

PROSPECTUS



DOF ASA

(A public limited company incorporated under the laws of Norway)

Listing of 833,333,333 Private Placement Shares issued in connection with a Private Placement completed on 21 December 2017

Subsequent Offering and listing of up to 336,700,000 Offer Shares at a Subscription Price of NOK 0.60 per Offer Share with preferential Subscription Rights for Eligible Subscribers

Subscription Period for the Subsequent Offering: From 09:00 hours (CET) on 1 February 2018 to 16:30 hours (CET) on 14 February 2018

The information in this prospectus (the "**Prospectus**") relates to (i) the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") by DOF ASA (the "**Company**" or "**DOF**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**") of 833,333,333 new shares in the Company with a nominal value of NOK 0.50 each (the "**Private Placement Shares**") issued at a subscription price of NOK 0.60 per Private Placement Share in connection with a private placement completed on 21 December 2017 (the "**Private Placement**") and (ii) the subsequent offering and listing (the "**Subsequent Offering**") on the Oslo Stock Exchange of up to 336,700,000 new shares in the Company, each with a nominal value of NOK 0.50, (the "**Offer Shares**") to be issued at a subscription price of NOK 0.60 per Offer Share (the "**Subscription Price**").

The shareholders of the Company and owners of the subordinated mandatorily convertible bonds (the "**Convertible Bonds**") in DOF ASA 16/21 0% SUB CONV (DOF12) bond loan (the "**Convertible Bond Issue**") as of 27 November 2017 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 29 November 2017 pursuant to the two days' settlement procedure (the "**Record Date**")), except for shareholders and convertible bondholders (i) who were invited to apply for Private Placement Shares in the "pre-sounding" of the Private Placement or (ii) where allocated Private Placement Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "**Eligible Subscribers**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give preferential right to subscribe for and be allocated Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Eligible Subscriber's VPS account.

Each Eligible Subscriber will be granted 0.526276 Subscription Right for every existing share and/or Convertible Bond registered as held by such Eligible Subscriber as of the Record Date, rounded down to the nearest whole Subscription Right. The Subscription Rights may be used to subscribe for Offer Shares in the Subsequent Offering. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one Offer Share. Over-subscription and subscription without subscription rights is permitted. The subscription period will commence on 09:00 hours (CET) on 1 February 2018 and expire at 16:30 hours Central European Time ("**CET**") on 14 February 2018 (the "**Subscription Period**").

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

The Company's existing shares are, and the Private Placement Shares and the Offer Shares will be, listed on the Oslo Stock Exchange under the ticker code "DOF". Except where the context requires otherwise, references in this Prospectus to "**Shares**" will be deemed to include the existing Shares, including the Private Placement Shares, and the Offer Shares. All of the existing Shares, including the Private Placement Shares, are, and the Offer Shares will be, registered in the VPS in book-entry form. The Private Placement Shares have been placed on a separate ISIN pending publication of this Prospectus, and will be listed and admitted to trading on the Oslo Stock Exchange following publication of this Prospectus. All of the issued Shares rank pari passu with one another and each Share carries one vote.

Investing in the Shares, including the Private Placement Shares and the Offer Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 15 when considering an investment in the Company.

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares and Subscription Rights may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Prospectus, the offer of the Subscription Rights and the offer and sale the Offer Shares in certain jurisdictions may be restricted by law.

For more information regarding restrictions in relation to the Subsequent Offering, see Section 18 "Selling and transfer restrictions".

The due date for payment of the Offer Shares is expected to be on or about 19 February 2018. Delivery of the Offer Shares is expected to take place on or about 21 February 2018 through the facilities of the VPS. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 1 February 2018, while trading in the Offer Shares on the Oslo Stock Exchange is expected to commence on or about 22 February 2018.

Joint Bookrunners

ABN AMRO Bank N.V

Clarksons Platou Securities AS

Nordea Bank AB (publ), filial i Norge

Pareto Securities AS

The date of this Prospectus is 31 January 2018

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with (i) the Subsequent Offering and (ii) the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

This 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 (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act on 31 January 2018. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval 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 in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 20 "Definitions and glossary".

The Company has engaged ABN AMRO Bank N.V., Clarksons Platou Securities AS, Nordea Bank AB (publ), filial i Norge ("**Nordea**") and Pareto Securities AS ("**Pareto**") as Joint Bookrunners (collectively referred to as the "**Managers**").

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 by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the granting of any Subscription Rights nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Private Placement, the Subsequent Offering, or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing. Information on the website of DOF or any of its affiliates, any website directly or indirectly linked thereto or any other website mentioned in this Prospectus is not incorporated by reference into this Prospectus and prospective investors should not rely on any such website in making their decision to invest in the Offer Shares.

The distribution of this Prospectus and the offer and sale of the Offer Shares and the granting or use of the Subscription Rights in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase or subscribe, any of the Offer Shares or use the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer, sale or subscription 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 is 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. None of the Company or the Managers, in any of their respective capacities in connection with the Private Placement and the Subsequent Offering, accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offer Shares, of any such restrictions. The Company and the Managers reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Company, the Managers or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 18 "Selling and transfer restrictions".

By accepting delivery of this Prospectus, each recipient and holder of Subscription Rights or representative of such holder acknowledges that such holder or representative, including a depositary bank, may not exercise Subscription Rights or otherwise subscribe for Offer Shares on behalf of any person that is located in a jurisdiction in which it would not be permissible to make an offer of the Offer Shares and any such representative, including a depositary bank, will be required, in connection with any exercise of Subscription Rights or other subscription of Offer Shares, to certify that such exercise or subscription is not made on behalf of such a person and is otherwise in accordance with the restrictions on the offer and sale of Offer Shares set forth in this Prospectus in Section 18 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Subsequent Offering as set out herein, and any sale and purchase of Offer Shares and the granting and use of the Subscription Rights hereunder, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering or this Prospectus.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Group, the Managers or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Shares. Prior to making any decision whether to purchase the Shares or use the Subscription Rights, prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. **In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Subsequent Offering, including the merits and risks involved.** None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares or the use of the Subscription Rights to subscribe for 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 or the use of the Subscription Rights to subscribe for Offer Shares, to among other things consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for the Shares.

A prospective investor should not invest in the Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Shares will perform under changing conditions, the resulting effects on the value of the Shares and the impact this investment will have on its overall investment portfolio.

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

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT

AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred 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 in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 18.2 "United States".

Any Offer Shares or Subscription Rights offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 18.2 "United States".

Neither the Offer Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares. Investors confirm their agreement to the foregoing by accepting the delivery of this Prospectus.

To the extent that any of the Managers intends to effect any offers or sales of shares in the United States or to U.S. persons, it will do so through its respective U.S. registered broker-dealer affiliates, pursuant to applicable U.S. securities laws.

NOTICE ABOUT NORDEA

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 18.2 "United States". Nordea is not a SEC registered broker-dealer and will only participate in the Subsequent Offering outside the United States. No action taken by the Company or any of the other Managers in the U.S. shall be attributed to Nordea.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "UK") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Managers have represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will 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 Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

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 Subscription Rights and Offer 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 securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary.

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 Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer 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 Managers have been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer 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 Offer Shares and 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 of the Offer 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 18 "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 "**MiFID II 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 Subsequent Offering.

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.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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APPENDIX B	SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING.....	B1

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A– E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the 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	Warning	<p>This summary should be read as introduction to the Prospectus;</p> <p>any decision to invest in the securities 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 Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</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	Warning	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares or the Subscription Rights.

Section B – Issuer

B.1	Legal and commercial name	DOF ASA.
B.2	Domicile and legal form, legislation and country of incorporation	<p>The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 3 May 1984, and the Company's registration number in the Norwegian Register of Business Enterprises is 935 349 230.</p>
B.3	Current operations, principal activities and markets	<p>The Group is a provider of essential offshore and subsea services to the global offshore industry, owning and operating a fleet of PSV, AHTS and subsea/CSV vessels operating in all major oil and gas regions in addition to several engineering companies offering services to the subsea market. With more than 35 years of experience in the offshore business, the Group has a strong position in terms of experience, product range and capacity, and has, in the Company's view, an innovative and technologically leading subsea/CSV fleet, both in terms of size and specifications. As a result of the Group's significant newbuilding program over the recent years, the Group's modern fleet of subsea/CSV vessels has innovative technical solutions, such as fuel savings and other environmental friendly solutions.</p> <p>The Group's core businesses are vessel ownership, vessel management, project management, engineering, vessel operations, survey, remote intervention and diving operations primarily for the oil and gas sector. The Group's main operation centres and business units are located in Norway, the United Kingdom, the United States, Singapore, Brazil, Argentina, Egypt, Angola and Australia.</p> <p>As of 31 December 2017, the Group had a global workforce of 3,953 full-time employees, including hired personnel, and as of the date of this Prospectus the Group had a fleet comprising of 64 vessels in operation and</p>

	<p>two newbuilds. The Group operates in three segments of the offshore services market, strategically defined by activities and vessel types: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and subsea/CSV (construction support vessels/subsea vessels). The DOF Subsea Group is represented as part of the subsea/CSV segment.</p> <p>As of the date of this Prospectus, the Group further owned a fleet of ROVs of 70 units. The Group operates a majority of its fleet on long-term contracts. As of 30 September 2017, the Group had a firm backlog of approximately NOK 23 billion in addition to options backlog of approximately NOK 33 billion (not including frame agreements within subsea vessel projects).</p> <p>The Group is positioned as a solid player in the industry with its investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model. Leveraging the long-term charter business with the subsea project business, the Group has the flexibility to maximise its market position in each region of operation. During the last decade the Group has invested in key regions such as the Atlantic, South America, North America and Asia Pacific whilst continuing to grow in West Africa.</p> <p>No matter where the Group operates in the world, safety is held as the highest priority. The Group strives to be the leader in the fields of health, safety, environment and quality and systematically promotes these areas in the execution of all activities and operations.</p>
<p>B.4a Significant recent trends</p>	<p>The market has overall continued to be weak throughout 2017, but with higher activity in certain regions due to seasonal variations. The market is expected to continue to be challenging during the winter season and throughout 2018. The current market situation has increased the risk of lower utilisation and reduced earnings for the Group. The uncertainty related to evaluation of the market development is higher than normal, and the value of the Group's vessels, equipment and investments in joint ventures may be challenged if the negative market continues.</p> <p>As of 30 September 2017, the Group had a contract coverage of 43.74% for 2018. All vessels under construction are secured firm contracts.</p> <p>The Group maintains its strategy to secure the fleet on long-term contracts, and is actively working on securing and increasing firm employment of as much of the fleet as possible. The Group continues its work to reduce costs, including increasing the efficiency of work processes.</p> <p>Below is an overview of the material developments in the Group's business since 30 September 2017:</p> <ul style="list-style-type: none"> • <u>New contracts:</u> <ul style="list-style-type: none"> - In October 2017, the DOF Subsea Group was awarded several contracts, securing utilisation for several vessels in the Subsea IRM Projects segment. In the Atlantic region, the DOF Subsea Group was awarded a contract within wind industry, securing utilisation of Skandi Neptune for 45 days + options in the fourth quarter. In the North America region, the DOF Subsea Group was awarded a contract for the provision of survey, ROV and vessel services in the Gulf of Mexico, securing 135 days of vessel utilisation in two phases. The project will utilise the vessels Harvey Deep Sea and Skandi Achiever with phase one commencing in the fourth quarter of 2017 and phase two commencing in the first quarter of 2018. - In November 2017, the Group was awarded several contracts and extensions: Skandi Sotra received a contract in Australia with Chevron Australia PTY Ltd. The contract is for 75 days plus options with start-up in the fourth quarter of 2017. Fugro

	<p>extended the firm contract for Skandi Olympia in the North Sea until end September 2018. Skandi Foula was awarded a 2 months contract + options in the Black Sea. Wintershall has declared 3 months option for Skandi Gamma and the contract was extended until mid-March 2018. Skandi Darwin commenced its long-term IRM contract on the Shell Prelude FLNG facility in Australia. The DOF Subsea Group was awarded several contracts, securing utilisation for vessels in the Subsea IRM Projects segment. In the Atlantic region, the contracts for Skandi Neptune and Skandi Constructor were extended until the end of 2017 and end of January 2018, respectively. In the Asia Pacific region, a contract for the provision of geotechnical services in Northern Australia was awarded securing utilisation for Skandi Hercules in the first quarter of 2018. In Brazil, Skandi Niteroi, owned by the joint venture between DOF Subsea (50%) and Technip Coflexip Norge AS (50%), was awarded a contract by McDermott on the Atlanta Project for Queiroz Galvão, with a contract duration of approximately 2 months.</p> <ul style="list-style-type: none">- In January 2018, the DOF Subsea Group was awarded two new ROV contracts by Petrobras in Brazil for ROVs to be installed on board Skandi Angra and Skandi Paraty. The new contracts start in April 2018 and end in September and November 2020, respectively. Further, Petrobras extended two ROV contracts for the ROVs on board Skandi Iguacu and Skandi Urca until end of 2018. The new contracts and contract extensions give 1,630 days of ROV services for the DOF Subsea Group and increase the backlog by approximately NOK 200 million.• <u>Sale of vessels:</u><ul style="list-style-type: none">- In November 2017, the Group sold Skandi Møgster (AHTS), built in 1998. In December 2017, the Group sold Skandi Marstein (PSV), built in 1996. The sales were in line with DOF Group's strategy to divest in the oldest part of the fleet.		
B.5	Description of the Group	The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company.	
B.6	Interests in the Company and voting rights	As of 26 January 2018, the Company had 7,450 shareholders. The Company's 20 largest shareholders as of the same date are shown in the table below.	
#	Shareholders	Number of Shares	Percent
1	MØGSTER MOHN OFFSHORE AS.....	1,506,399,363	59.02%
2	BNP PARIBAS SECURITIES SERVICES	95,701,686	3.75%
3	MP PENSJON PK	36,718,373	1.44%
4	CITY FINANCIAL ABSOLUTE EQUITY FD	27,750,000	1.09%
5	SKANDINAVISKA ENSKILDA BANKEN AB	26,303,058	1.03%
6	DRAGESUND INVEST AS	24,600,000	0.96%
7	MOCO AS	19,844,184	0.78%
8	GERDA MARIE AS.....	18,000,000	0.71%
9	PARETO AS	14,234,975	0.56%
10	TOPDANMARK LIVSFORSIKRING A/S	12,500,000	0.49%
11	NORDNET LIVSFORSIKRING AS	10,194,854	0.40%
12	AKERSHUS FYLKESKomm. PENSJONSKASSE.....	10,000,000	0.39%
13	KRISTIAN FALNES AS	9,500,000	0.37%
14	DEUTSCHE BANK AG	9,192,640	0.36%
15	AS NAVE	8,615,000	0.34%
16	THE NORTHERN TRUST COMP, LONDON BR.....	8,589,578	0.34%
17	SIGFISK AS	8,500,000	0.33%
18	DNB NOR BANK ASA.....	8,196,883	0.32%
19	NORDNET BANK AB	7,956,567	0.31%
20	ARCTIC FUNDS PLC	7,837,012	0.31%

Others.....		681,678,339		26,71%		
Total.....		2,552,312,512		100.00%		
		<p>Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is noticeable pursuant to the Norwegian Securities Trading Act. See Section 15.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder, other than Møgster Mohn Offshore AS (59.02%) holds 5% or more of the issued Shares.</p> <p>Each of the Shares carries one vote. There are no differences in voting rights between the Shares.</p> <p>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.</p>				
B.7	Selected historical key financial information	<p>The following selected financial information has been derived from the Company's unaudited consolidated interim financial statements as of and for the three and nine month periods ended 30 September 2017 and 2016 (the Interim Financial Statements) and the Company's audited consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014 (the Financial Statements).</p> <p>The Financial Statements have been prepared in accordance with IFRS, while the Interim Financial Statements have been prepared in accordance with IAS 34. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Information incorporated by reference hereto, see Section 19.3 "Incorporation by reference".</p>				

