3,706,412	3,706,412	4,506,172
Other fixed assets	21,093	22,773	22,773	26,861
Shares in Joint Ventures	480,281	444,613	444,613	591,176
Shares	1,720	1,720	1,720	5,930
Pension fund			1,165	
Other long-term receivables	92,193	136	136	244

Total fixed assets	3,563,098	4,176,819	5,130,381
Account receivables, freight income	123,826	203,006	189,989
Financial derivatives		1,756	
Other short-term receivables	53,148	136,742	47,511
Cash and cash equivalents	557,440	549,738	702,276
Total current assets	734,414	891,241	939,775
Total assets	4,297,512	5,068,060	6,070,157
	31.12.2017	31.12.2016	31.12.2015
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Share capital	1,508	1,508	1,508
Other paid-in capital	629	629	635
Other income and expenses	-37,982	-21,021	-16,134
Currency translations	97,748	143,200	158,551
Other equity	1,447,652	1,292,283	1,845,284
Total equity of the shareholders of the parent company	1,509,555	1,416,599	1,989,843
Non-controlling interests	32,452	40,452	51,971
Total equity	1,542,006	1,457,051	2,041,814
Interest-bearing debt	2,268,896	3,115,595	3,496,938
Pension liabilities	16,841		12,260
Deferred tax liabilities			
Total long-term liabilities	2,285,737	3,115,595	3,509,199
Current portion of interest-bearing debt	315,988	340,259	354,676
Debt to related parties	30,000		
Financial derivatives	5,003		9,272
Debt to suppliers	42,465	49,559	40,150
Tax payable		471	4,649
Other short-term liabilities	76,312	105,125	110,397
Total short-term liabilities	469,768	495,414	519,144
Total liabilities	2,755,505	3,611,010	4,028,343
Total equity and liabilities	4,297,512	5,068,060	6,070,157

See Section 11.3 for description of the effects of impairment and delivery of Viking Neptun.

The company has focused on debt reduction during the market downturn. This has mainly been conducted by vessel sales, such as European Supporter (sold in Q4 2015), Viking 2 (Q4 2015), Viking Nereus (Q4 2016), and Viking Poseidon (Q1 2017). All these vessels were without contract at the time of sale. In addition, the sale of Viking Poseidon enabled the company to redeem its bond loan of MNOK 300. All vessel sales and debt repayments have consequently reduced the total balance of the company.

11.5 Condensed statement of cash flows

The table below sets out selected data from the Group's statement of cash flows for the years ended 31 December 2016 and 2015 and its interim statement of cash flows for the twelve month periods ended 31 December 2017.

	12 months ended	Year ended	
	31.12.2017	2016	2015
<i>(in NOK thousands)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Cash flow from customers	678,469	746,222	1,109,291
Cash flow to suppliers, employees and others	-322,608	-399,167	-462,543
Interest received	-1,542	3,089	3,801
Net tax payments	-2,029	-4,003	-1,299
Net cash flow from operations	352,290	346,142	649,250
Sale of fixed assets	407,288	32,972	235,832
Sale of other investments		2,068	
Purchase of fixed assets	-88,988	-73,195	-974,308
Purchase of other investments			-2,165
Received investment refund	20,761		
Received average adjustment	49,256		
Received dividend	22,618	50,928	33,888
Net cash flow from investments	410,935	12,774	-706,753
Paid in from minority shareholders			6,454
Shareholder loan	30,000		
New long-term debt			2,613,220
Realisation of currency forward contracts			-151,221
Repayment of debt	-673,336	-355,545	-2,069,397
Interest paid	-122,446	-136,646	-169,407
Net cash flow from financing	-765,782	-492,191	229,649
Agio/disagio on cash and cash equivalents ¹⁶	10,259	-19,262	-19,426
Net change in cash and cash equivalents	7,702	-152,538	152,720
Cash and cash equivalents at start of period	549,738	702,276	549,556
Cash and cash equivalents at end of period	557,440	549,738	702,276

Purchase of fixed assets in Net cash flow from investments include vessel investments and major vessel upgrades as described in section 7.8. In addition to this, maintenance investments such as periodical dockings of vessels are included in Purchase of fixed assets, however not described as investments in section 7.8.

¹⁶ In the 4th quarter report of 2017 is agio/disagio included in Net cash flow from operations.

The table below sets out selected data from the Group's interim statement of cash flows for the three month periods ended 31 December 2017 and 31 December 2016.

	3 months ended 31.12.2017 (unaudited)	3 months ended 31.12.2016 (unaudited)
<i>(in NOK thousands)</i>		
Net cash flow from operations excl. taxes	77,437	116,544
Paid taxes	-1,300	-3,878
Cash flow from operating activity	76,137	112,666
Sale of fixed assets		32,972
Sale of other investments		
Purchase of fixed operating assets	-2,507	-12,865
Purchase of other investments		
Received investment refund	9,538	
Received average adjustment	8,045	
Received dividend		
Cash flow from investment activity	15,076	20,107
Shareholder loan		
Repayment of debt	-63,974	-100,343
Paid interest	-20,321	-26,049
Cash flow from finance activity	-84,295	-126,392
Changes in cash holdings	6,918	6,381
Liquid assets at the beginning of the period	550,522	543,357
Liquid assets at the end of the period	557,440	549,738

Cash flows from operations has from 2015-2017 followed a falling trend, also as indicated in the 3 months ended 31.12.2017 compared to the corresponding period in 2016. This is closely related to the reduced revenues and operating results in the corresponding periods, and is mainly a consequence of weakening markets. Most of the Group's fleet loan agreements were renegotiated in 2015. This was mainly due to refinancing of fleet loan balloons maturing in Q4 2015, Q2 2016 and Q2 2017. Repayment terms were amended and debt installments were reduced, especially for the first two following years. In Q1 2017 the Viking Poseidon was sold to enable the Company to buy back its NOK 300 million bond loan at 60% of par value. The vessel sale proceeds are recorded under sale of fixed assets. The vessel mortgage debt repayment and the bond buy-back cost of approx. NOK 223 million and NOK 180 million, respectively, are recorded under repayment of debt. In Q4 2015, European Supporter and Viking 2 were sold, and Viking Nereus was sold in Q4 2016. All vessel sales are recorded as Sale of fixed assets and the related debt repayment are recorded as Repayment of debt. The European Supporter was without debt. The 2017 received average adjustment mainly relates to the non-repair average settlement regarding the damage of Viking Vision. The received investment refund relates to various environmental investment support initiatives from the Norwegian Government or other organizations partly financing environmental motivated investments in vessels.