Selected statement of comprehensive income							
In NOK million							
	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Income statement							
Operating income	1,595	1,917	4,871	6,356	8,134	10,291	10,196
Payroll expenses.....	-794	-780	-2,303	-2,536	-3,340	-4,159	-4,077
Other operating expenses	-392	-474	-1,288	-1,778	-2,258	-3,166	-3,170
Share of income of associates and joint ventures	81	-42	90	-83	-85	65	77
Net gain (loss) on sale of tangible assets	-	-	-1	73	171	332	468
Operating expenses.....	-1 105	-1 296	-3,502	-4,325	-5,512	-6,928	-6,702
Operating profit before depreciation and impairment - EBITDA							
	490	620	1,370	2,031	2,621	3,362	3,495
Depreciation	-257	-266	-761	-788	-1,063	-1,041	-1,029
Impairment	-367	-876	-854	-1,389	-1,762	-500	-16
Operating profit - EBIT	-134	-522	-245	-145	-203	1,822	2,450
Finance income	11	1,055	63	1,106	1,144	99	82
Finance costs	-226	-237	-712	-817	-1,134	-1,238	-1,355
Realised gain/loss on currencies	6	-49	-161	-243	-437	-332	-203
Unrealised gain/loss on currencies	280	159	483	740	742	-869	-336
Net change in unrealised gain/loss on derivatives.....	61	155	112	364	248	108	-217
Net financial items.....	133	1,083	-214	1,150	562	-2,232	-2,028
Profit (loss) before taxes.....	-1	561	-459	1,006	359	-410	422

Tax income (expense)	-26	16	-43	-91	-158	87	78
Profit (loss) for the period	-26	577	-502	915	201	-323	500
Attributable to:							
- Non-controlling interest	82	95	70	321	141	120	419
- Controlling interest	-109	482	-572	594	60	-443	81
Earnings per share (NOK)	-0.07	0.53	-0.35	1.57	0.09	-4.00	0.73
Diluted earnings per share (NOK)	-0.05	0.37	-0.29	1.17	0.07	-4.00	0.73
<i>In NOK million</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Statement of comprehensive income							
Profit (loss) for the period	-26	577	-502	915	201	-323	500
Other comprehensive income net of tax							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences	-38	-56	-71	-140	-59	89	381
Cash flow hedge	159	-12	170	729	762	-979	-332
Share of other comprehensive income of joint ventures and associates	-36	-28	-55	218	230	-377	-21
Total	85	-96	44	808	933	-1,267	28
Items that will not be reclassified to profit or loss							
Defined benefit plan actuarial gains/losses	-	-	-	-8	-4	13	-2
Total	-	-	-	-8	-4	13	-2
Total other comprehensive income for the period net of tax	85	-95	44	800	929	-1,253	27
Total comprehensive income for the period net of tax	59	482	-458	1,715	1,130	-1,577	527
Total comprehensive income attributable to:							
- Non-controlling interest	55	76	29	411	264	-60	495
- Controlling interest	4	406	-488	1,304	866	-1,517	31
Selected statement of financial position							
<i>In NOK million</i>	As at 30 September		As at 30 September		As at 31 December		
	2017	2016	2016	2015	2014		
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>		
Assets							
Tangible assets	21,068	23,030	22,199	23,188	23,866		
Goodwill	320	338	330	436	418		
Deferred tax assets	834	948	951	1,341	638		
Investment in associated companies and joint ventures	847	647	808	513	1,246		
Non-current receivables	1,132	1,218	1,152	905	512		
Non-current assets	24,201	26,180	25,440	26,383	26,681		
Trade receivables	1,513	1,503	1,506	2,112	2,331		
Other receivables	507	736	592	589	710		
Current receivables	2,020	2,240	2,098	2,701	3,041		
Restricted deposits	370	402	405	520	639		
Cash and cash equivalents	1,639	1,631	1,787	1,536	1,971		
Cash and cash equivalents included	2,009		2,192	2,056	2,609		

restricted deposits.....		2,033			
Total current assets.....	4,029	4,273	4,290	4,757	5,650
Asset held for sale	-	-	-	477	-
Total current assets included asset held for sale.....	4,029	4,273	4,290	5,234	5,650
Total assets	28,230	30,453	29,731	31,617	32,331
Equity and liabilities					
Paid in capital	2,832	2,662	2,675	1,452	1,452
Other equity	1,307	2,403	1,950	439	1,957
Non-controlling interests	3,549	3,665	3,521	3,281	3,458
Total equity	7,688	8,730	8,146	5,172	6,866
Bond loan	1,368	1,296	1,297	3,347	4,124
Debt to credit institutions	15,195	16,665	16,729	17,354	13,091
Non-current derivatives	58	147	135	244	384
Deferred tax	1	1	1	42	49
Other non-current liabilities	48	66	51	70	85
Non-current financial liabilities	16,671	18,175	18,212	21,057	17,733
Current bond loan and debt to credit institution	2,609	2,174	1,805	3,034	5,840
Accounts payable.....	805	939	1,061	1,439	1,192
Other current liabilities.....	457	435	506	654	700
Current liabilities.....	3,871	3,548	3,372	5,127	7,732
Liabilities directly associated with asset held for sale.....	-	-	-	260	-
Current liabilities included liabilities held for sale.....	3,871	3,548	3,372	5,387	7,732
Total liabilities.....	20,542	21,723	21,584	26,445	25,465
Total equity and liabilities	28,230	30,453	29,731	31,617	32,331

Selected statement of cash flow*In NOK million*

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Operating result	-134	-522	-245	-145	-203	1,822	2,450
Depreciation and impairment	624	1,142	1,615	2,176	2,825	1,541	1,045
Profit/loss on disposal of tangible assets	-	-	1	-73	-171	-332	-468
Share of net income of associates and joint ventures	-81	42	-90	84	85	-65	-78
Change in trade receivables.....	-99	525	-7	627	606	219	-499
Change in accounts payable.....	-85	-354	-256	-482	-378	247	151
Change in other working capital	71	-20	194	-33	64	208	-108
Exchange rate effect on operating activities.....	-21	-38	-72	-56	-57	-196	50
Cash from operating activities	274	776	1,140	2,098	2,770	3,444	2,544
Interest received	15	-9	51	42	59	36	63
Interest paid	-240	-222	-713	-807	-1,087	-1,248	-1,346
Tax paid	10	-14	-29	-53	-59	-215	-6
Net cash generated from operating activities.....	58	531	450	1,280	1,684	2,016	1,255
Payment received for sale of tangible assets	-	-1	33	550	1,531	1,953	2,082
Purchase of tangible assets.....	-104	-42	-713	-1,398	-1,610	-3,901	-2,001
Payments received for sale of shares ...	-	-	-	3	-	417	-
Purchase of shares.....	-	-2	-9	-2	-7	-	-6
Received dividends	-	-	5	-	-	3	-

Payments received on long-term receivables	-28	-14	-107	-365	-356	-431	-156
Net cash used in investing activities	-132	-59	-792	-1,212	-443	-1,958	-81
Proceeds from borrowings	300	-685	2,276	1,288	5,088	6,681	4,036
Repayment of borrowings	-438	-6	-2,123	-2,140	-6,935	-7,299	-4,895
Share issue	-	1,044	-	1,044	1,044	-	-
Purchase of convertible bond	-	-209	-	-209	-209	-	-
Non-controlling interest	-	-	-	-26	-26	-117	-7
Net cash flow from financing activities	-138	144	153	-43	-1,036	-735	-866
Net change in cash and cash equivalents	-211	615	-189	25	204	-677	307
Cash included restricted cash at the start of the period	2,201	1,442	2,192	2,056	2,056	2,609	2,219
Exchange gain/loss on cash and cash equivalents	19	-24	6	-48	-68	124	83
Cash included restricted cash at the end of the period	2,009	2,033	2,009	2,033	2,192	2,056	2,609
B.8 Selected key pro forma financial information	Not applicable. No pro forma financial information has been prepared.						
B.9 Profit forecast or estimate	Not applicable. No profit forecast or estimate is made.						
B.10 Audit report qualifications	Not applicable. There are no qualifications in the audit reports.						
B.11 Insufficient working capital	Not applicable. 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.						

Section C – Securities

C.1 Type and class of securities admitted to trading and identification number	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company. The Shares carries one vote. All the Shares have been created under the Norwegian Public Limited Companies Act are registered in book-entry form with the VPS under ISIN NO0010070063.
C.2 Currency of issue	The Shares are issued in NOK.
C.3 Number of shares in issue and par value	As of the date of this Prospectus, the Company's share capital is NOK 1,276,156,256 divided into 2,552,312,512 Shares, with each Share having a nominal value of NOK 0.50.
C.4 Rights attaching to the securities	The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 14.10 "Certain aspects of Norwegian law".
C.5 Restrictions on transfer	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors. See also Section 18 "Selling and transfer restrictions".
C.6 Admission to trading	The Shares are, and the Private Placement Shares and the Offer Shares will be, admitted to trading on the Oslo Stock Exchange. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 1 February 2018, while trading in the Offer Shares

	on the Oslo Stock Exchange is expected to commence on or around 22 February 2018. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7 Dividend policy	<p>DOF's objective is to provide a competitive return on the shareholders' invested capital through payment of a dividend and appreciation of the share price. In considering the scope of the dividend, the Board of Directors emphasises the Company's safety, predictability and stability, as well as the Company's dividend capacity, the need to have a healthy and optimal level of equity, and also adequate financial resources in order to pave the way for future growth and investments, and the wish to minimize capital costs.</p> <p>The Company has not paid any dividend for the years ended 31 December 2016, 2015 or 2014.</p>

Section D – Risks

D.1 Key risks specific to the Company or its industry	<p>The following is a summary of key risks that relate to the Group, the Group's industry and operations, laws, regulation and litigation and financing and market risks. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares.</p> <p>Risks related to the industry in which the Group 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 • The Group may be subject to contractual environmental liability and liability under environmental laws and regulations, which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects • 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 <p>Risks related to the Group</p> <ul style="list-style-type: none"> • The Group's backlog may not be ultimately realised • The Group's contracts may be subject to early termination due to certain events • The Group's future business performance depends on its ability to renew and extend existing contracts, and to win new contracts • 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 <p>Risks related to the Group's operations</p> <ul style="list-style-type: none"> • The Group is exposed to client concentration risk • 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
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	<p>delays or cost overruns</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 required maintenance and dry-docking of the Group's vessels could be more expensive and time consuming than originally anticipated • 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 conducts a portion of its operations through joint ventures, exposing it to risks and uncertainties, many of which are outside its control • The Group may not be able to successfully implement its strategies <p>Risks related to laws, regulations and litigation</p> <ul style="list-style-type: none"> • 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 • 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 • A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings <p>Risks related to financing and market risk</p> <ul style="list-style-type: none"> • 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 • 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 DOF's ability to declare dividends to its shareholders • Interest rate fluctuations could affect the Group's cash flow and financial condition • Fluctuations in exchange rates could affect the Group's cash flow and financial condition
<p>D.3 Key risks specific to the securities</p>	<p>The following is a summary of key risks that relate to the Shares and the Subsequent Offering. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares.</p> <p>Risks 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 • Møgster Mohn Offshore AS has significant voting power and the ability to influence matters requiring shareholder approval • 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 • Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares • Investors may be unable to exercise their voting rights for Shares

	<p>registered in a nominee account</p> <ul style="list-style-type: none"> The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions <p>Risks related to the Subsequent Offering</p> <ul style="list-style-type: none"> Eligible Subscribers who do not participate in the Subsequent Offering may experience significant dilution in their shareholding
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Section E – Offer

E.1	Net proceeds and estimated expenses	<p>The net proceeds from the Subsequent Offering are expected to be NOK 195 million, assuming that all the Offer Shares are issued.</p> <p>The total costs and expenses related to the Subsequent Offering are estimated to amount to approximately NOK 7 million (including VAT) assuming that all the Offer Shares are issued.</p>
E.2a	Reasons for the Subsequent Offering and use of proceeds	<p>The main purpose of the Subsequent Offering is to enable the Eligible Subscribers to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding.</p> <p>The net proceeds from the Subsequent Offering, if any, will be used for general corporate purposes.</p>
E.3	Terms and conditions of the Subsequent Offering	<p>The Subsequent Offering consists of an offer by the Company to issue up to 336,700,000 Offer Shares at a Subscription Price of NOK 0.60 per Offer Share, thereby raising gross proceeds of up to NOK 202 million. The Offer Shares will have a nominal value of NOK 0.50 each.</p> <p>Eligible Subscribers will be granted non-transferable Subscription Rights that, subject to certain limitations based on applicable laws and regulation, provide preferential rights to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering. Over-subscription and subscription without Subscription Rights will be permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions.</p> <p>The Subscription Period will commence at 09:00 hours (CET) on 1 February 2018 and end at 16:30 hours (CET) on 14 February 2018. The Subscription Period may not be extended or shortened. The Subscription Period may not be extended or shortened.</p> <p>The payment for Offer Shares allocated to a subscriber falls due on the Payment Date (19 February 2018).</p> <p>Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 21 February 2018 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the same day.</p> <p>The Offer Shares allocated in the Subsequent Offering are expected to be traded on the Oslo Stock Exchange from and including 22 February 2018.</p>
E.4	Material and conflicting interests	<p>The Managers or their affiliates have 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. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Subscribers) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the</p>

	<p>Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do 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.</p> <p>Further, the Managers will receive fees in connection with the Subsequent Offering and, as such, have an interest in the Subsequent Offering. See Section 17.2.19 "Net proceeds and expenses related to the Subsequent Offering", for information on the fees to the Managers.</p>
E.5 Selling shareholders and lock-up agreements	Not applicable. There are no selling shareholders and lock-up agreements.
E.6 Dilution resulting from the Scheme	The Subsequent Offering will result in an immediate dilution of the existing Shares (including the Private Placement Shares) of up to 11.7% (up to 10.6% on a fully diluted basis taking into account the Convertible Bonds).
E.7 Estimated expenses charged to investor	Not applicable. The expenses related to the Subsequent Offering will be paid by the Company.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer 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 herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the industry in which the Group operates

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

The Group's business depends on the level of activity in oil and gas exploration, as well as the identification and development of oil and gas reserves and production in offshore areas worldwide. The exploration success, relative production costs, the stage of reservoir development, political aspects and regulatory requirements all affect the Group's clients' levels of expenditure. In particular, oil and gas prices and market expectations of potential changes in these prices significantly affect the level of exploration and production ("E&P") activity by oil and gas companies.

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

- worldwide demand for oil and gas as well as industrial services and power generation and the competitive position of oil and gas as an energy source compared with alternative fuels;
- the cost of exploring for, developing, producing and delivering oil and gas;
- capital expenditures by major national and international oil companies;
- current oil and gas production, consumer capacity and price levels and expectations regarding future energy prices;
- the ability of the Organisation of Petroleum Exporting Countries ("OPEC") to set and maintain production levels and impact pricing, as well as the level of production in non-OPEC countries;
- governmental laws and regulations;
- political, economic and weather conditions and incidents, including conflicts and natural disasters in oil producing countries and their impact on the world's financial and commercial markets;
- major accidents in the industry, including major spills, blowouts and explosions, and any resulting changes to regulations, client safety requirements or capital expenditure within the industry; and
- technological advances affecting both exploration, development and production technology and energy consumption.

The demand for the Group's services depend on the level of activity and expenditure by clients, and are therefore affected by trends in oil and gas prices. For example, the significant decline in the oil price which commenced in 2014 has led to significant cuts in the E&P spending budgets of major oil companies, significant overcapacity for the supply of the Group's services and significantly increased competition for the supply of such services. Any developments affecting demand for the Group's services could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

An over-supply of offshore support vessels may lead to a reduction in charter rates

In the past, significant spikes in oil and gas prices have led to high levels of offshore support vessel construction orders. Significant spikes in oil and gas prices are currently, and could in the future be, followed by periods of sharp and sudden declines in oil and gas prices, which in turn result in, and currently has resulted in, significant declines in utilisation and charter rates, and an increase in the number of laid-up vessels.