11.6 Condensed statement of changes in equity

The table below sets out selected data from the Group's audited statement of changes in equity for the years ended 31 December 2016 and 2015 and its unaudited interim statement of changes in equity for the twelve month periods ended 31 December 2017.

(in NOK thousands)

	Majority's share					Total	Minority's share	Total equity
	Share capital	Other reserves	Other paid-in capital	Currency translations	Other equity			
Equity 31.12.2014	1 508	-56 866	635	86 701	2 049 275	2 081 252	44 134	2 125 386
Profit for the year					-196 914	-196 914	-42 978	-239 892
Actuarial gain/loss		33 656				33 656		33 656
Other comprehensive income				71 849		71 849		71 849
Comprehensive income 2015	0	33 656	0	71 849	-196 914	-91 409	-42 978	-134 387
Dividend						0		0
Settlement of defined benefit pension		7 077			-7 077	0		0
Capital increase						0	50 815	50 815
Total other equity adjustments 2015	0	7 077	0	0	-7 077	0	50 815	50 815
Equity pr. 31.12.2015	1 508	-16 134	635	158 550	1 845 283	1 989 843	51 971	2 041 814
Profit for the year		0	0	0	-553 001	-553 001	-11 518	-564 519
Currency translations				-15 351		-15 351		-15 351
Actuarial gain/loss		-4 887				-4 887		-4 887
Comprehensive income 2016	0	-4 887	0	-15 351	-553 001	-573 239	-11 518	-584 757
Dividend						0		0
Preliminary expenses subsidiaries			-6			-6		-6
Total other equity adjustments 2016	0	0	-6	0	0	-6	0	-6
Equity pr. 31.12.2016	1 508	-21 021	629	143 199	1 292 283	1 416 599	40 452	1 457 050
Profit for the year					155 369	155 369	-8 000	147 369
Currency translations				-45 451		-45 451		-45 451
Actuarial gain/loss		-16 962		0		-16 962		-16 962
Comprehensive income 2017	0	-16 962	0	-45 451	155 369	92 956	-8 000	84 956
Dividend						0		0
Preliminary expenses subsidiaries						0		0
Total other equity adjustments 2017	0	0	0	0	0	0	0	0
Equity pr. 31.12.2017	1 508	-37 982	629	97 748	1 447 652	1 509 555	32 452	1 542 006

The table below sets out selected data from the Group's unaudited interim statement of changes in equity for the three month periods ended 31 December 2017 and 31 December 2016.

	3 months ended 31.12.2017 (unaudited)	3 months ended 31.12.2016 (unaudited)
(in NOK thousands)		
Equity in the beginning of the period	1,788,187	1,948,485
Profit in the period	-221,098	-513,905
Exchange differences Joint Venture	-8,120	27,358
Actuarial loss	-16,962	-4,887
Equity at the end of the period	1,542,006	1,457,051

11.7 Liquidity and Capital resources

The Group's principal sources of funds for its liquidity needs are cash flows from operations and long-term bank borrowings. The Group's main uses of funds have been investments in new vessels, repayment of debt, interest expenses, operations of vessels and salaries to crew.

The capital resources of the Group consist of the vessels which have a total book value of NOK 2,966 million as of 31 December 2017 and shares in Joint ventures of NOK 506 million. As of 31 December 2017, the Group had an equity ratio of 36%. Net interest bearing debt amounted to NOK 2,027 million.

As of 31 December 2017, the Group's working capital assets consisted of account receivables in the amount of NOK 115 million, cash and cash equivalents in the amount of NOK 558 million and other short term assets in the amount of NOK 51 million. The Group's short-term liabilities were as of 31 December 2017 NOK 461 million

including a shareholder loan of NOK 30 million which was converted to equity in January 2018. Other capital liabilities were NOK 42 million in accounts payable and NOK 74 million in other short term liabilities. The Group's net working capital as of 31 December 2017 was positive NOK 263 million.

Prior to the Refinancing, the Group was financed by, inter alia, 16 bank loans. The main purpose of the Refinancing is to reduce the Group's repayment profiles in order to secure a robust financing base to withstand a deep and prolonged market downturn. Consequently, as an integral part of the restructuring, several amendments have been made to the Group's financing facilities and structure. This has involved making general amendments to the terms and conditions of the part of the group's existing bank loans

The amendments results in reduced payment of instalments from 2018 to first half of 2021. Furthermore, the maturity dates under the facilities have been deferred until end of the fourth quarter of 2022, simultaneously with the maturity of the postponed installments.

The companies in the Group are party to 16 bank loan facilities with a total outstanding balance at the date of the Prospectus of NOK 2,537 million, after agreed partly prepayment for one loan, which relates to the financing of the Group and its assets. The outstanding debt under the bank loan facilities are mainly due in NOK or USD.

The interest rates under the bank loan facilities are either fixed or floating. The interest rates under two export loans provided by, inter alia, Export Credit Norway, are on fixed CIRR terms while the other loans have been provided on a floating rate basis.