The entry into service of new and upgraded offshore support vessels will increase supply and could lead to a reduction in the utilisation and charter rates of existing vessels as new vessels are absorbed into the market. It typically takes approximately 12 – 24 months from an offshore support vessel is ordered until delivery, depending on its complexity and the order backlog at the ship yards. A strong market outlook may be counterbalanced by too high newbuilding activity, which may lead to a stronger growth in the supply of vessels than in the demand for vessels.

The Group may also experience an over-supply in its markets as a result of competitors shifting their offshore support vessels into those regions where the Group's vessels may then be located.

Any of these developments could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects. Further, prolonged periods of low utilisation and/or charter rates as currently expected could also have a material adverse effect on the value of the Group's vessels.

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

The oil and gas services industry is highly competitive and fragmented and includes several large competitors in the markets the Group serves, as well as numerous small competitors that compete with the Group on a local basis. The Group's operations may be materially and adversely affected if its current competitors or new market entrants introduce new vessels or services with features, performance, prices or other characteristics similar to, or better than, the Group's vessels and services or expand into service areas where the Group operates. Competitive pressures or other factors that result in significant price competition, particularly during industry downturns as the current downturn, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Governmental laws and regulations relating to the oil and gas industry 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

As the Group depends on demand for services from oil and gas companies, it is also affected by changing laws and regulations relating to its clients and the oil and gas industry. The Group is also exposed to changes in recommended industry practices and applicable standards, including classification requirements regarding the design, construction and maintenance of offshore support vessels.

The laws and regulations affecting the Group's business include, among others, laws and regulations relating to:

- protection of the environment;
- quality of health and safety;
- employment and labour actions;
- import-export quotas, imposition of trade barriers, income and capital repatriation controls and other forms of government regulation and economic conditions; and
- taxation and subsidies.

The Group and its clients are required to invest financial and managerial resources to comply with these laws and regulations. The Group cannot predict the future costs of complying with these laws and regulations, and any new, or changes to current, laws and regulations could materially increase the Group's expenditures in the future.

Existing laws and regulations, or the 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 have a material adverse effect on the Group by increasing its operating costs, reducing the demand for its services and/or restricting its ability to provide its services or operate its fleet. Regulatory authorities may exercise discretion in monitoring compliance and in interpreting and enforcing applicable laws and regulations. Future inspections by regulatory authorities may conclude that the Group has violated applicable laws or regulations. If the Group is unable to refute these conclusions or to remedy these violations, the regulatory authorities may impose fines, criminal and/or administrative penalties or other sanctions, including compelling the Group to cease certain of its business activities.

The increased costs and/or loss of profits resulting from the above-mentioned factors could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

The Group's operations are subject to regulations controlling the discharge of materials into the environment, requiring removal and clean-up of materials that may harm the environment, controlling carbon dioxide emissions or otherwise relating to the protection of the environment. The Group incurs, and expects to continue to incur, capital and operating costs to comply with environmental laws and regulations. The technical requirements of environmental laws and regulations are becoming increasingly expensive to comply with, complex and stringent.

As an owner of offshore support vessels and provider of services to oil and gas companies, the Group may be liable (under applicable laws and regulations or contractually) for damages and costs incurred in connection with spills of oil and other chemicals and substances related to the operations of its vessels and the provision of its services. The Group may also be subject to significant fines in connection with spills.

Generally, laws and regulations protecting the environment have become more stringent in recent years. Although, generally, the Group's clients are the primary parties responsible for compliance, laws and regulations may, in some cases, impose direct and strict liability, rendering a company or a person liable for environmental damage without regard to negligence. For example, the Group may be subject to the Norwegian Pollution Act of 13 March 1981 and the Norwegian Maritime Act of 24 June 1994. These laws and regulations may expose the Group to liability for the conduct of, or conditions caused by, third parties (including clients and contractors), or for acts that were in compliance with all applicable laws at the time they were performed. The application of these requirements or the adoption of new requirements could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

In accordance with industry practice, the Group's clients usually take primary responsibility for environmental pollution emanating from the reservoir or wells as a result of the client's use of the offshore support vessels under the Group's contracts. The Group has generally been able to obtain some degree of contractual indemnification pursuant to which its clients agree to protect, hold harmless and indemnify the Group against liability for pollution and environmental damage. However, generally in the oil and gas services industry there is increasing pressure from clients to pass on a larger portion of the liabilities to contractors, such as the Group, as part of their risk management policies. There can be no guarantee that the Group will be able to prevent or mitigate the increased apportionment of risk for environmental liabilities to contractors. Further, there can be no assurance that the Group can obtain indemnities in its contracts or that, in the event of extensive pollution and environmental damage, its clients would have the financial capability to fulfil their contractual obligations. Further, such indemnities may be deemed legally unenforceable based on relevant law, including as a result of public policy.

All of the above-mentioned factors could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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 offshore support vessel business. The Group's services require the use of heavy equipment and exposure to hazardous conditions. Damage to the environment could also result from the Group's operations and services, particularly from spillage of fuel, lubricants or other chemicals and substances. The Group may also be subject to property, environmental and other damage claims by oil and gas companies.

In addition, accidents or other operating hazards could result in the suspension of operations because of related machinery breakdowns, failure of subcontractors to perform or supply goods or services, or personnel shortages, which may in turn have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group's insurance policies and contractual rights to indemnity may not adequately cover losses, and the Group does not have insurance coverage or rights to an indemnity for all risks. In addition, the Group's insurance coverage will not provide sufficient funds in all situations to protect the Group from all liabilities that could result from its operations, the amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss, and the Group's coverage also includes policy limits. As a result, the Group retains the risk through self-insurance for any losses in excess of these limits. The Group may also decide to retain substantially more risk through self-insurance in the future.

No assurance can be made that the Group has, or will be able to maintain in the future, adequate insurance or indemnity against certain risks, and there is no assurance that such insurance or indemnification agreements will adequately protect the Group against liability from all of the consequences of the hazards and risks described above. The occurrence of a significant accident or other adverse event which is not fully covered by the Group's insurance or any recoverable indemnity from a client could result in substantial losses for the Group and could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

See Section 8.12 "Insurance" for a discussion of the Group's insurances.

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 currently operates in a number of countries, thereby exposing it to risks that are inherent to conducting international operations. The Group's international operations involve additional risks due to factors beyond the Group's control, including but not limited to:

- terrorist acts, war and civil disturbances;
- seizure, nationalisation or expropriation of property or equipment;
- political unrest or revolutions;
- actions by environmental organisations;
- natural disasters;
- pollution or environmental damage;
- public health threats;
- claims by employees, third parties or clients;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;

- wage and price controls, imposition of trade barriers and other forms of governmental regulation and economic conditions; and
- country-specific regulatory, operational or financial requirements.

Some of these risks, which may require or result in evacuation of personnel, cancellation of contracts, failure to be awarded new contracts or the loss of personnel or assets, could limit or disrupt the Group's operations and thereby have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Some foreign governments favour or require (i) the awarding of contracts to local contractors or to offshore support vessels and/or equipment completely or partially owned by their own citizens, (ii) the use of a local representative/agent, (iii) the use of local suppliers, (iv) local registration of companies or branches of the operator and/or (v) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices, known as "local content requirements", could materially and adversely affect the Group's ability to compete or to operate in those regions as well as the Group's costs and ultimately its results of operations.

It is difficult to predict what governmental regulations may be enacted in the future or how the local authorities' implementation, interpretation or enforcement of such regulations could adversely affect the Group's business. Further, failure to comply with applicable laws and regulations, including those relating to sanctions and export restrictions, may subject the Group to exclusion from the relevant market, loss of future and existing contracts, and criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets. While the Group maintains policies designed to comply with various foreign laws and regulations, it may not be possible for the Group to detect or prevent every violation in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The Group or its directors, officers, and employees may therefore be subject to civil and criminal penalties and to reputational damage.

All of the above-mentioned factors could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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 on ocean-going vessels have increased in frequency in recent years. For example, insurance premiums payable could increase significantly and insurance coverage may be more difficult to obtain if the piracy risk spreads geographically or continues to increase in frequency. In addition, crew costs could also increase in such circumstances. The foregoing could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects, which could be exacerbated should the Group expand its operations to countries subject to the risk of piracy or if acts of piracy begin to impact geographic markets in which the Group operates.

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

Doing business in international developing markets brings with it inherent risks associated with enforcement of obligations, fraud, bribery and corruption. Fraud, bribery and corruption are more common in some jurisdictions than in others, and certain of the countries in which the Group operates and conducts business may experience high levels of government and business corruption. In addition, the oil and gas industries have historically been vulnerable to corrupt or unethical practices.

While the Group maintains anti-corruption training programmes, codes of conduct and other safeguards designed to prevent the occurrence of fraud, bribery and corruption, it may not be possible for the Group to detect or prevent every instance of fraud, bribery and corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The Group and/or its directors, officers and employees may therefore be subject to civil and criminal penalties, including significant fines, and to reputational damage. Furthermore, alleged or actual involvement in corrupt practices or other illegal activities by partners with which the Group conducts business could also damage the Group's reputation and business. Instances of fraud, bribery and corruption, and violations of laws and regulations in the jurisdictions in which the Group operates could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.2 Risks related to the Group

The Group's backlog may not be ultimately realised

As of 30 September 2017, the Group had a firm backlog of approximately NOK 23 billion in addition to options backlog of approximately NOK 33 billion (not including frame agreements for vessels with subsea projects). The Group's backlog represents the contracted future revenue under contracts for the fleet. Backlog does not provide a precise indication of the time period over which the Group is contractually entitled to receive such revenues and there is no assurance that such revenue will be actually realised in the timeframes anticipated or at all. Backlog is computed based on contractual terms with the relevant client; however, revenue included in the backlog may be subject to price indexation clauses.

There are a number of reasons why the Group may fail to realise expected backlog, including but not limited to:

- termination of contracts for cause, early termination for charterers' convenience as may be applicable or successful renegotiation of contracts by clients as a result of, among other reasons, adverse market conditions;
- an inability of the Group to perform its obligations under contracts, including for reasons beyond its control; and
- a default by a client and failure to pay amounts owed.

Some of the Group's clients may experience liquidity issues, which could encourage clients to seek to repudiate, cancel or renegotiate agreements with the Group or result in such client's bankruptcy, insolvency or similar actions. The ability of the Group's clients to perform their obligations under their contracts with the Group may also be negatively impacted by uncertainty surrounding the development of the world economy and credit markets.

The Group's inability to realise backlog amounts could have a material adverse effect on 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

Some of the Group's existing clients have, and future clients may have, the right to terminate their contracts for convenience against payment of an early termination fee which may not fully cover the expected value of the relevant contracts. In addition, under certain circumstances, the Group's existing contracts permit, and future contracts may permit, a client to terminate its contract for cause without the payment of any termination fee, as a result of inter alia non-performance, delay, quality of deliverables and/or force majeure events. Many of these events are beyond the Group's control. Early termination of contracts may decrease the Group's utilisation levels and reduce the revenue received by the Group irrespective of whether the termination is merited under the contract or not.

During the current challenging market conditions, the Group may be subject to an increased risk of its clients seeking to terminate or delay commencement of their contracts, including through claims of non-performance.

Furthermore, there are also other agreements of the Group containing termination or cancellation provisions for various reasons, including but not limited to a change of control in the Company or one of its subsidiaries.

If the Group's clients or other contract parties cancel their contracts with the Group and the Group is unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time, this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

While the Group actively markets its vessels prior to the end of a contract in anticipation of a client choosing not to exercise its extension option(s), if the client decides not to exercise the option(s), then the Group will need to secure a new contract for that vessel and any time lag in doing so could lead to a period of non-utilisation. The same applies to contracts subject to expiration with no option for extension. For most of its businesses, the Group is primarily awarded contracts and, in certain circumstances, successfully renews certain existing contracts by participating in tender processes. Where the Group tenders for contracts, it is generally difficult to predict whether the Group will be awarded contracts on favourable terms or at all. The tenders are affected by a number of factors beyond the Group's control,

such as market conditions, competition (including the intensity of the competition in a particular market), financing arrangements and governmental approvals required by clients.

The Group's ability to renew or extend existing contracts or sign new contracts will largely depend on prevailing market conditions. If the Group is unable to sign new contracts that start immediately after the end of its current contracts or if new contracts are entered into at charter rates or prices substantially below the existing charter rates or prices, or on terms otherwise less favourable compared to existing contract terms, or which leave the Group with mobilisation or demobilisation costs that cannot be fully recovered, it could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

In preparation for a tender of a new contract, the Group assesses its current capacity, and, if it is awarded the contract, it determines how to deploy resources in order to perform its obligations under the contract. The Group's financial and operating performance depends on its ability to make accurate assumptions and estimates, as well as identifying key issues and risks with respect to potential projects at the tender stage of the project, and the ability to ensure that the pricing and contractual arrangements in relation to each project adequately safeguard the Group against, or compensate it for, such risks. Assumptions are particularly necessary and difficult when tendering for a new client or entering new product or geographic markets, as the Group does not yet have the experience on which it can base its assumptions for the tender. The Group must manage project risks efficiently and adapt to changes that occur during the life of a project. Even when a risk is properly identified, the Group may be unable to, or may not accurately, quantify it. Unforeseen or unanticipated risks or incorrect assumptions when bidding for a contract or the inability to manage such risks properly may lead to increased costs for the Group and could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

DOF 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

DOF currently conducts its operations through, and most of the Group's assets are owned by, DOF's subsidiaries. As such, the cash that DOF obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws and regulations, as well as the subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit DOF's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its current or future debt service obligations or to pay dividends to its shareholders.

The inability to transfer cash from the subsidiaries may result in the Group not being able to meet its obligations or DOF not being able to pay dividends to its shareholders. A payment default by DOF, or any of DOF's subsidiaries, could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

2.3 Risks related to the Group's operations

The Group is exposed to client concentration risk

A number of factors could lead to a deterioration in the Group's relationships with any of its major clients, including Petr leo Brasileiro S/A ("**Petrobras**"), which holds a major part of the Group's backlog, including, for example, any disputes between the Group and its clients with regard to, among other things, contract terms, non-performance, quality of deliverables or additional costs exceeding the contract price or for work performed but not included in the original contract specifications. These types of claims can arise for a number of reasons, including delays to or changes from the initial project scope. The Group's client concentration may exacerbate the impact of these disputes on the Group.

The Group's business, results of operations, cash flows, financial condition and/or prospects could be materially and adversely affected if any of its major clients fail to compensate the Group for its services, were to terminate their contracts with or without cause (irrespective of whether the client was legally entitled to terminate or not), fail to renew their existing contracts or refuse to award new contracts to the Group and the Group is unable to enter into contracts with new clients at comparable day rates.

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

Should any vessel be idle for a longer period, the Group may, to the extent possible, seek to minimise cost by reducing the crewing levels on board to the minimum staff required to maintain the vessel in class and otherwise in a good condition, as well as reducing employees onshore. However, there can be no assurance that the Group will be successful in reducing its costs under circumstances where its revenues may have decreased. To the extent that changes in the Group's operating and maintenance costs are not proportionate to changes in operating revenues there may be a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group's newbuild projects are subject to risks which could cause delays or cost overruns

The Group currently has an interest in two newbuild projects, comprising the construction of two PLSVs, Skandi Olinda and Skandi Recife. The Group will also consider additional newbuild projects in the future, as appropriate. All present or future newbuild construction projects are or will be subject to risks of delay, quality issues, damage to personnel, equipment and environment, or cost overruns inherent in any large construction project due to numerous factors, including but not limited to:

- shortages of equipment, materials or skilled labour;
- unscheduled delays in the delivery of ordered materials and equipment or shipyard construction;
- failure of equipment to meet quality and/or performance standards;
- financial or operating difficulties experienced by equipment vendors or the shipyard;
- lack of capacity at shipyards;
- unanticipated actual or purported change orders;
- inability to obtain required permits or approvals;
- unanticipated cost increases between order and delivery;
- design or engineering changes or errors;
- the occurrence of accidents/incidents or other safety hazards;
- work stoppages and other labour disputes; and
- adverse weather conditions or any other events of force majeure.