Facility/Loan	Borrower	Currency	Balance (Currency) (thousands)	Balance converted to NOK**	Lenders	Maturity
Viking Neptun	Eidesvik Neptun AS	USD	64,137	526,246	Nordea	December 2022
Viking Neptun	Eidesvik Neptun AS	USD	39,310	322,538	GIEK/Export Credit Norway	December 2022
Viking Prince	Eidesvik Supply AS	NOK	186,875	186,875	GIEK/DNB/Export Credit Norway	March 2024
Viking Avant	Eidesvik MPSV AS	NOK	71,071	71,071	SR-Bank	December 2022
Viking Avant	Eidesvik MPSV AS	USD	3,481	28,562	SR-Bank	December 2022
Viking Vanquish*	Eidesvik MPSV AS	USD	32,260	264,693	SR-Bank	December 2022
Viking Princess	Eidesvik Supply AS	NOK	204,167	204,167	GIEK/DNB/Handelsbanken/ Export Credit Norway	September 2024
Subsea Viking	Eidesvik Shipping AS	NOK	111,400	111,400	DNB/Handelsbanken	December 2022
Acergy Viking	Eidesvik Shipping AS	NOK	169,400	169,400	DNB/Handelsbanken	December 2022
Viking Athene	Eidesvik Shipping AS	NOK	51,200	51,200	DNB/Handelsbanken	December 2022
Viking Lady	Eidesvik Shipping AS	NOK	124,400	124,400	DNB/Handelsbanken	December 2022
Viking Queen	Eidesvik Shipping AS	NOK	123,200	123,200	DNB/Handelsbanken	December 2022
Viking Energy	Eidesvik Shipping AS	NOK	128,400	128,400	Danske Bank	December 2022
Veritas Viking	Eidesvik Shipping AS	USD	5,840	47,917	DNB/Handelsbanken	December 2022
Viking Vision	Eidesvik Shipping AS	USD	15,340	125,865	DNB/Handelsbanken	December 2022
Vantage	Eidesvik Shipping AS	USD	6,280	51,528	Danske Bank	December 2022
Total				2,537,462		

* After prepayment

** Applied exchange rate USDNOK 8,205

For a description of restrictive covenants under the Company's financing, please see section 5.2.

Maturity profile (Applied exchange rate USDNOK: 8.205):

(in NOK thousands)	2018	2019	2020	2021	2022	2023	2024	2025
Bank loan installments	83.830	85.095	85.095	197.266	309.436	91.868	77.493	33.951
Bank loan prepayment/other	53.849	5.385	5.385					
Bank loan maturity					1.570.966			
Total	137.679	90.480	90.480	197.266	1.880.402	91.868	77.493	33.951

11.8 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

11.9 Significant changes

Except for the Refinancing, the Private Placement and the Debt Conversion, there have been no significant change in the financial or trading position of the group since 31 December 2017

12. SHARES AND SHARE CAPITAL

12.1 Share capital and share capital history

As of the date of the Prospectus, the issued share capital of the Company is NOK 2,807,500 divided into 56,150,000 Shares fully paid with a nominal value of NOK 0.05 and issued in accordance with Norwegian law. The Shares are registered in the VPS register with ISIN NO 0010263023 and listed on Oslo Børs under the ticker-symbol "EIOF".

The Shares are equal in all respects and each Share carry one vote at the Company' general meeting, please refer to Section 12.7.1 "The Articles and certain aspects of Norwegian companies law" below for a further review of rights attached to the Shares.

There has not been any change in the Company's share capital for the period covered by the historical financial information.

12.2 Treasury shares

As at the date of this Prospectus, the Company does not own any treasury shares and does not have an authorisation to acquire treasury shares.

12.3 Board authorisations to issue new shares

As of the date of this prospectus, the Board of Directors has not been authorised to increase the share capital and to issue Shares in the Company.

12.4 Other financial instruments

Neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

12.5 Shareholder structure

As at 26 February 2018, the Company had in total 990 shareholders (not counting shareholders holding shares through nominee accounts), of which 957 were Norwegian and 33 were non-Norwegian. The 20 largest shareholders are shown in the table below:

	Name of shareholder	Number of Shares	Percentage (%)
1	Eidesvik Invest AS	37,180,000	66.22
2	Pareto Aksje Norge	3,120,995	5.56
3	Jakob Hatteland Holding AS	2,539,027	4.52
4	Vingtor Invest AS	1,434,719	2.56
5	Bergtor Investering AS	1,096,401	1.95
6	Stangeland Holding AS	1,096,401	1.95
7	Hjeltefjorden AS	1,010,000	1.80
8	Agasøster Invest AS	949,887	1.69
9	Tveitå Einar Kristian	741,000	1.32
10	Pareto AS	514,000	0.92
11	Gemsco AS	491,814	0.88
12	Helland A/S	474,585	0.85

13	Tveitå Olav Magne	441,700	0.79
14	Tri Pluss AS	432,500	0.77
15	California Invest AS	400,000	0.71
17	Danske Bank AS Meglerkonto Innland	333,739	0.59
16	Colorado Eiendom AS	270,917	0.48
18	Nordnet Bank AB	154,855	0.28
19	Skandinaviska Enskilda Banken AB	149,000	0.27
20	Meling Jan Fredrik	130,000	0.23
Total 20 largest shareholders.....		52,961,540	94.32%
Others		3,188,460	5.68%
Total.....		56,150,000	100.00%

There are no differences in voting rights between the shareholders. Each of the Shares carries one vote.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The table above shows the ownership percentage held by such notifiable shareholders. See Section 13.7 "Disclosure obligation" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Eidesvik Invest AS holds more than 50% of the shares in the Company and may thereby singlehandedly determine majority votes at general meetings in the Company, including the election of the board of directors. To the extent known to the Company, there are no other persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by relevant regulations in the Norwegian Public Companies Act and the Norwegian Securities Trading Act among others. See Section 12.7 "The articles and certain aspects of Norwegian companies law" and Section 13.10 "Compulsory acquisition" for further information.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

12.6 Shareholder agreements

The Company is not aware of its shareholders having entered into any shareholders agreements.

12.7 The articles and certain aspects of Norwegian companies law

12.7.1 The Articles of Association

The Company's Articles of Association as at the date of this Prospectus are incorporated by reference, please see Section 16.3 for further information. The following is a summary of certain provisions of the Articles of Association, some of which have not been addressed in the preceding Sections.

Objective of the Company

Pursuant to article 1 of the Company's Articles of Association, the Company's object is (non-official office translation):

"The company's business is to operate shipping companies and everything related to this, including owning shares or interests in companies that conduct same or similar activities."

Registered Office

The Company's registered office is in Bømlo municipality.

Share capital and nominal value

The Company's current share capital is NOK 1,507,500 divided into 30,150,000 Shares, each with a nominal value of NOK 0.05.

Board of directors

The Board shall consist of minimum 3 and maximum 7 members as designated by the general meeting. Two Board members acting jointly are authorised to sign on behalf of the company

Ordinary general meeting

The Company's annual general meeting shall consider the following:

- 1) Approval of the annual accounts and annual report, including distribution of dividend; and
- 2) Other matters which according to law or Articles of Association shall be dealt with by the General Meeting.

Restriction on transfer of shares

The Articles of Association do not provide for any right of first refusal for the Company's shareholders or any other restrictions on the transfer of Shares. Share transfers are not subject to board approval.

Rights, preferences and restrictions attaching to shares are set out in the Norwegian Public Limited Companies Act. The Articles of Association do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Public Limited Companies Act.

*12.7.2 Certain aspect of Norwegian companies law***The general meeting of shareholders**

The Company's shareholders exercise ultimate authority in the Company through the general meeting. In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. The following business must be dealt with and decided at the annual general meeting:

- Approval of the annual accounts and annual report, including the distribution of any dividend
- Consideration of the declaration of the Board of Directors on remuneration of the executive management
- Any other business to be transacted at the general meeting by law or in accordance with the Articles of Association

Norwegian law requires that written notice of general meetings setting forth the time of, the venue for and the agenda of the meeting is sent to all shareholders whose addresses are known no later than 21 days prior to the date of the general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market, unless the articles of association stipulate a longer period. Pursuant to article 6 of the Articles of Association, documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders, provided that the documents are made available for the shareholders at the Company's website. The same applies for documents which according to law shall be included in or attached to the notice of the general meeting. A shareholder is entitled to request that documents concerning matters to be handled at the general meeting are sent to him/her.

Any shareholder is entitled to have an matter dealt with by the general meeting if such shareholder provides the Board of Directors with notice of the matter within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor who audits the Company's annual accounts or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the Company has procedures in place allowing shareholders to vote electronically.

Voting rights

Each Share carries the right to one vote at the Company's general meetings. No voting rights can be exercised with respect to treasury Shares held by the Company. A shareholder may attend and vote at the general meeting either in person or by proxy. In accordance with the requirements of the Norwegian Securities Trading Act, the Company will include a proxy form with notices of general meetings.

In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the Company's share register in the VPS or, in the case of a share transfer, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. Beneficial owners of Shares that are registered in the name of a nominee are not entitled to vote with respect to such Shares under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. A nominee may not meet or vote for Shares registered on a nominee account (NOM-account). A shareholder must, in order to ensure it is eligible to vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

Decisions that the general meeting is entitled to make under Norwegian law or the Articles of Association are in general made by a simple majority of the votes cast. In the case of elections, the person(s) who receive(s) the greatest number of votes cast are elected.

Certain decisions, including but not limited to resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as of least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares through introduction of a consent requirement, a right of first refusal upon transfers or a requirement that shareholders must have certain qualifications, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Articles of Association. Certain other types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Articles of Association.

The Articles of Association do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Public Companies Act.

There are no quorum requirements at general meetings.

Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In connection with

an increase in the Company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the Company's shareholders with a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. The preferential rights may be set aside by the general meeting by the majority vote as required for amendments to the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, with a majority vote as described above, authorise the Board of Directors to issue new Shares. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the share capital at the time the authorisation is registered with the Norwegian Register of Business Enterprises. The preferential right to subscribe for Shares against consideration in cash may be set aside by the Board of Directors only if the authorisation includes such possibility for the Board of Directors.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided that, amongst other requirements, the Company does not have an uncovered loss from a previous accounting year, by transfer from the Company's distributable equity or from the Company's share premium reserve. Any bonus issues may be effected either by issuing Shares or by increasing the par value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all but the Company may seek to sell such rights on the shareholder' behalf. Similar restrictions and limitations may also apply pursuant to applicable laws and regulations in other jurisdictions.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

Liability of Directors

Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Directors act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Each Director may be held liable by the Company for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to exempt any such person from liability towards the Company, but the exemption is not binding if substantially correct and complete information was not provided at the general meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a majority below that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more

than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the Articles of Association, the minority shareholders cannot pursue the claim in the Company's name.

Indemnification of Directors

Neither Norwegian law nor the Articles of Association contain any provision concerning indemnification by the Company of the Board of Directors.

Distribution of assets on liquidation

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same majority as required to amend the Articles of Association. After completion of the Private Placement and the Subsequent Offering, the New Shares and the existing Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

Rights of redemption and repurchase of Shares

The share capital may be reduced by decreasing the par value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the Articles of Association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation for the Board of Directors of the company to this effect has been given by a general meeting with the same majority as required to amend the Articles of Association. The aggregate par value of treasury Shares so acquired and held by the Company must not exceed 10% of the Company's share capital, and treasury Shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the Shares. The authorisation by the general meeting cannot be given for a period exceeding two years.

12.8 Dividends and dividend policy

12.8.1 Dividend policy

Any proposal to pay dividends must be recommended or accepted by the board of directors and approved by the shareholders at a general meeting or resolved by the board of directors in accordance with an authorisation from the general meeting.

In deciding whether to propose a dividend and in determining the dividend amount, the board of directors will have to comply with legal restrictions, as set out in the Norwegian Public Companies Act (see section 12.8.2 "Legal constraints on distribution of dividends"), and take into account the Group's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions pursuant to its contractual arrangements in place at the time, in addition to the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Companies Act, the amount of dividends paid may not exceed the amount recommended by the board of directors. All Shares carry the same equal rights to dividends in the Company.

The proposal to pay a dividend in any year is, in addition to the legal restrictions as set out in Section 12.8.2 "Legal constraints on distribution of dividends", subject to consent from the Lenders as further described in section 5.2.7. Consequently, the Company does not anticipate paying dividends to its shareholders in the near term.

There can be no assurance that a dividend will be proposed or declared in any given year. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

The table below shows the amount of dividend distributed per Share for the years 2017, 2016 and 2015.