Significant cost overruns or delays in projects under construction could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. Additionally, failure to complete a project on time or failure to meet technical or operational requirements imposed by relevant regulations or regulatory authorities may result in the delay or loss of revenue from that vessel and potential penalties from the client or cancellation by the client. Should the Group fail to meet the delivery requirements in order to commence a contract, it could be liable for liquidated damages and other contractual remedies, or the client may cancel the contract. New vessels may experience start-up difficulties following delivery or other unexpected operational issues that could result in uncompensated downtime or the cancellation or termination of the contracts, which could also materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As the Group's fleet ages, the Group will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed ships due to gradual improvements in engine technology and other design features. The Group cannot assure that, as the Group vessels age, market conditions will justify those expenditures or enable the Group to operate its vessels profitably during the remainder of their useful lives.

The required maintenance and dry-docking of the Group's vessels could be more expensive and time consuming than originally anticipated

Maintenance and dry-dockings of the Group's vessels require significant capital expenditures and result in loss of revenue while such vessels are out of service. Any significant increase in either the number of days vessels are out of service due to such maintenance or dry-dockings or in the costs of any repairs carried out could have a material adverse effect on the Group's profitability and cash flows. The Group may not be able to precisely predict the time required to maintain or dry-dock any of its vessels and unanticipated problems may arise. General increases in demand for dry-docking services in the industry could result in increased costs, delays or unavailability related to dry-docking for Group's vessels. If a vessel is dry-docked longer than expected or if the cost of repairs or maintenance is greater than budgeted, the Group's results of operations, cash flows, financial condition and/or prospects could be materially and adversely affected.

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

The Group relies, and will in the future continue to rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade its fleet of vessels. Certain parts and equipment the Group uses in its operations may be available from only a small number of suppliers, manufacturers or service providers, or in some cases must be sourced through a single supplier, manufacturer or service provider. A disruption in the deliveries from such third-party suppliers, manufacturers or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment could adversely affect the Group's ability to meet its commitments to clients, and materially and adversely impact the Group's business, results of operations, cash flows, financial condition and/or prospects.

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 believes that acquisition opportunities may arise from time to time, and that any such acquisition could be significant. At any given time, discussions with one or more potential sellers may be at different stages. However, any such discussions may not result in the consummation of an acquisition transaction, and the Group may not be able to identify or complete any acquisitions and will not be able to make any assurances that any acquisitions the Group makes will perform as expected or that the returns from such acquisitions will support the investment required to acquire or develop them. The Group cannot predict the effect, if any, that any announcement or consummation of an acquisition would have on the trading price of the Shares.

Any future acquisitions could present a number of risks, including but not limited to:

- The risk of using management time and resources to pursue acquisitions that are not successfully completed;
- The risk of failing to identify material problems during due diligence or otherwise prior to the acquisition;
- The risk of over-paying;
- The risk of failing to arrange financing for an acquisition as may be required or desired;
- The risk of incorrect assumptions regarding the future results of acquired operations; and
- The risk of failing to integrate the operations or management of any acquired operations or assets successfully and timely.

In addition, the integration and consolidation of acquisitions requires substantial human, financial and other resources, including management time and attention, and may depend on the Group's ability to retain the acquired business' existing management and employees or recruit acceptable replacements. Ultimately, if the Group is unsuccessful in integrating any acquisitions in a timely and cost-effective manner, the Group's business, results of operations, cash flows, financial condition and/or prospects could be materially and adversely affected.

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 and/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, including competition from other offshore supply service companies;
- types, sizes and ages of the vessels;
- supply and demand for offshore supply vessels;
- cost of newbuilds;
- charter rates and utilisation rates;
- governmental laws and regulations, including environmental protection laws and regulations; and
- technological advances.

If the book value of any vessel exceeds the fair market value, the Group may suffer impairment of the book value of its assets and consequently suffer a loss. Further, an impairment may cause a breach of the Group's equity level and equity ratio under the financial covenants of certain of its financing arrangements. See Section 11.8.1 "Material borrowings". Also, should the Group sell any vessel when prices have fallen, the sale may be at a loss. Impairment of book value or loss could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group conducts a portion of its operations through joint ventures, exposing it to risks and uncertainties, many of which are outside its control

The Group conducts some of its operations through joint ventures in the form of jointly owned limited companies, where control may be shared with unaffiliated third parties, such as the 50/50 ownership with Technip Coflexip Norge AS in DOFCON Brasil AS, the 50/50 ownership with Akastor AS in DOF Deepwater AS and the (approximately) 65/35 ownership with funds managed by First Reserve Corporation (FR Dolphin Lux Holdings S.à.r.l. and Dolphin Invest 2 AS) ("**First Reserve Corporation**") in DOF Subsea AS ("**DOF Subsea**"). The terms of co-operation and shareholding in the said companies are governed by shareholders' agreements between the shareholders. As with any joint shareholding arrangement, differences in views among the participants may result in delayed decisions, failures to agree on major issues and/or a need to liquidate the company on unfavourable terms. The Group's obligations in respect of, and the Group's ability to receive any dividends from, its jointly owned ventures depend on the terms and conditions of its shareholders' agreements and its relationships with its respective joint shareholders. There can be no assurance that the Group will continue its relationships with its joint owners or that its joint venture owners will want to pursue the same strategies as the Group. For example, the shareholders' agreement with First Reserve Corporation related to DOF Subsea includes several reserved matters, including but not limited to distribution of dividend, which require consensus between the shareholders in order to be validly passed.

The charter contracts for Skandi Acu, Skandi Buzios, Skandi Olinda and Skandi Recife are linked to separate services contracts related to the top-side equipment and vessel management of the vessels between the service providers and the client. Although the mutual dependency and nature of the contract structure serves as an incitement for all parties involved to maintain and complete all obligations of the contracts, the termination of a services contract (which is outside the Group's control) may lead to a termination of the related charter contract. The Group cannot control the actions of its joint venture partners, including any non-performance, default or bankruptcy of such partners and the shareholders' agreements governing the joint ventures may restrict the Group's ability to exit the joint venture at reasonable prices or at all. For example, the shareholders' agreement with First Reserve Corporation includes provisions relating *inter alia* to rights of first offer, tag along right and other provisions related to an exit in line with normal practice for such agreements.

Further, if the Group's joint venture partners do not meet their contractual obligations, the joint venture may be unable to adequately perform and deliver its contracted services. Such factors could have a material adverse effect on the business operations of the joint venture and, in turn, the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group may not be able to successfully implement its strategies

The Group's strategies as described in Section 8.3 "Strategy" are to: (i) engage in long-term, industry-related offshore activities; (ii) further develop its position as a leading supplier of offshore services with a focus on high quality and cost-effective operations; (iii) achieve its objectives by means of a balanced chartering strategy with emphasis on long-term contract coverage, in order to ensure a conservative risk profile and satisfactory cash flow; and (iv) continue to focus on the environment and initiatives towards technical systems for environmentally-friendly vessel concepts. Maintaining and expanding the Group's operations and achieving its other objectives involve inherent costs and uncertainties and there is no assurance that the Group will achieve its objectives. Further, there is no assurance that the Group will be able to undertake these activities within its expected time-frame, that the cost of any of the Group's objectives will be at expected levels or that the benefits of its objectives will be achieved within the expected timeframe or at all. The Group's strategies may also be affected by factors beyond its control, such as volatility in the world economy and in each of its markets, the capital expenditure and investment by its clients and the availability of acquisition opportunities in a market. Any failures, material delays or unexpected costs related to the implementation of the Group's strategies could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

The Group's success depends on its retention of key personnel and its ability to recruit, retain and develop skilled personnel for its business. Although the recent downturn in the oil and gas industry has led to many workforce reductions, especially within the oil and gas services industry, the demand for personnel with the capabilities and experience required in such industries has historically been high, and the success in attracting and retaining such employees is not guaranteed. Any future shortages of qualified personnel or the Group's inability to obtain and retain key personnel could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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

As of 31 December 2017, the Group had a global workforce of 3,953 full-time employees, including hired personnel. Although the Group has not experienced any labour disruptions in connection with its own personnel, there can be no assurance that labour disruptions by the Group's employees will not occur in the future. Such labour interruption could result in additional costs to the Group, as well as limitations on the Group's ability to operate its vessels or provide services to its clients, which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability

The Group's business depends on client goodwill, the Group's reputation and the Group's ability to maintain good relationships with its clients, joint venture partners, suppliers, employees and regulators. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships may lead to a broader adverse effect on its business and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, joint venture partners and employees.

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 affected by significant technological developments that have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance throughout the industry. As a result, the Group's future success and profitability will among other factors be dependent upon its ability to:

- improve existing services and its vessels;
- address the increasingly sophisticated needs of its clients; and
- anticipate major 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 vessels, or the technical skill set of its employees, on a timely and cost-effective basis in response to technological developments or changes in industry standards, this could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

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 uses information technology ("IT") systems in order to achieve its business objectives. The Group uses industry accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on its IT systems, and market standard virus control systems. However, the Group's portfolio of hardware and software products, solutions and services and its enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programmes. The failure or disruption of the Group's IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, significant remediation costs, transaction errors, loss of data, processing inefficiencies, down-time, litigation, and the loss of suppliers or customers. A significant disruption or failure could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or cash flows.

Policies, procedures and systems to safeguard employee health, safety and security may not be adequate or sufficiently implemented or adhered to

The Group has policies, procedures and systems to safeguard employee health, safety and security. However, if these policies, procedures and systems are not adequate, or employees or contractors do not receive adequate training or instructions, or the Group's safety policies are not implemented properly, the consequences could be severe including injury or loss of life, which could impair the Group's reputation and operations and cause it to incur significant liability.

Failure to deliver consistently high standards across all fields of operations could create risks for the Group, including legal action and reputational risks, and could impact its success in winning future contracts.

2.4 Risks related to laws, regulations and litigation

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 expose the Group to litigation, including personal injury litigation and environmental litigation. Providing the Group's services involves the risk of contractual and professional errors, omissions, warranty claims and other liability claims, as well as negative publicity that may materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects. The Group is also exposed to intellectual property and tax litigation as well as maritime lawsuits, which could result in the possible seizure of the vessels as security. While the Group is currently not involved in any litigation that, in its view, may have a material adverse effect on the Group's financial position or profitability, there can be no assurance that the Group may not become involved in such litigation in the future. The Group 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, results of operations, cash flows, financial condition and/or prospects.

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

The Group is subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The operation of the Group's vessels is subject to governmental oversight and regulation in the form of international conventions, sanctions, national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are often revised, the Group cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the re-sale prices or useful lives of the Group's vessels. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to: air emissions, including greenhouse gases; the management of ballast waters; maintenance and inspection; development and implementation of emergency procedures; and insurance coverage or other financial assurance of the Group's ability to address pollution incidents.

A change in tax laws of any country in which the Group operates from time to time, or complex tax laws associated with international operations which the Group may undertake from time to time, could result in a higher tax expense or a higher effective tax rate on the Group's earnings

From time to time, the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if the Group

loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, the Group's effective tax rate on its earnings could increase substantially and the Group's earnings and cash flows from operations could be materially and adversely affected. There are, for instance, several transactions taking place between the companies in the Group, which must be carried out in accordance with arm's length principles in order to avoid adverse tax consequences. Statutory documentation on a transfer pricing policy with the aim of determining arm's length prices for intercompany transactions has been established in order to minimise this risk. However, there can be no assurance that the tax authorities will conclude that the Group's transfer pricing policy calculates correct arm's length prices for intercompany transactions, which could lead to an adjustment of the agreed price, which would in turn lead to an increased tax cost for the Group.

2.5 Risks related to financing and market risk

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

No assurance can be given that the Group will not require additional funds in order to execute its growth strategy, or for other purposes. The Group's business is capital intensive and, to the extent the Group does not generate sufficient cash from operations together with the cash proceeds from the Private Placement and Subsequent Offering, the Group or its subsidiaries may need to raise additional funds through public or private debt or equity financing to fund capital expenditures. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed or may not be available on acceptable terms. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly 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 materially and adversely impact the Group's business, results of operations, cash flows, financial condition and/or prospects. Such development could also have a material adverse effect on the value of the Shares.

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 DOF's ability to declare dividends to its shareholders

The Group's credit facilities contain, and any future bank and bond loan agreements may contain, certain covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, such as value-adjusted equity to value-adjusted assets, free cash reserves and fair value of vessels, which may affect operational and financial flexibility of the Group. See Section 11.8.2 "Credit facilities" and Section 11.8.3 "Bonds" for a description of the Group's credit facilities and bond loans. The satisfaction of these restrictive covenants and performance requirements may be outside of the Group's control. Such restrictions could affect, and in many respects limit or prohibit, among other things, the Group's ability to pay dividends, incur additional indebtedness, create liens, sell assets, or engage in mergers or acquisitions. These restrictions could further limit the Group's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. There can be no assurance that such restrictions will not materially and adversely affect the Group's ability to finance its future operations or capital needs.

The Group's future cash flows may be insufficient to meet all of its debt obligations and contractual commitments. As of 30 September 2017, the Group's non-current financial liabilities amounted to approximately NOK 16.7 billion and the Group's current liabilities amounted to approximately NOK 3.9 billion. To the extent that the Group is unable to repay its indebtedness as it becomes due or at maturity, the Group may need to refinance its debt, raise new debt, sell assets or repay the debt with the proceeds from equity offerings. See Section 11.8.1 "Material borrowings" for a description of the covenants applicable under the Group's credit facilities and bond loan arrangements.

Additional indebtedness or equity financing may not be available to the Group in the future for the refinancing or repayment of existing indebtedness, and the Group may not be able to complete asset sales in a timely manner sufficient to make such repayments.

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 Group is exposed to interest rate risk primarily in relation to its long-term borrowings issued at floating interest rates. If the Group were to hedge some or all of its interest rate exposure, there can be no assurance that such hedging arrangements will be effective. As such, movements in interest rates could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

Fluctuations in exchange rates could affect the Group's cash flow and financial condition

The Group has currency exposure to both transaction risk and translation risk related to its operating expenses.

Transaction risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to transaction risks due to fluctuations in exchange rates. In certain markets where the Group operates, it may experience currency exchange losses when revenue is received and expenses are paid in non-convertible currencies or when the Group does not hedge an exposure to the relevant foreign currency

Translation risk arises due to the conversion of amounts denominated in foreign currencies to NOK, the Company's reporting and functional currency. Consequently, any change in exchange rates between its operating subsidiaries' functional currency and NOK affect its consolidated income statement and balance sheet when the result of the operating subsidiaries is translated into NOK for reporting purposes.

2.6 Risks related to the Shares**The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment**

An investment in the Shares may decrease in market value as well as increase. The market value of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Group, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

Møgster Mohn Offshore AS has significant voting power and the ability to influence matters requiring shareholder approval

Following completion of the Subsequent Offering, Møgster Mohn Offshore AS is expected to remain the largest shareholder of the Company, thereby having the ability to significantly influence the outcome of matters submitted for the vote of the Company's shareholders, including the election of members of the Board of Directors. The commercial goals of Møgster Mohn Offshore AS a shareholder, and those of the Group, may not always be aligned and this concentration of ownership may not always be in the best interest of the Group's other shareholders. For example, Møgster Mohn Offshore AS could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combinations involving the Group, or discourage a potential acquirer from attempting to obtain control of the Group. Although it is expected that Møgster Mohn Offshore AS will remain the major shareholder of the Company, no assurance can be given that this will continue on a permanent basis. If Møgster Mohn Offshore AS no longer was a major shareholder of the Company, or if its commercial goals were not in the best interest of the Group, this could have a material adverse effect on the market value of the Shares.