NOK	2017	2016	2015
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Amount of dividend per Share	0	0	0
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12.8.2 *Legal constraints on distribution of dividends*

Dividends may be paid in cash or, in some instances, in kind. The Norwegian Public Companies Act provides the following constraints on the distribution of dividends applicable to the Group:

- Section 8-1 of the Norwegian Public Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Group, as well as the aggregate amount of credit and security which, pursuant to Section 8–7 to 8-10 of the Norwegian Public Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends shall be applied. Following the approval of the annual accounts for the last financial year, the general meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

All shareholders that are shareholders at the time the general meeting pass its resolution to distribute dividends are entitled to such dividends. According to the Norwegian Public Companies Act, there is no time limit after which entitlement to dividends lapses. There are no Norwegian dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Norwegian Taxation".

12.8.3 *Manner of dividend payments*

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by cheque or transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. Investors registered in the VPS with a foreign bank account will receive the dividend in local currency. Checks cannot be issued in all countries and the investors with residence in one of those countries, will receive a letter asking them to provide us with their foreign bank details for receiving the dividend. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of the Company's VPS registrar. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving their ownership of the Shares.

13. SECURITIES TRADING IN NORWAY

This section 13 includes certain aspects of rules pertaining to securities trading in Norway in a Norwegian incorporated company pursuant to Norwegian legislation, but is however not a full or complete description of the matters described herein. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares. Investors are advised to consult their own legal advisors concerning the overall legal consequences of their ownership of Shares.

The Company's Shares have been listed on Oslo Børs since 27 June 2005.

13.1 Introduction

Oslo Børs was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. Oslo Børs is operated by Oslo Børs ASA, which also operates the regulated marketplace Oslo Axes and the multilateral trading facility Merkur Market.

Oslo Børs has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

13.2 Trading and settlement

Trading of equities on Oslo Børs and Oslo Axes is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on Oslo Børs and Oslo Axes takes place between 09:00 hours CET and 16:20 hours CET each trading day, with pre-trade period between 08:15 hours CET and 09:00 hours CET, closing auction from 16:20 hours CET to 16:25 hours CET and a post-trade period from 16:25 hours CET to 17:30 hours CET. Reporting of after exchange trades can be done until 17:30 hours CET.

The settlement period for trading on Oslo Børs and Oslo Axes is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd has a license from the Norwegian Ministry of Finance to act as a central counterparty and provide clearing services in Norway, and has since 2010 (until 2014 through the subsidiary Oslo Clearing ASA) offered clearing and counterparty services for equity trading on Oslo Børs and Oslo Axes.

Investment services in Norway may only be provided by Norwegian investment firms holding a licence under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licenced to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a licenced to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a licenced to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

13.3 Information, control and surveillance

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors market activity on a continuous basis. Market

surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

13.4 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and Oslo Børs are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.5 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

13.6 Foreign investment in Norwegian shares

Foreign investors may trade shares listed on Oslo Børs and Oslo Axess through any broker that is a member of Oslo Børs, whether Norwegian or foreign.

13.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

13.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and Oslo Børs decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by Oslo Børs before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, Oslo Børs may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects

his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.10 Compulsory acquisition

Pursuant to the Norwegian Public Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting that may be cast at the general meeting, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing 90% or more of the total number of the voting shares, as well 90% or more of the total votes that can be cast at the general meeting, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

13.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14. NORWEGIAN TAXATION

14.1 Introduction

Set out below is a summary of certain Norwegian tax matters related to an investment in the Group. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Group. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.2 Taxation of dividends

Norwegian personal shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway, adjusted with a factor of 1.33. Ordinary income is taxable at a rate of 23%, giving an effective tax rate of 30.59% (23% x 1.33). However, this will only apply to dividends exceeding a calculated risk-free return on the investment (tax-free allowance), which itself is tax exempt.

The tax-free allowance is calculated annually on a share-by-share basis and pertains to the owner of the share at the expiration of the relevant calendar year. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: *statskassveksler*) with three months maturity.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share, and will be added to the basis for the allowance calculation. Excess Allowance cannot result in a deductible loss.

Norwegian Corporate Shareholders

Dividends distributed from the Group to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of 0.69% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 23%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. It is the Non-Norwegian Personal Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends

according to the applicable tax treaty. The withholding obligation lies with the company distributing the dividends and the Group assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may individually apply to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident, provided that the shareholder is the beneficial owner of the share. It is the Non-Norwegian Corporate Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who are exempt from withholding tax or have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Group assumes this obligation.

14.3 Taxation of capital gains on realisation of shares

Norwegian personal shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 23%. As for dividends, the ordinary income is adjusted with a factor of 1.33, giving an effective tax rate of 30.59% (23% x 1.33).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the Norwegian Personal Shareholder's percentage interest in the Group prior to the disposal.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 14.2 "Taxation of dividends" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Group. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway or, on specific conditions, when the shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are generally not subject to taxation in Norway

14.3.1 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 80% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.3.2 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.3.3 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realization.

15. SELLING AND TRANSFER RESTRICTIONS

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

None of the Company or the Manager, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the New Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the New Shares.

15.1 Selling restrictions

15.1.1 United States

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under applicable securities laws of any state of the United States. The securities referred to herein are being sold outside the United States in reliance on Regulation S under the U.S. Securities Act. Accordingly, the securities will not be sold within the United States.

15.1.2 United Kingdom

The Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any New Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and*
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom.*

15.1.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the relevant implementation date, an offer to the public of any New Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any New Shares may be made at any time with effect from and including the relevant implementation date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are qualified investors as defined in the EU Prospectus Directive,*

(b) *to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Manager for any such offer, or*

(c) *in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;*

provided that no such offer of New Shares shall require the Company, or the Manager to publish a Prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a Prospectus pursuant to Article 16 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any New Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

15.1.4 *Additional jurisdictions*

15.1.4.1. Australia

This Prospectus has not been lodged with the Australian Securities and Investments Commission as a disclosure document under Chapter 6D of the Corporations Act 2001 (Cwth) of Australia (the "**Corporations Act**") and is only directed to certain categories of exempt persons. Accordingly, if you receive this Prospectus in Australia:

- (a) you confirm and warrant that you are either:
- (i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act
 - (ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate pursuant to the section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made
 - (iii) a person associated with the Company under section 708(12) of the Corporations Act, or
 - (iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act,
 - (v) and, to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance; and
- (b) you warrant and agree that you will not offer any of the New Shares sold to you pursuant to this Prospectus for resale in Australia within 12 months of those New Shares being sold unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

15.1.4.2. Canada

This Prospectus is not, and under no circumstance is to be construed as, a Prospectus, an advertisement or a public offering of the New Shares in Canada or any province or territory thereof. Any offer or sale of the New Shares in Canada will be made only pursuant to an exemption from the requirements to file a Prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

15.1.4.3. Hong Kong

Warning: the contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

No New Shares have been offered or sold, or will be offered or sold, in Hong Kong by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. In addition, no advertisement, invitation or document relating to the New Shares has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

15.1.4.4. Japan

The New Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise.

15.1.4.5. Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

15.1.4.6. DIFC

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("**DFSA**"). This Prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set forth herein and has no responsibility for the Prospectus. The New Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this Prospectus you should consult an authorised financial advisor.

15.1.4.7. Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares or the Private

Placement or the Subsequent Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Group, the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Private Placement and Subsequent Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and the Private Placement and Subsequent Offering have not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of New Shares.

15.1.4.8. Other jurisdictions

The New Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any other jurisdiction in which it would not be permissible to offer the New Shares.

In jurisdictions outside the United States and the EEA where the Private Placement and Subsequent Offering would be permissible, the New Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

15.2 Transfer restrictions

15.2.1 *United States*

The New Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the New Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the New Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the New Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the New Shares was located outside the United States at the time the buy order for the New Shares was originated and continues to be located outside the United States and has not purchased the New Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the New Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the New Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the New Shares pursuant to Regulation S described in this Prospectus.
- The New Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the New Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

15.2.2 *European Economic Area*

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway and Sweden) who receives any communication in respect of, or who acquires any New Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any New Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the New Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Manager has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

16. ADDITIONAL INFORMATION

16.1 Auditor and advisors

The Company's independent auditor is Ernst & Young AS with registration number 976 389 387, and business address at Dronning Eufemias gate 6, 0191 Oslo, Norway. Ernst & Young AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). Ernst & Young AS has been the Group's auditor throughout the period covered by financial information included in the Prospectus

Pareto Securities (Dronning Mauds gate 3, P.O. Box 1411 Vika, N-0115 Oslo, Norway) are acting as the Manager for the Private Placement and the Subsequent Offering.

Advokatfirmaet Selmer (Tjuvholmen allé 1, N-0252 Oslo, Norway) is acting as legal counsel to the Company.

16.2 Documents on display

Copies of the following documents will be available for inspection by physical means at the Company's registered office during normal business hours from Monday to Friday each week (excluding public holidays) for a period of 12 months from the date of this Prospectus:

- i. the Articles of Association of the Company;
- ii. the audited historical financial information of the Company and its subsidiary undertakings for 2016, and 2015 and the unaudited historical financial information for 2017; and
- iii. This Prospectus

16.3 Documents Incorporated by Reference

The information incorporated by reference to this Prospectus should be read in connection with the cross reference list as set out in the table below. The following documents have been incorporated hereto by reference:

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Section 11	Audited historical financial information	Financial Statements 2016 http://www.newsweb.no/newsweb/attachment.do?name=EIOF++%c3%85rsrapport+2016.pdf&attId=161732	P 23 - 55
		Financial Statements 2015 http://www.newsweb.no/newsweb/attachment.do?name=%c3%85rsrapport+2015+Eidesvik+Offshore+ASA.pdf&attId=148759	P 23 - 55
Section 11	Auditor's report	Auditor's report 2016 http://www.newsweb.no/newsweb/attachment.do?name=EIOF++%c3%85rsrapport+2016.pdf&attId=161732	P 66 - 69
		Auditor's report 2015 http://www.newsweb.no/newsweb/attachment.do?name=%c3%85rsrapport+2015+Eidesvik+Offshore+ASA.pdf&attId=148759	P 66 - 67
Section 11.2	Accounting policies	Accounting Policies http://www.newsweb.no/newsweb/attachment.do?name=EIOF++%c3%85rsrapport+2016.pdf&attId=161732	P 30 - 35
Section 11	Unaudited historical financial information	Interim Financial Statements Q4 2017 https://www.eidesvik.no/getfile.php/1311331/Bilder%20fra%20gamelt%20nettsted/Bilder/Investor%20relation/Presentasjoner/EIOF%20Q4%202017%20Report.pdf	P 10 - 12
Section 11	Unaudited historical financial information	Interim Financial Statements Q4 2016 https://www.eidesvik.no/getfile.php/1310866/Bilder%20fra%20gamelt%20nettsted/Bilder/Investor%20relation/Kvartalsrapporter/EIOF%20Q4%202016%20Report.pdf	P 8 - 10

17. DEFINITIONS AND GLOSSARY OF TERMS

2010 PD Amending Directive	Directive 2010/73/EU
Agio	Currency gains
Allocation Rights	Non-transferable allocation rights granted to the Eligible Shareholders, each giving the right to subscribe for and be allocated one Offer Share
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act No. 11 of March 6, 2009 and the Norwegian Money Laundering Regulations No. 302 of March 13, 2009
APM	Alternative Performance Measures
Bareboat Charter	A charter in which the bare ship is chartered without crew
Company	Eidesvik Offshore ASA
Debt Conversion	The conversion of a MNOK 30 shareholder loan into 2,000,000 new shares in the Company completed 31 January 2018
Disagio	Currency loss
EEA	The European Economic Area
Effective Date	The effective date for the Refinancing 31 December 2018
Eidesvik Family	Eidesvik Invest AS, Borgny Eidesvik and/or Lars Eidesvik and/or their spouses, lineal descendants and/or companies owned and controlled by them
Eidesvik Offshore	Eidesvik Offshore ASA
Eligible Shareholders	Shareholders in the Company as per 8 January 2018, as registered in the VPS the Record Date who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action and who were not (i) invited to apply for Shares in the pre-sounding of the Private Placement; or (ii) allocated shares in the Private Placement
EU Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State
Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
FSMA	Financial Services and Markets Act 2000
Group	The Company and its subsidiaries
GSS	Global Seismic Shipping AS
Lenders	The Company's bank lenders being Danske Bank, Norwegian branch, DNB Bank ASA, Eksportkreditt Norge AS, Garantiinstituttet for Eksportkreditt, Handelsbanken, Norwegian branch of Svenska Handelsbanken AB (publ), Nordea Bank AB (publ), Norwegian branch and Sparebank 1 SR-Bank ASA
LNG	Liquefied Natural Gas
LOA	Length overall
Loan Facilities	The Company's loan facilities from the Lenders
Manager	Pareto Securities AS
MGO	Marine Gas Oil
NOK	The lawful currency of Norway
Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes