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 Company's general meeting of shareholders (the "**General Meeting**") or by the Board of Directors pursuant to a power of attorney granted by 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 Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, it is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest.

When the decision to declare dividend is made by the General Meeting, the General Meeting may as a general rule 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 proposal by the Board of Directors, 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 may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions, including but not limited to legal restrictions in the Group's loan agreements (as set out in Section 5.2 "Legal constraints on the distribution of dividends") and other factors that the Company may deem to be significant from time to time.

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

The market price of the Shares could decline as a result of sales of a large number of Shares in the market after the date hereof or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for the Company to sell equity securities in the future at a time and at a price that it deems appropriate.

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on their market prices. Sales of substantial amounts of the Shares in the public market following the date hereof, or the perception that such sales could occur, may materially and adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

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

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There is no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted.

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 ownership of Shares 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 pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. 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 has not filed a registration statement under the U.S. Securities Act in connection with the Subsequent Offering or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares, their proportional interests in the Company will be reduced.

Investors may be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of the Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive the notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

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. All of the Board Members and the members of the 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.

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

The rights of holders of the Shares and the Subscription Rights 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 instance, 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 may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

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

None of the Shares or the Subscription Rights have been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold and the Subscription Rights may not be granted or used except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. See Section 18 "Selling and transfer restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

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 existing Shares are, and the Private Placement Shares and the Offer Shares will be, traded in NOK on the Oslo Stock Exchange, and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with Nordea Bank AB (publ), filial i Norge, Nordea Issuer Services (the "VPS Registrar"). The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant investor's currency will be the VPS Registrar's exchange rate on the payment date. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

2.7 Risks related to the Subsequent Offering**Eligible Subscribers who do not participate in the Subsequent Offering may experience significant dilution in their direct or indirect shareholding in the Company**

Subscription Rights that are not exercised by the end of the Subscription Period will have no value and will automatically lapse without compensation to the holder. To the extent that an Eligible Subscriber does not exercise its Subscription Rights prior to the expiry of the Subscription Period, whether by choice or due to a failure to comply with procedures set forth in Section 17.2 "The Subsequent Offering", or to the extent that an Eligible Subscriber is not permitted to subscribe for Offer Shares as further described in Section 18 "Selling and transfer restrictions", such Eligible Subscriber's proportionate ownership and voting interests in the Company on a fully diluted basis after the completion of the Private Placement and the Subsequent Offering will be diluted.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by DOF ASA in connection with the Subsequent Offering described herein and the listing of the Private Placement Shares and the Offer Shares on the Oslo Stock Exchange.

The Board of Directors of DOF ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

31 January 2018

The Board of Directors of DOF ASA

Helge Arvid Møgster
Chairman

Helge Singelstad
Deputy Chairman

Marianne Møgster
Board Member

Kathryn Moore Baker
Board Member

Frederik Wilhelm Mohn
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 or given by the Managers or any of their affiliates or any of their respective directors, officers or employees or any other person as to the accuracy, completeness, fairness or verification of the information or opinions 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 Managers assume no responsibility for the contents of this Prospectus or for any other statements made or purported to be made by either themselves or on their respective behalf in connection with the Company, the Group, the Private Placement, the Subsequent Offering or the Offer Shares and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares or holder of the Subscription Rights regarding the legality of an investment in the Offer 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 and the use of the Subscription Rights to subscribe for Offer Shares.

Although the Managers are party to various agreements pertaining to the Private Placement and the Subsequent Offering and each of the Managers has or might enter into a financing arrangement with the Company or any of their affiliates, this should not be considered as a recommendation by any of them to invest in the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk factors".

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company's audited consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014 (the "**Financial Statements**") and the Company's unaudited consolidated interim financial statements as of and for the three and nine month periods ended 30 September 2017 and 2016 (the "**Interim Financial Statements**") have been incorporated by reference hereto, see Section 19.3 "Incorporation by reference". The Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"). The Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**"), as set forth in their report included therein. The Interim Financial Statements have not been audited.

There has been some changes in presentation and classification of the balance sheet, the statement of consolidated income, the cash flow statement and the changes in equity statement in the financial statements for the year ended 31 December 2016. In order to present comparable figures, the financial statements for the years ended 2014 and 2015 have been presented and classified in the same way as the financial statements for the year ended 31 December 2016 in this Prospectus.

The Group operates within three business segments in terms of strategic areas of operation and vessel types. The three different business segments are: PSV (platform supply vessel), AHTS (anchor handling tug supply vessel) and CSV (construction support vessel/subsea vessels). DOF Subsea and its subsidiaries (the "**DOF Subsea Group**") is represented as part of the subsea/CSV segment.

4.2.2 Alternative performance measures (APMs)

In this Prospectus, the Company has used certain basic alternative performance measures ("**APMs**"). Each of the following APMs has been defined by the Group as follows:

- "**EBITDA**" is defined as operating profit (earnings) before depreciation, impairment, amortisation, net financial costs and taxes. The term is useful for assessing the profitability of the Group's operations, as it is based on variable costs and excludes depreciation, impairment and amortise costs related to investments. EBITDA is also important in evaluating performance relative to competitors.

- **"EBIT"** is defined as operating profit (earnings) before net financial costs and taxes.
- **"Contract coverage"** is defined as number of future sold days compared with total actual available days, excluding options.
- **"Backlog"** is defined as sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client. Contract coverage related to master service agreements within the CSV segment includes only confirmed purchase orders.
- **"Utilisation"** is defined as actual available days including days at yard for periodical maintenance, upgrading, transit or idle time between contracts.
- **"EBITDA margin"** is defined as operating profit (earnings) before depreciation and impairment/operating income.
- **"Equity ratio"** is defined as equity/total assets.
- **"Return on equity"** is defined as profit for the period/booked equity.
- **"Net interest bearing debt"** is defined as interest bearing debt minus 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 presented herein are not recognised measurements of financial performance or liquidity under IFRS, but are used by Management to monitor and analyse the underlying performance of the Group's business and operations. In particular, non-IFRS financial measures should not be viewed as substitutes for profit/(loss) for the period, profit/(loss) before tax from continuing operations, operating income, cash and cash equivalents at period end or other income statement or cash flow items computed in accordance with IFRS. The non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available to meet the Group's cash requirements and 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. These non-IFRS measures have not been audited or reviewed by any third party.

Management has presented these non-IFRS measures in this Prospectus because they provide an enhanced insight into the operating performance of the Group and are frequently used by securities analysts, investors and other interested parties. Because companies calculate the non-IFRS financial measures presented herein differently, the non-IFRS financial measures presented herein may not be comparable to similarly defined terms or measures used by other companies. The non-IFRS financial measures presented herein are also classified as alternative performance measures under the guidelines of the European Securities and Markets Authority.

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 future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company'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 financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

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 Company'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.

4.2.4 *Other information*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States, all references to "**GBP**" is to the lawful currency of the United Kingdom, all references to "**BRL**" are to the lawful currency of Brazil, all references to "**AUD**" are to the lawful currency of the commonwealth of Australia and all references to "**EUR**" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency. No representation is made that the NOK, USD, GBP, BRL, AUD or EUR amounts referred to herein could have been or could be converted into NOK, USD, GBP, BRL, AUD or EUR as the case may be, at any particular rate, or at all. The Financial Information is published in NOK.

4.2.5 *Rounding*

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.

4.3 **Cautionary note regarding forward-looking statements**

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 7 "Industry and market overview", Section 8 "Business of the Group", Section 10 "Financial and other information" and Section 11 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

-
- the effect of changes in demand, pricing and competition for the Group's existing and future vessels;
 - yard capacity for building of new vessels in the future;
 - the competitive nature of the business the Group operates in and the competitive pressure and changes to the competitive environment in general;
 - earnings, cash flow, dividends and other expected financial results and conditions;
 - the price volatility of oil and gas products;
 - the ability to secure sufficient employment opportunities for the Group's existing vessels as the term of the contracts for these expire or is terminated;
 - the utilisation level for the Group's vessels;
 - the state of the Group's relationships with major clients, suppliers and joint venture partners;
 - delay or cost overruns in the construction projects for newbuildings;
 - level of required repair, maintenance expenditures and replacement costs on the existing and new vessels of the Group;
 - technological changes and new products and services introduced into the Group's market and industry;
 - fluctuations of interest and exchange rates;
 - changes in general economic and industry conditions, including changes to tax rates and regimes;
 - political, governmental, social, legal and regulatory changes;
 - dependence on and changes in management and failure to retain and attract a sufficient number of skilled personnel;
 - access to funding;
 - legal proceedings;
 - operating costs and other expenses;
 - environmental and climatological conditions;
 - consequences of consolidation in the industry, resulting in fewer but stronger competitors;
 - acquisitions and integration of acquired business; and
 - other factors described in Section 2 "Risk factors".

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

DOF's objective is to provide a competitive return on the shareholders' invested capital through payment of a dividend and appreciation of the share price. In considering the scope of the dividend, the Board of Directors emphasises the Company's safety, predictability and stability, as well as the Company's dividend capacity, the need to have a healthy and optimal level of equity, and also adequate financial resources in order to pave the way for future growth and investments, and the wish to minimize capital costs.

The Company has not paid any dividend for the years ended 31 December 2016, 2015 or 2014.

5.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**") provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets, following the distribution covers (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 Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to 8-10 of the Norwegian Public Limited 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 audited 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 by the Board of Directors, acting prudently.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. For a description of restrictions on payment of dividends in the Group's credit facilities and bond agreements, see Section 11.8.1 "Material borrowings". Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no 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 16 "Taxation".

5.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details,

without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

6 REASONS FOR THE PRIVATE PLACEMENT AND THE SUBSEQUENT OFFERING

On 14 November 2017, the Company entered into a private placement agreement, supplemented by an addendum entered into on 12 December 2017, (the "**Private Placement Agreement**") with First Reserve Corporation regarding a private placement in DOF Subsea directed towards the Company (the "**DOF Subsea Private Placement**"). The background for the entering into of the Private Placement Agreement was an expected funding gap of approximately NOK 1 billion in DOF Subsea, which, without new equity being contributed, was expected to lead to (i) a breach of the minimum liquidity covenants in DOF Subsea's loan arrangements in the first quarter of 2018 and (ii) insufficient available liquidity to repay the DOFSUB07 bond loan at maturity in May 2018.

Pursuant to the Private Placement Agreement, the Company was to subscribe for 47,619,048 new shares in DOF Subsea at a subscription price of NOK 10.50 per share, in total NOK 500 million. Completion of the DOF Subsea Private Placement pursuant to the Private Placement Agreement was inter alia subject to the Private Placement in the Company, raising an amount sufficient for the purpose of settling the subscription amount in DOF Subsea.

The Private Placement was completed on 21 December 2017. The net proceeds from the Private Placement was used to finance the Company's increased ownership in DOF Subsea. Following the private placement in DOF Subsea, the Company's ownership interest in DOF Subsea increased from 51% to approximately 65%.

The main purpose of the Subsequent Offering is to enable the Eligible Subscribers to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting dilution of their shareholding. Eligible Subscribers are shareholders of the Company and owners of the Convertible Bonds as of 27 November 2017 (as registered in the VPS on the Record Date), except for shareholders and convertible bondholders (i) who were invited to apply for Private Placement Shares in the "pre-sounding" of the Private Placement or (ii) were allocated Private Placement Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.

The net proceeds from the Subsequent Offering, if any, will be used for general corporate purposes.

Pursuant to the Private Placement Agreement, Møgster Mohn Offshore AS and/or the Company have a right to contribute up to NOK 100 million in additional capital to DOF Subsea which may be settled with DOFSUB07 bonds currently held by Møgster Mohn Offshore AS. The capital contribution may be structured so that the Company first acquires such bonds from Møgster Mohn Offshore AS through an in-kind contribution, and that the Company subsequently uses the same bonds as in-kind contribution in DOF Subsea. As of the date of this Prospectus, it has not yet been decided if and when such capital contribution in DOF Subsea will be carried out.

7 INDUSTRY AND MARKET OVERVIEW

7.1 Overview

DOF operates in two key markets:

- (i) Subsea services comprising owning and providing subsea vessels and performing offshore installation and subsea construction services, offshore inspection, maintenance and repair services; and
- (ii) Owning, operating and chartering out of supply and anchor-handling vessels, performing a wide range of services related to support of construction and decommissioning work, pipe-laying, support of drilling rigs and floating and fixed installations.

Offshore service vessels can typically be divided into two main segments, namely: supply vessels and subsea vessels. DOF has Brazil as a key area of operations, handled through the wholly owned subsidiary Norskan AS ("**Norskan**"), while the non-Brazilian supply vessel activities are in "DOF Rederi". The subsea services market (including the owning and chartering out of subsea vessels) is handled by DOF's approximately 65% owned subsidiary DOF Subsea.

Section 7.2 "General energy market overview – demand" and Section 7.3 "Offshore production is an increasing share of total oil production" describe the key drivers of the markets in which DOF operates, while Section 7.4 "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 DOF's vessels on new contracts, however these rates cannot be used to accurately predict DOF'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.

7.2 General energy market overview – demand

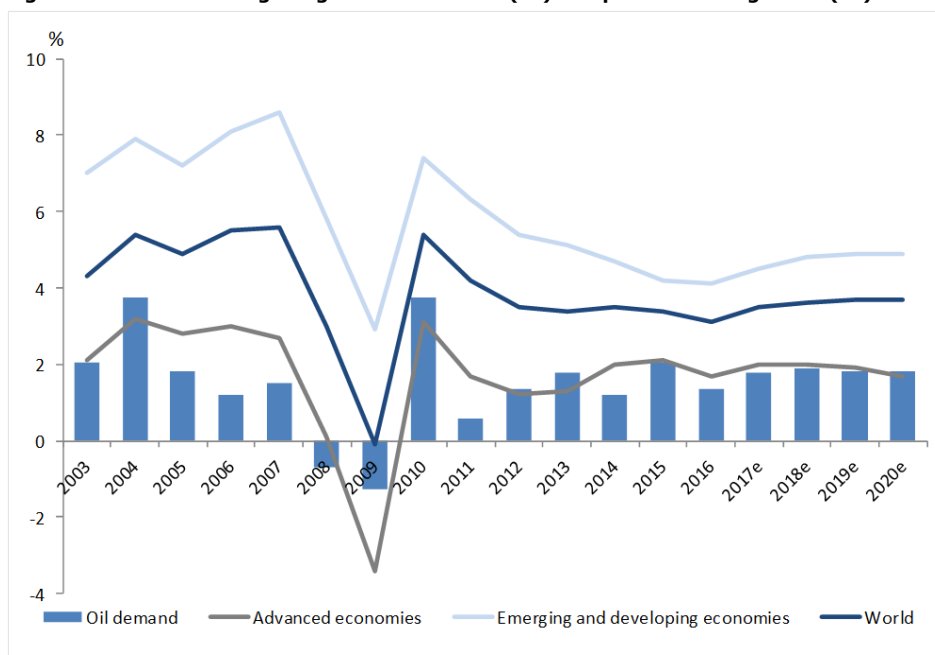
Over the past couple of years there have been large upheavals in world energy markets, triggered by a steep decline in oil prices and knock-on effects leading to significantly lower demand for the services provided by the Group. At the same time, the supply side has grown significantly with average annual 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.

7.2.1 Oil overview and demand

According to the International Monetary Fund's ("**IMF**") 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 barrels per day – equal to a 2.0% growth rate year-over-year – slowing to 1.33 million barrels per day in 2016 or a growth rate of 1.4%. According to projections by the IMF, the International Energy Agency ("**IEA**"), and Pareto Securities research, a higher growth is estimated for 2017 and expected for 2018.

¹ Source: Data from the IHS Marine Base, calculated year-end 2012 to year-end 2017.

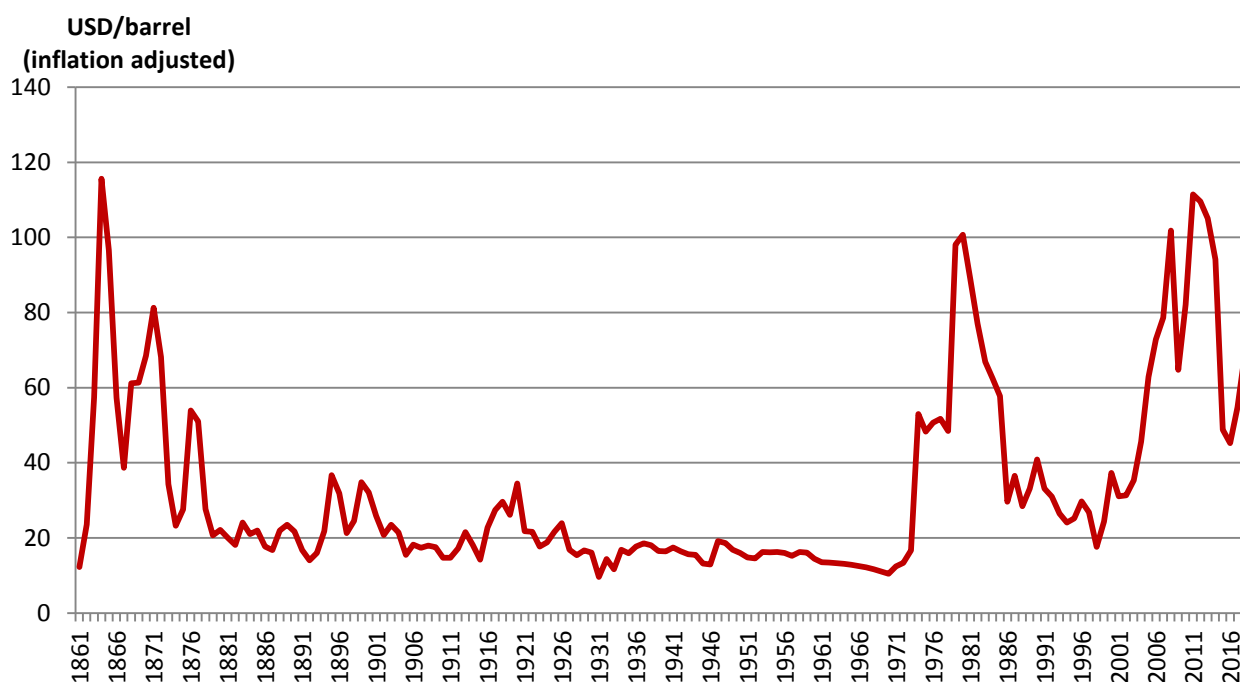
Figure 7-1: Annual change in global oil demand (%) compared to GDP growth (%)

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

7.2.2 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 2017 at USD 55 per barrel, while at the date of this Prospectus, the oil price for North Sea brent is in the range of approximately USD 70 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.

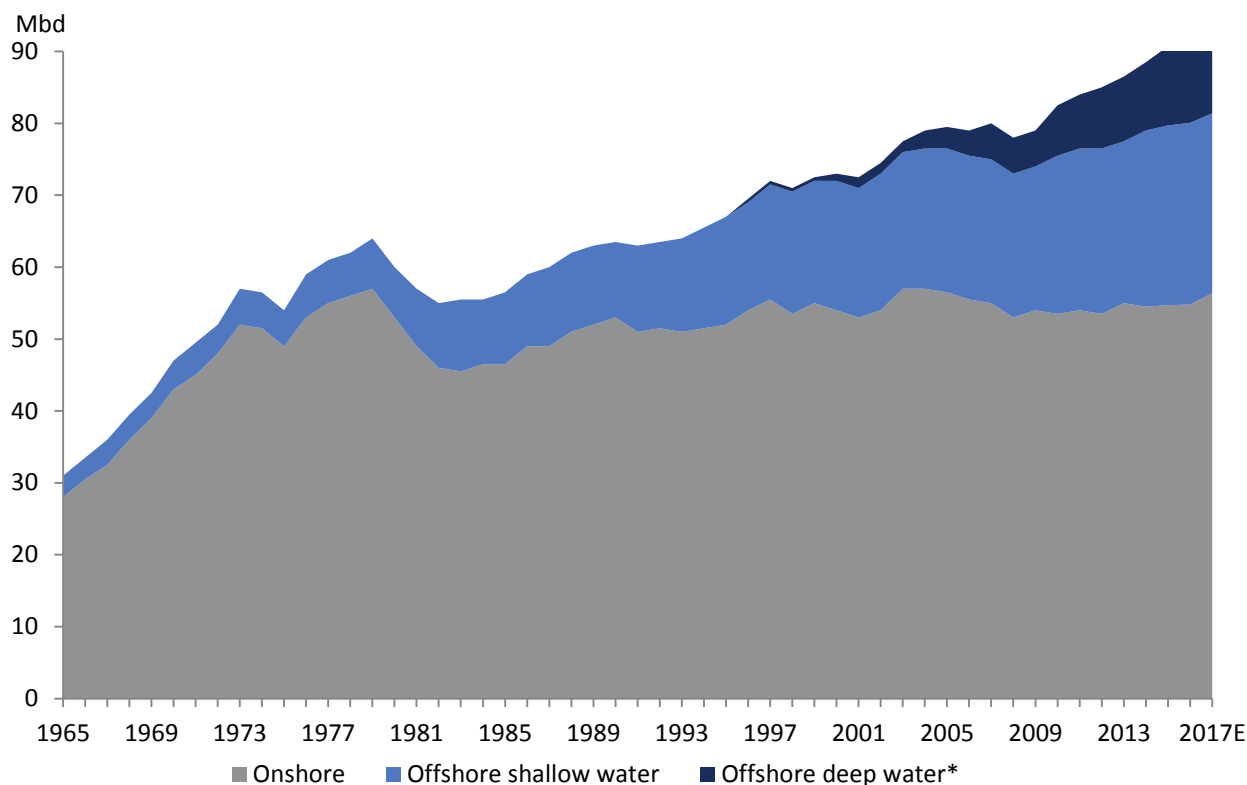
Figure 7-2: Historical oil price in constant money

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.

7.3 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 7-3: Development in oil production since 1965

Source: Pareto Securities based on data from Infield Systems.

* 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

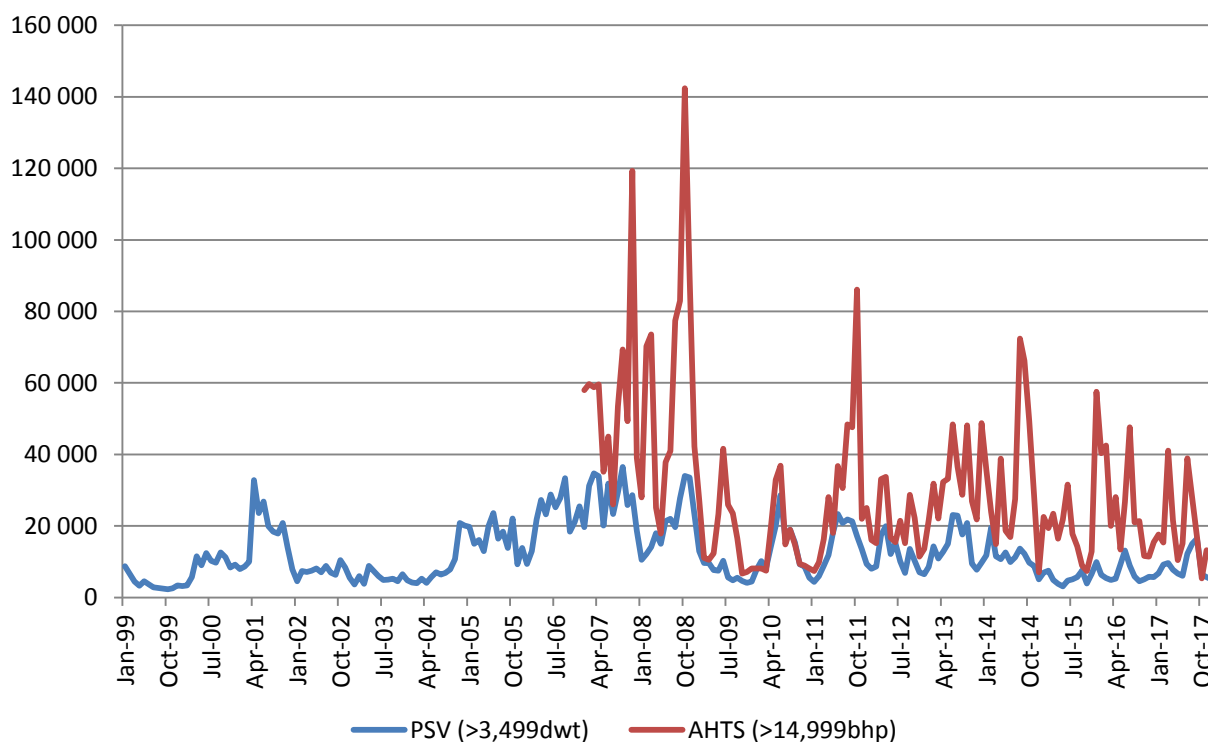
7.4 The offshore vessel market

The offshore service vessel market can be divided into several categories and segments. The two main categories are Platform Supply Vessels (PSV) and Anchor Handling Tug Supply vessels (AHTS), where the owners provide vessels with traditional marine crew to its clients. There is a third category, subsea vessels, where the vessels are used to provide additional services such as inspection, ROV, diving- and pipe-laying services (subsea/CSV). The subsea/CSV market is therefore described separately from the other two segments.

In total, there are around 4,500 vessels categorised as offshore vessels.

Since 2010, the fleet of AHTS vessels (all sizes) – the largest sub-segment of vessels – has grown by approximately 33% with a current newbuilding order book equal to approximately 6% of the fleet on water. The numbers are approximately 34% growth since 2010 for large AHTS vessels (defined as 15,000 break horse power ("BHP") or greater), but here the newbuilding order backlog is smaller at around 3%. The PSV fleet has increased by some 66% over the same period, and the order book is modest at a number equal to 8% of the current fleet on water. The numbers in this paragraph are according to Pareto Securities research based on data from IHS Petrodata.

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 7-4 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.

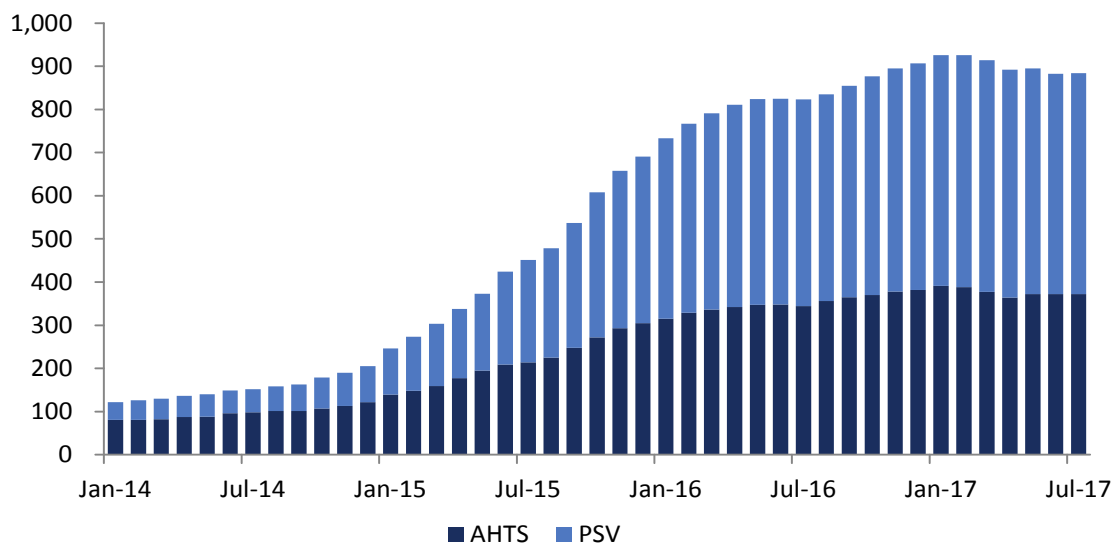
Figure 7-4: Average day rates for offshore vessels (monthly basis) – AHTS $\geq 15,000$ BHP and PSV $\geq 3,500$ dwt

Source: Pareto Securities estimates based on daily fixture reports from Pareto IGO 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 7-5: Vessels in lay-up

Vessels laid up (#)



Source: Pareto Securities Equity Research, E&P Spending Survey August 2017.

7.4.1 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.

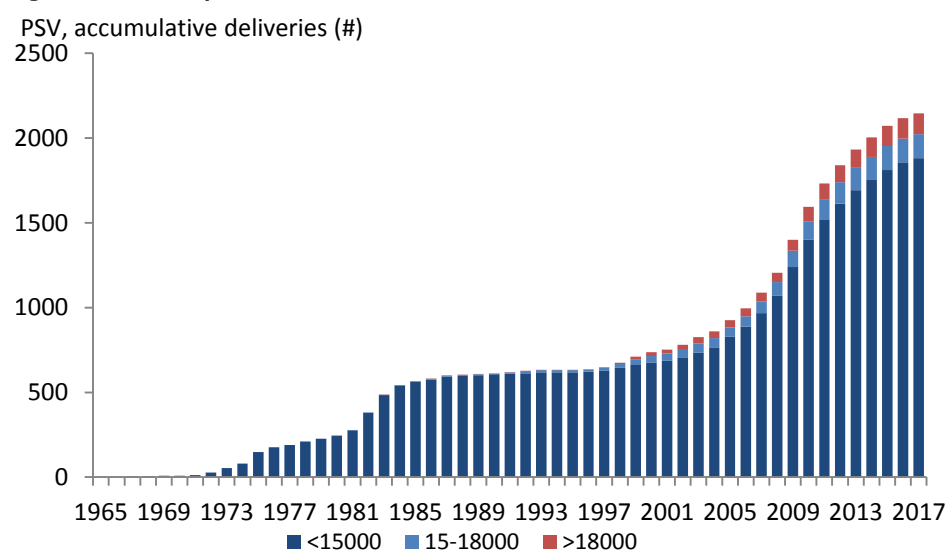
PSVs are typically classified according to their carrying capacities:

- 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. Over the 10 years from 2007 to 2017, the fleet grew approximately 100%.

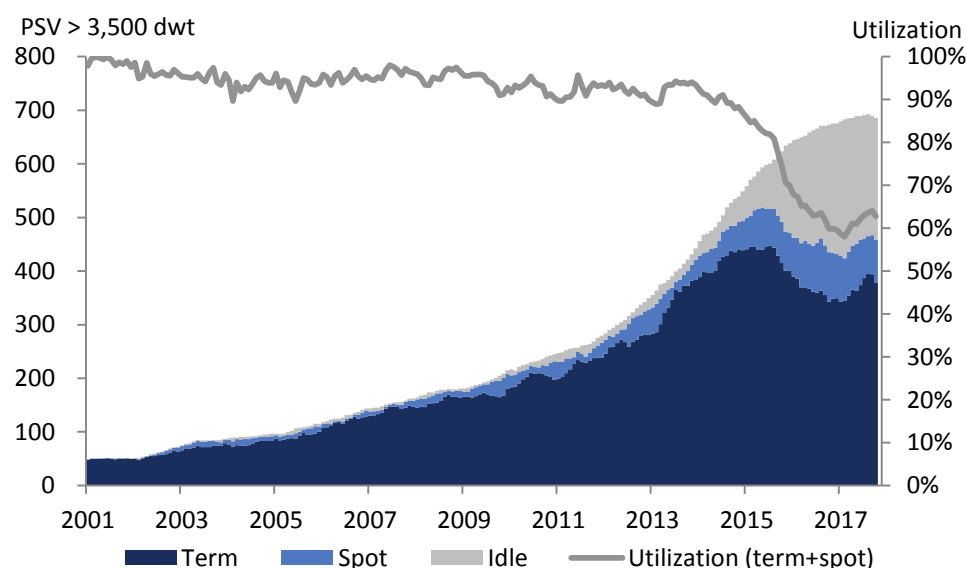
Figure 7-6: Development of the fleet size for PSVs



Source: Pareto Securities based on IHS-Petrodata, December 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.