Norwegian FSA	The Financial Supervisory Authority of Norway (Nw. Finanstilsynet)
Norwegian Personal Shareholders	Shareholders who are individuals resident in Norway for tax purposes
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Securities Trading Act Offer Shares	The Norwegian Securities Trading Act of 29 June 2007 No. 75 The up to 6,000,000 new shares offered in the Subsequent Offering
OPEC	The Organization of Petroleum Exporting Countries
Order	Order 2005, as amended
Payment Date	21 March 2018
Permitted Upgrades	The upgrades permitted to be carried out by the Company without obtaining prior consent from the Lenders
Private Placement	The issue of Private Placement Shares placed 8 January 2018 and completed 31 January 2018
Private Placement Shares	The 24,000,000 new shares issued in the Private Placement
Prospectus	This prospectus dated 2 March 2018
PSV	Platform Supply Vessels
Qualified Investors	Qualified investors within the meaning of Article 2(1)(e) of the EU Prospectus Directive
Record Date	10 January 2018
Reduced Instalments	Instalments under the Loan Facilities equal to 27.5% of the originally agreed repayment schedules
Refinancing	The Company's restructuring of its bank debt as further described in Section 5 and effective as from 31 December 2018
Relevant Member State	An EEA state other than Norway that has implemented the EU Prospectus Directive
Relevant Persons	persons to whom distributions may lawfully be made, communicated, or caused to be communicated in the United Kingdom
Shares	The shares issued by the Company
Seismic	The market for seismic vessels
Senior Notes Proceeds	Proceeds received by Eidesvik MPSV AS from the sale of the CGG S.A. senior notes, in an aggregate amount of USD 7,875,600
Subsequent Offering	The offering of up to 6,000,000 new shares in the Company to Eligible Shareholders
Subscription form	The subscription form for the Subsequent Offering included as appendix 2
Subscription Office	Pareto Securities AS
Subscription Period	From 5 March 2018 to 16:30 on 19 March 2018
Subsea/CSV	The market for vessels used to provide additional services such as inspection, ROV, diving- and pipe-laying services
sqm	Square meter
Term Sheet	The term sheet for the Refinancing
Time Charter	A contract for leasing between ship owners and the lessee for a stated period.
Towing Point	The point where the seismic streamer is connected. The number of towing points gives information regarding streaming capacity of the vessel.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended

Vessel	A vessel being owned by the Group and financed by a Loan Facility
VPS	The Norwegian Central Securities Depository
WEO	World Economic Outlook
Yearly Permitted Upgrades	An amount the Company may spend on upgrades each year without obtaining consent from the Lenders

Vedtekter

§1 Firma

Selskapets firma er Eidesvik Offshore ASA. Selskapet er et allmennaksjeselskap.

§2 Forretningskontor

Selskapets forretningskontor er i Bømlo kommune. Selskapets generalforsamling kan avholdes i Haugesund eller Oslo etter styrets nærmere beslutning.

§3 Virksomhet

Selskapets virksomhet er å drive rederivirksomhet og alt som står i forbindelse med dette, herunder å eie aksjer og andeler i selskaper som driver tilsvarende eller beslektet virksomhet.

§4 Aksjekapital

Selskapets aksjekapital er på kr. 2.807.500 fordelt på 56.150.000 aksjer, hver pålydende NOK 0,05. Aksjene skal være registrert i Verdipapirsentralen.

§5 Ledelse

Selskapets styre skal ha fra tre til syv medlemmer etter generalforsamlingens nærmere beslutning. Selskapet tegnes av to styremedlemmer i fellesskap.

§6 Generalforsamling

Den ordinære generalforsamlingen skal behandle:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Styret kan beslutte at dokumenter som gjelder saker som skal behandles på generalforsamlingen, ikke sendes til aksjeeierne når disse gjøres tilgjengelig på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

§7 Forholdet til aksjeloven

For øvrig henvises til den til enhver tid gjeldende aksjelovgivning.

**EIDESVIK OFFSHORE ASA
SUBSEQUENT OFFERING**

SUBSCRIPTION FORM

General information: The terms and conditions for the subsequent offering (the "**Subsequent Offering**") of up to 6,000,000 new shares (the "**Offer Shares**") in Eidesvik Offshore ASA (the "**Company**") are set out in the prospectus dated 2 March 2018 (the "**Prospectus**"). All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus. The notice of, and minutes from, the extraordinary general meeting held on 29 January 2018 (with appendices), the Company's articles of association and annual accounts and annual reports for the last two years are available at the Company's registered office address, Langevåg, 5443 Bømlo, Norway or website, www.eidesvik.no. All announcements referred to in this Subscription Form will be made through Oslo Børs' information system under the Company's ticker "EIOF". This Subscription Form may only be distributed together with the Prospectus.

Subscription procedure: The Subscription Period for the Subsequent Offering commences on 5 March 2018 and expires at 16:30 (CET) on 19 March 2018 and may not be closed prior to this date or extended (the "**Subscription Period**"). Norwegian subscribers in the Subsequent Offering who are residents of Norway with a Norwegian personal identification number may subscribe for Offer Shares through the VPS online subscription system by using the following websites: eidesvik.no and www.paretosec.com. Subscriptions in the Subsequent Offering can also be made by using this Subscription Form. Subscription Forms must be correctly completed and submitted by the end of the Subscription Period to the following Subscription Office:

<p>Pareto Securities AS P.O. Box 1411 Vikå, 0115 Oslo Norway E-mail: Subscription@paretosec.com Web: www.paretosec.com</p>
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Subscribers who are Norwegian residents with a Norwegian personal identification number (Nw.: personnummer) are encouraged to subscribe for Offer Shares through the VPS online subscription system, or by following the link on www.paretosec.com which will redirect the subscriber to the VPS online subscription system.