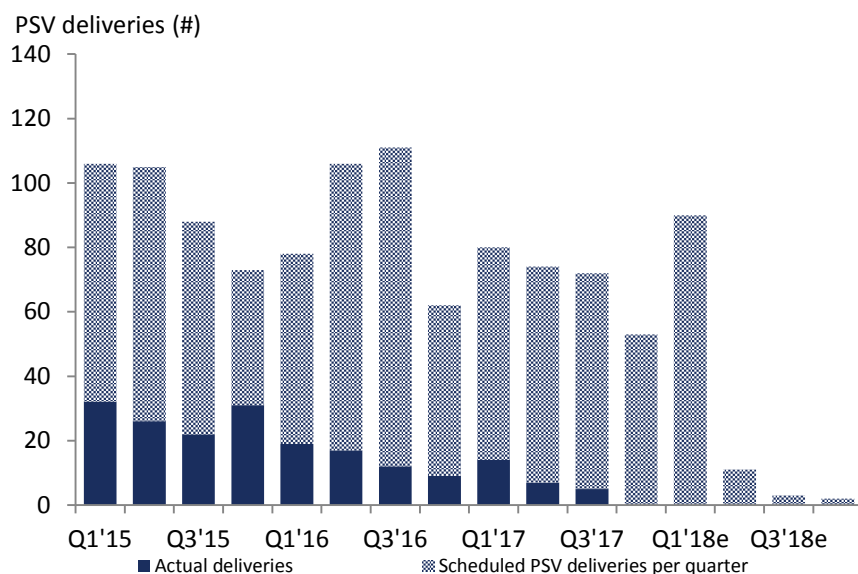
Figure 7-7: Fleet development and utilisation for large PSVs (>3,500 dwt)



Source: Pareto Securities based on IHS-Petrodata, 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 7-8: Newbuild activity –number of newbuild PSVs delivered from shipyards (planned and actual)



Source: Pareto Securities based on IHS-Petrodata, December 2017.

7.4.2 Anchor handling tug supply (AHTS) vessels

AHTS vessels are specially designed for towing and anchoring of rigs and other offshore installations. Furthermore, the vessels are often equipped for fire-fighting, rescue operations and oil recovery. The vessels also have supply capacities like the PSVs but to a smaller extent (e.g. less free deck space and fewer tanks).

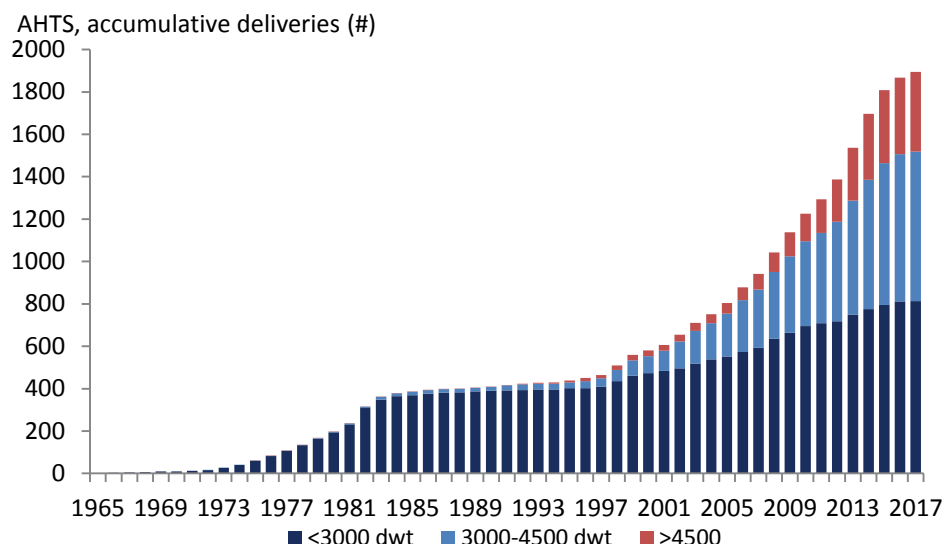
As oil activity has moved into deeper waters, the main focus has been on the vessels' winch and engine capacities, in order to offer the oil companies safe and efficient operations in the challenging conditions of the deepwater areas.

Several parameters are typically considered when classifying AHTS vessels, including:

- Bollard pull (tons);
- Engine capacity (BHP);
- Winch capacity (tons);
- Cargo carrying capacity (tanks and deck space); and
- Dynamic positioning systems, rescue characteristics and fire-fighting and oil recovery capabilities.

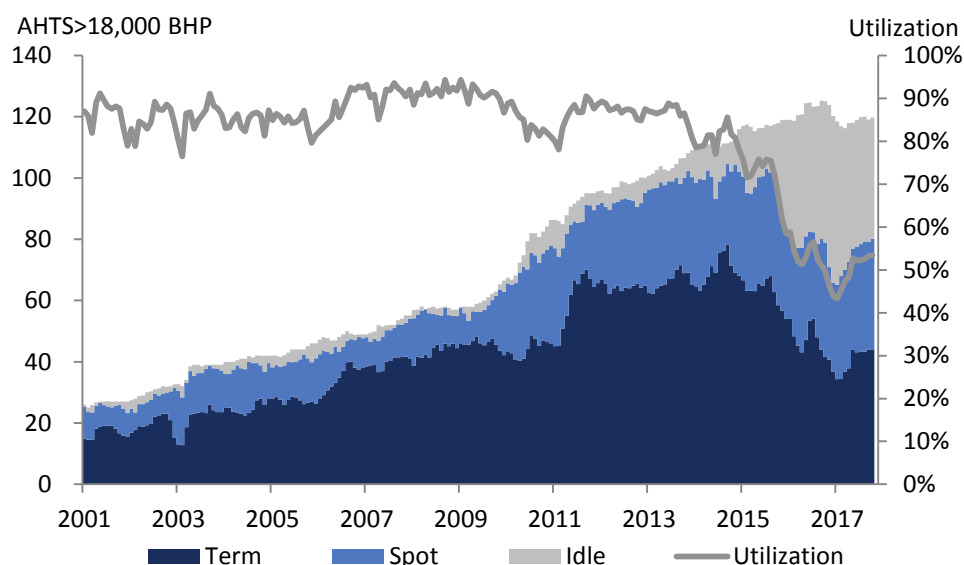
BHP is the most common yard-stick for categorising AHTS vessels. The AHTS fleet is normally divided into vessels with less than 10,000 BHP (small), between 10,000 and 20,000 BHP (medium-sized) and above 20,000 BHP (large). Norwegian players mostly focus on vessels with above 15,000 BHP.

The following figure shows the building year of the global AHTS vessel fleet. According to this, the fleet consisted of approximately 2,100 AHTS vessels at the end of 2016, whereof 142 were between 15,000 and 18,000 BHP size (medium-large) and 119 were larger than 18,000 BHP (large), according to Pareto Securities and IHS Petrodata.

Figure 7-9: Development of the fleet size for AHTS vessels

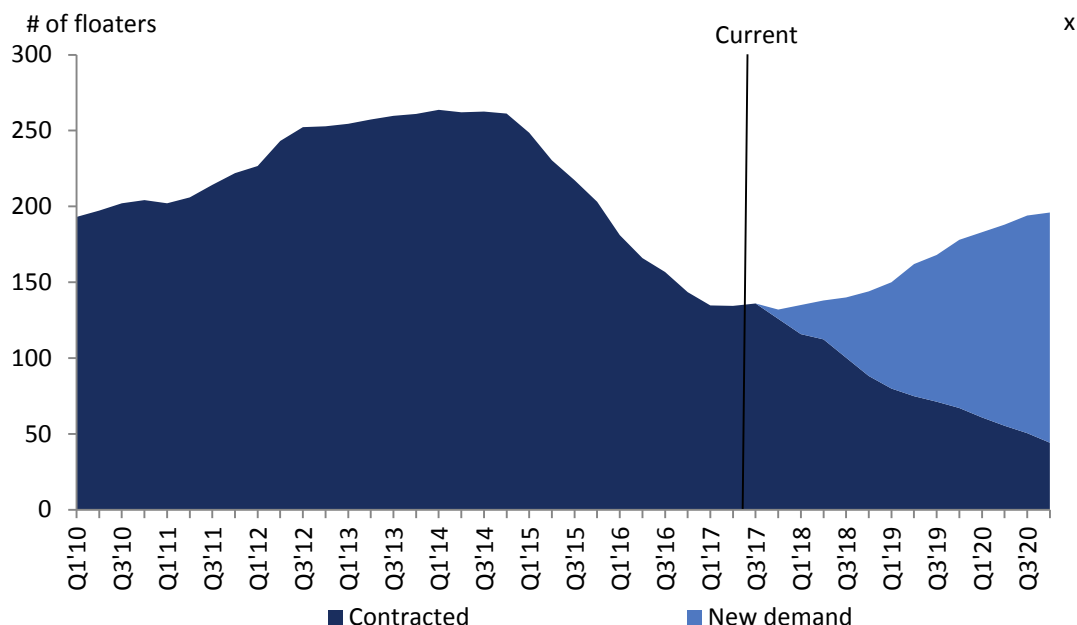
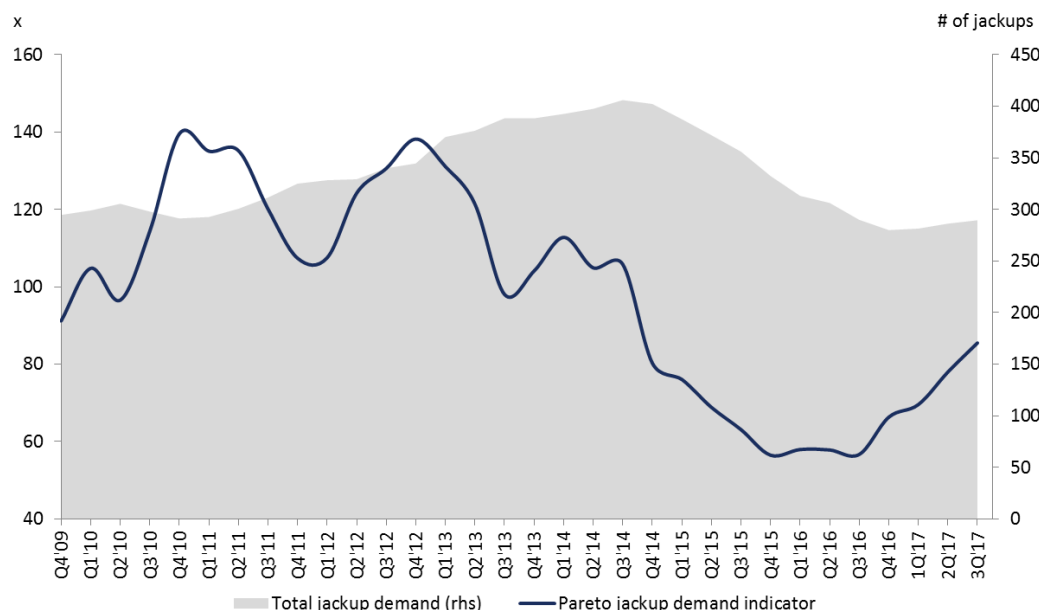
Source: Pareto Securities based on IHS-Petrodata, December 2017. Figures are per year-end (on an annual basis).

A relatively large portion of the current world-wide AHTS vessel fleet was built during the period 1980-1984, whereas from 1990 until around 2005 the fleet was relatively stable. Over the 10 years from 2007 to 2017, the fleet grew 95% counting all sizes, and the fleet of large AHTS vessels grew 110%.

Figure 7-10: Fleet development and utilisation for large AHTS vessels (>18,000 BHP)

Source: Pareto Securities based on IHS-Petrodata, October 2017.

Considering only larger vessels of the size in which the Group has vessels, utilisation has dropped from the 80-90% range seen in the period 2005-2014, decreasing during 2015 (down to 60-70% in the last six months of 2015) and with the average for 2016-2017 of around 50%. The last months of 2017 saw utilisation above 50%.

Figure 7-11a: Demand driver – offshore rigs (floaters)**Figure 7-11b: Demand driver – offshore rigs (jackups)**

Source: Pareto Securities based on IHS-Petrodata, December 2017.

An important demand driver for all types of offshore vessels, including subsea vessels described in Section 7.4.3 "Subsea vessels", but particularly AHTS vessels and PSVs, is the number of active offshore rigs. As illustrated in figure 7-11a and b 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.

7.4.3 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:

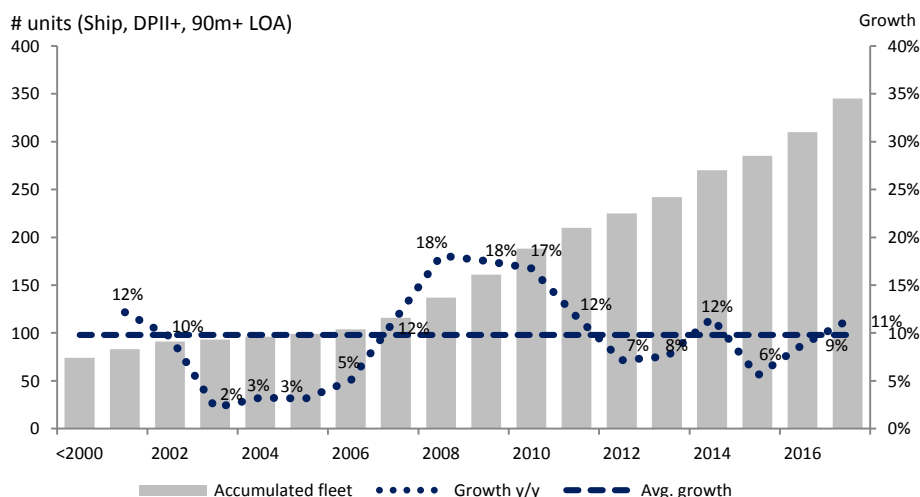
- Survey vessels
- Remotely operated vehicle support vessel
- Multipurpose supply vessels

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.

The majority of DOF's subsea vessels are owned by the approximately 65% owned subsidiary DOF Subsea, which charts out subsea vessels to external contractors, but also employs a number of them themselves as a subsea contractor. Occasionally, DOF Subsea also charts in vessels from third-party vessel owners.

The subsea vessel fleet has grown significantly the recent years, and will continue to grow for a period as a consequence of high newbuilding activity.

Figure 7-12: Fleet development for subsea vessels



Source: Pareto Securities based on IHS-Petrodata, 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 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 rate index for subsea vessels (indexed to 100)

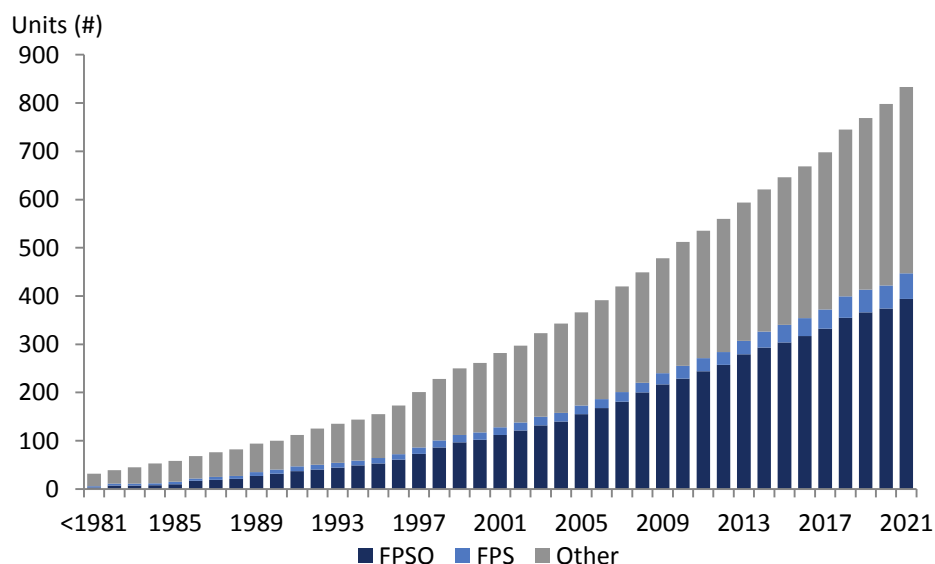


Source: Pareto Securities based on IHS-Petrodata, November 2017.