The subscriber is responsible for the correctness of the information filled in on this Subscription Form. Subscription Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Subscription Period, and any subscription that may be unlawful, may be disregarded without further notice to the subscriber. **Subscriptions made through the VPS online subscription system must be duly registered by 16:30 hours (CET) on 19 March 2018, while subscriptions made on Subscription Forms must be received by the Subscription Office by the same time. It is not sufficient for the Subscription Form to be postmarked within the deadline.** Neither the Company nor the Manager may be held responsible for postal delays, internet lines or servers or other logistical or technical matters that may result in subscriptions not being received in time or at all by the Subscription Office. All subscriptions made in the Subsequent Offering will be irrevocable and binding upon receipt of a duly completed Subscription Form, or in the case of subscription through the VPS online subscription system upon registration of the subscription, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Subscription Office, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription.

Subscription Price: The Subscription Price in the Subsequent Offering is NOK 5 per Offer Share.

Allocation Rights: Eligible Shareholders who are registered in the Company's shareholder register in the VPS as of the Record Date (10 January 2018) are granted non-transferable Allocation Rights, that, subject to applicable law, provide preferential rights to subscribe for and be allocated Offer Shares in the Subsequent Offering. The Eligible Shareholders will be granted approximately 1.5788 Allocation Right for each Share registered in VPS on the Record date. The number of Allocation Rights granted to each shareholder will be rounded down to the nearest whole Allocation Right. **Allocation Rights that are not used to subscribe for Offer Shares prior to expiry of the Subscription Period will have no value and will lapse without compensation and consequently be of no value.**

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The board of directors reserves the right to round off, regulate or in another way reject or reduce any subscription not covered by Allocation Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. No fractional Offer Shares will be allocated. Notifications of allocation and the corresponding subscription amount to be paid by each subscriber will be issued by mail or otherwise on or about 20 March 2018. Any subscriber wishing to know the precise number of Offer Shares allocated to it, may contact the Subscription Office on or about 20 March 2018 during business hours. Subscribers who have access to investor services through an institution that operates the subscriber's account with the VPS for the registration of holdings of securities should be able to see how many Offer Shares they have been allocated from on or about 20 March 2018.

Payment and delivery of Offer Shares: In completing this Subscription Form, or registering a subscription through the VPS online subscription system, the subscriber authorises the Manager to debit the subscriber's Norwegian bank account for the total subscription amount payable for the Offer Shares allocated to the subscriber. Accounts will be debited on or about 21 March 2018 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including the date falling two banking days prior to the Payment Date. Subscribers who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Details and instructions can be obtained by contacting the Manager, telephone: + 47 22 87 87 00. The Manager is only authorized to debit each account once, but reserves the right (but has no obligation) to make up to three debit attempts for up to seven working days after the Payment Date if there are insufficient funds on the account on the Payment Date. Should any subscriber have insufficient funds in its account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

Guidelines for the subscriber: Please refer to the second page of this Subscription Form for further subscription guidelines.

VPS-account (12 digits):	Number of Allocation Rights	Number of Offer Shares subscribed (incl. over subscription)	(For broker: consecutive no.):
		Subscription Price per Offer Share: x NOK 5.00 =	Subscription amount to be paid: NOK _____

IRREVOCABLE AUTHORIZATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 5).	Subscriber's bank account to be debited (11 digits):									

I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above subject to the terms and conditions set out in this Subscription Form and in the Prospectus, (ii) authorize and instruct the Manager (or someone appointed by it acting jointly or severally) to take all actions required to transfer such Offer Shares allocated to me/us to the VPS Registrar and ensure delivery of the beneficial interests to such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorize the Manager to debit my/our bank account as set out in this Subscription Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein.

Date and place*:	Binding signature**:
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* Must be dated during the Subscription Period.

** The subscriber must be of legal age. If the Subscription Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE SUBSCRIBER

THIS SUBSCRIPTION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "EEA") pursuant to the Markets and Financial Instruments Directive ("MIFID") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Manager must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All subscribers subscribing for Offer Shares in the Offering who/which are not existing clients of the Manager will be categorised as Non-professional clients. The subscriber can by written request to the Manager ask to be categorised as a Professional client if the subscriber fulfils the provisions of the Norwegian Securities Trading Act. For further information about the categorisation the subscriber may contact the Manager. The subscriber represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the subscriber is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Manager is not in the position to determine whether the subscription for Offer Shares is suitable for the subscriber, the Manager will treat the subscription as an execution only instruction from the subscriber to subscribe for Offer Shares in the Offering. Hence, the subscriber will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Manager is a securities firm, offering a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance department are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from its corporate finance department by information barriers known as "Chinese walls". The subscriber acknowledges that the Manager's analysis and stock broking activity may act in conflict with the subscriber's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers of the Manager must verify their identity to the Manager in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares. Participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 15 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Manager assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers of the Offer Shares (pursuant to the exercise of Allocation Rights or otherwise) may lawfully be made. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or under applicable securities laws of any state of the United States. Accordingly, the securities will not be sold within the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted. The securities referred to herein are being sold outside the United States in reliance on Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway and which has implemented the EU Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where such offers are legal and there is no obligation to produce a prospectus or similar registration acts.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, subscribe for nor acquire, any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, which at the date of this Prospectus is 8.50% per annum.

Should payment not be made when due, the Offer Shares allocated will not be delivered to the subscriber, and the Company and/or the Manager reserve the right, at the risk and cost of the subscriber to cancel the subscription and to re-allocate or otherwise dispose of the allocated Offer Shares on such terms and in such manner as each the Company and the Manager may decide in accordance with Norwegian law (and the subscription will not be entitled to any profit therefrom). The initial subscriber remains liable for payment of the Offer Price for the Offer Shares allocated to the subscriber together with any interest, cost, charges and expenses accrued, and each of the Company and/or the Manager may enforce payment for any such amount outstanding.

Registered office and advisors

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Manager

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