The demand for subsea vessels is, compared to the demand for PSVs and AHTS vessels, 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 is shown in figure 7-14 below, along with projections until 2021³. The graph shows a trend with stable growth in the installed base.

Figure 7-14: Demand drivers for subsea vessels



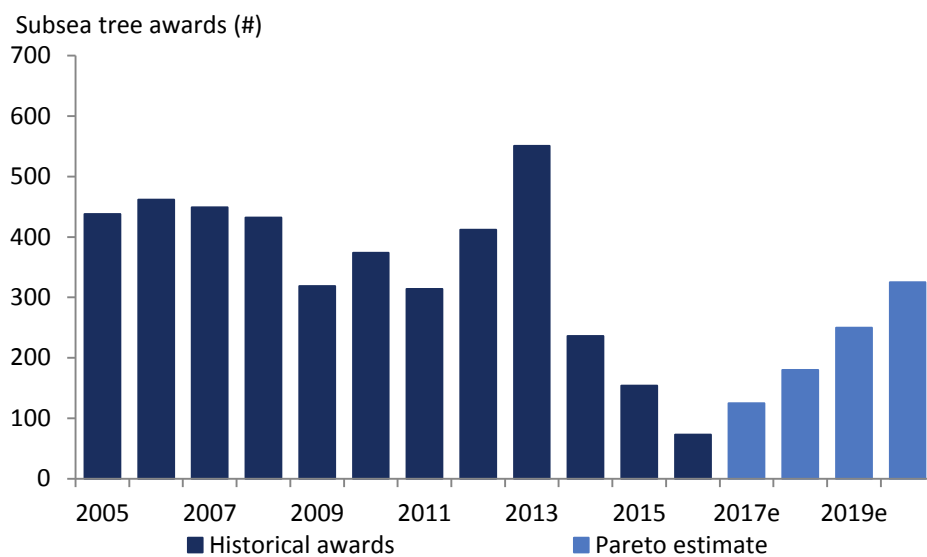
Source: Pareto Securities based on IHS FieldsBase, as updated. Forward looking estimates per 15 December 2017.

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 between 300 and 450, which average close to 400 awards each year. The number of awards increased

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

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 IHS Petrodata's 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. Annual fleet numbers, forward looking estimates per 30 September 2017.

8 BUSINESS OF THE GROUP

8.1 Introduction

The Group is a provider of essential offshore and subsea services to the global offshore industry, owning and operating a fleet of PSV, AHTS and subsea/CSV vessels operating in all major oil and gas regions in addition to several engineering companies offering services to the subsea market. With more than 35 years of experience in the offshore business, the Group has a strong position in terms of experience, product range and capacity, and has, in the Company's view, an innovative and technologically leading subsea/CSV fleet, both in terms of size and specifications. As a result of the Group's significant newbuilding program over the recent years, the Group's modern fleet of subsea/CSV vessels has innovative technical solutions, such as fuel savings and other environmental friendly solutions.

The Group's core businesses are vessel ownership, vessel management, project management, engineering, vessel operations, survey, remote intervention and diving operations primarily for the oil and gas sector. The Group's main operation centres and business units are located in Norway, the United Kingdom, the United States, Singapore, Brazil, Argentina, Egypt, Angola and Australia.

As of 31 December 2017, the Group had a global workforce of 3,953 full-time employees, including hired personnel, and as of the date of this Prospectus the Group has a fleet comprising of 64 vessels in operation and two newbuilds. The Group operates in three segments of the offshore services market, strategically defined by activities and vessel types: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and subsea/CSV (construction support vessels/subsea vessels). The DOF Subsea Group is represented as part of the subsea/CSV segment.

As of the date of this Prospectus, the Group's fleet was allocated geographically and between type of vessels as follows:

Region	PSV	AHTS	Subsea/CSV	Total
Atlantic	15	5	12	32
South America	0	12	8	20
Asia Pacific	1	3	5	9
North America	0	0	3	3
Total	16	20	28	64

The Group operates a majority of its fleet on long-term contracts. Below is an overview of the fleet's contract coverage as of 30 September 2017 (not including vessel utilisation under frame agreements within subsea vessel projects).

Period	PSV	AHTS	Subsea	Total fleet
2018, firm	35.7%	46.2%	46.4%	43.7%
2018, including options	62.2%	61.8%	56.9%	59.7%
2019, firm	23.0%	29.9%	38.3%	32.1%
2019, including options	50.0%	52.7%	44.4%	48.3%

As of 30 September 2017, the Group had a firm backlog of approximately NOK 23 billion in addition to options backlog of approximately NOK 33 billion (not including frame agreements within subsea vessel projects), divided between the following periods:

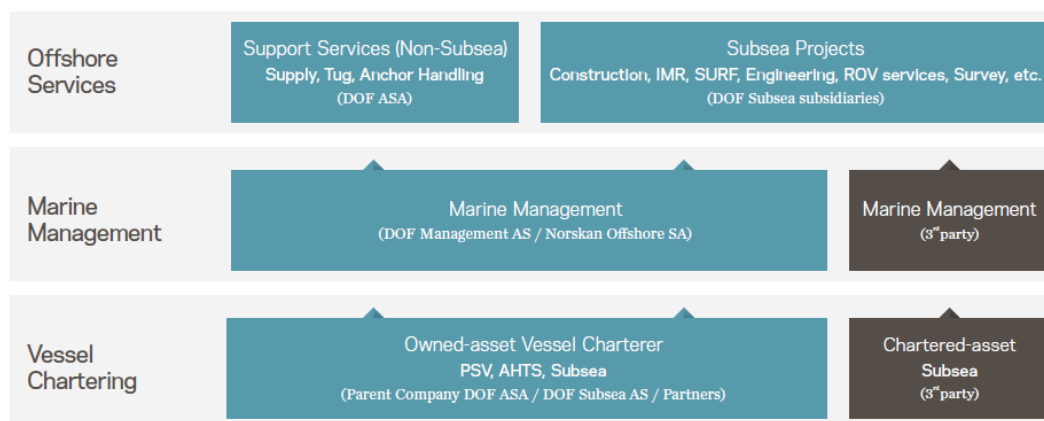
Backlog	Q4 2017	2018	2019	2020	2021	Thereafter
Firm (MNOK)	1,652	4,477	3,953	3,133	2,594	7,250
Option (MNOK)	93	1,251	1,569	1,776	2,287	25,749

As of the date of this Prospectus, the Group further owned a fleet of remotely operated vehicles ("ROV") of 70 units.

The Group is positioned as a solid player in the industry with its investment in a state-of-the-art fleet, combined with a strong safety culture and a flexible business model. Leveraging the long-term charter business with the subsea project business, the Group has the flexibility to maximise its market position in each region of operation. During the last decade the Group has invested in key regions such as the Atlantic, South America, North America and Asia Pacific whilst continuing to grow in West Africa.

No matter where the Group operates in the world, safety is held as the highest priority. The Group strives to be the leader in the fields of health, safety, environment and quality and systematically promotes these areas in the execution of all activities and operations. The figure below illustrates the Group's offshore, marine management and

vessel chartering services and capabilities:



8.2 Competitive strengths

Below is an overview of the Group's key competitive strengths:

- DOF owns a young, diversified and advanced fleet;
- DOF has a high backlog and a strong and long term industrial relationship with its clients, and has hence become a strategic supplier to major oil and gas companies;
- DOF is a service provider of both marine transport services and complex subsea operations with medium to high barriers to entry and high complexity of operations;
- DOF has a global footprint and market access; and
- DOF has gained a strong position in Brazil due to its strategy regarding local content protected by flag regulations. Despite the fact that Petrobras has reduced the number of contracts throughout 2015 and 2016, DOF has managed to conclude five new contracts with start-up in 2017. As of the date of this Prospectus, DOF owns 12 Brazilian flagged vessels. In addition, DOF owns four Brazilian flagged vessels (including newbuilds) through joint venture companies.

8.3 Strategy

The Group is an international group of companies which owns and operates a modern fleet of offshore and subsea vessels with engineering capacity to service the subsea market. The main objectives for the Group are to:

- engage in long-term, industry-related offshore activities;
- further develop its position as a supplier of offshore services with a focus on high quality and cost-effective operations;
- achieve its objectives by means of a balanced chartering strategy with emphasis on long-term contract coverage, in order to ensure a conservative risk profile and satisfactory cash flow; and
- continue to focus on the environment and initiatives towards technical systems for environmentally-friendly vessel concepts.

8.4 History and important events

The Group was founded in 1981 and has since it was established worked in the offshore service market providing vessels and management services. The first two vessels (PSVs) were delivered in 1983 and one of these vessels is still part of the Group's fleet. The fleet gradually increased during the next years and when DOF was listed on the Oslo Stock Exchange in 1997, the fleet consisted of 11 vessels including 4 under construction. In 2001, the Group entered into the Brazilian market and signed an agreement for an incorporated joint venture, Norskan Offshore Ltda, with Solstad Offshore ASA. The Group has since November 2006 controlled Norskan Offshore Ltda 100% via the Company's wholly-owned subsidiary Norskan.

In 2005, the Group established Geo ASA after acquisition of Geo Group, and listed Geo ASA on the Oslo Stock Exchange the same year. Geo ASA was renamed DOF Subsea ASA in 2007. DOF Subsea ASA (later AS) has proven a substantial growth, acquiring vessels and companies since 2005 and has enabled DOF as a group to enter into new markets and operations.

In 2007, DOF Installer ASA and Aker DOF Supply AS were founded and positioned the Group as a supplier of large AHTS vessels.

In 2008, DOF and an affiliate of the private equity group First Reserve Corporation established DOF Subsea Holding AS which acquired 100% ownership in DOF Subsea ASA and took the company private. Later the same year, Aker DOF Supply AS was renamed Aker DOF Deepwater AS.

In 2009, DOF sold its shares in Aker Oilfield Services and issued 8.27 million new shares at NOK 29.5 per share, raising approximately NOK 240 million in gross proceeds. The Group further acquired the vessels Skandi Vega and Skandi Olympia.

In 2010, DOF announced its intention to spin off its subsidiary Norskan Offshore SA through a separate listing on the Bovespa Stock Exchange in Sao Paulo, Brazil. However, in October 2010, DOF decided to postpone the listing process. DOF Installer ASA carried out two directed share issues totalling gross proceeds of NOK 350 million. Through the directed share issues, DOF Subsea increased its shareholding in DOF Installer ASA from 53.1% to 78.5%.

In 2011, the Group took delivery of 10 vessels, of which one PSV was sold right after delivery and one subsea/CSV was purchased. DOF Installer ASA carried out a directed share issue raising NOK 200 million in gross proceeds and increasing DOF Subsea's shareholding to 83.7%. DOF issued a total of approximately 20 million new shares at NOK 30 per share through a conversion of shares and subsequent offering, raising total gross proceeds of approximately NOK 600 million.

In 2012, the Group took delivery of eight vessels, of which one was sold directly after delivery and one was delivered to external partners. At year-end, the Group had five vessels under construction scheduled for delivery in 2013 and 2014. The fleet in operation at year-end comprised 69 vessels. During 2012, the Group issued three new bond loans, totalling NOK 2,100 million, parts of which were utilised to repurchase existing loans.

In 2013, the Group took delivery of three vessels, one combined PSV and rescue vessel, one CSV/subsea vessel which was sold after delivery and one AHTS owned 20% by the Group. One CSV/subsea vessel was sold. Through 2013, DOF Subsea expanded its subsea project activity representing revenues of more than 50% of the Group's total revenue this year. DOF Subsea issued a bond loan of NOK 1,300 million in January 2013.

In 2014, the Group took delivery of one AHTS vessel, the first vessel in a series of three vessels all agreed built in Brazil. One AHTS owned by DOF Installer ASA was sold in December 2014. DOF Subsea expanded its subsea activity in the US Gulf and hired in additional two Jones Act vessels for this region. DOF Subsea further issued a bond loan of NOK 700 million in February 2014. Aker DOF Deepwater AS was renamed to DOF Deepwater AS, and Akastor AS became the new 50% shareholder after a demerger of Aker Solution ASA.

In 2015, the Group was awarded several long term inspection, repair and maintenance ("**IRM**") contracts in the Asia Pacific region and a 10 years contract in Canada. During 2015, 10 vessels were agreed sold; one vessel (subsea/CSV) was sold in February based on a purchase option exercised by the new owner, five vessels (four PSVs and one AHTS) were sold in Brazil and three older vessels were sold in Europe (two PSVs and one subsea/CSV). In addition, DOF Subsea sold its 50% share in one diving vessel. The Group took delivery of two newbuilds, one AHTS in Brazil and one subsea/CSV in Norway. The latter newbuild, Skandi Africa, was awarded the "Ship of Year 2015". The Group repaid approximately NOK 1,000 million of outstanding bond debt during 2015.

In 2016, the Group continued to develop the subsea business and expand its global presence. Important IRM contracts were secured and strengthened the Group's position as a global IRM provider. Several contracts were awarded increasing the Group's activity offshore Australia, Brazil and Argentina. The Group received its first long term IRM contract in West Africa. During 2016, the Group took delivery of two newbuilds; one subsea/CSV (owned indirectly 50% by DOF Subsea through DOFCON Brazil AS, a company owned jointly by DOF Subsea and Technip Coflexip Norge AS) and one AHTS vessel. Both vessels are committed on firm contracts with Petrobras in Brazil. In 2016, the Group also sold three vessels; Skandi Protector (subsea) was sold to the Commonwealth of Australia in January 2016, Skandi Santos (subsea) was sold to a joint venture owned partly by Akastor ASA in November 2016 and Skandi Stord (AHTS)

was delivered to new owners in November. With respect to finance structure, the Group took several steps in 2016; DOF Subsea repaid its bond DOFSUB05 in April and DOF completed an overall financial restructuring in the third quarter of 2016.

In 2017, several new important contracts commenced, including long term-charters for existing vessels and newbuilds. The Group took delivery of Skandi Buzios (owned indirectly 50% by DOF Subsea through DOFCON Brazil AS, a company owned jointly by DOF Subsea and Technip Coflexip Norge AS) in the first quarter, and the vessel commenced on an 8-year contract with Petrobras. During the second quarter, Skandi Vinland was delivered and entered into her 10-year contract with Husky Energy. The Group entered into 3-year agreements for management and operation of three vessels during the first quarter. Skandi Hera and Skandi Darwin joined the fleet in February and Skandi Bergen in July. Skandi Darwin commenced a long-term contract with Shell at the Prelude field outside Australia in the fourth quarter. The Group sold three vessels during the year (two PSVs and one AHTS). The sales of the three vessels were in line with the Group's strategy to divest the oldest part of the fleet.

As of the date of this Prospectus, the Group's operations consisted of a fleet of 64 vessels in operation and two vessels under construction.

8.5 Overview of the Group's business areas

8.5.1 Offshore services

8.5.1.1 Introduction

The Group is an international supplier of offshore services and follows a main strategy of investing in advanced offshore vessels combined with highly qualified personnel. The Group's business concept is to engage in long-term and industrial offshore business, and operates with a contract strategy which focuses on long-term contract coverage for the main share of the fleet.

The Group operates within three vessel segments in relation to strategic types of activities and vessel types: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and subsea/CSV (construction support vessels/subsea vessels). The ownership and operation of the Group's fleet of ROVs is included in the subsea/CSV segment.

The supply vessels (AHTS and PSV) support fields in production as well as development and exploration activities, with the majority of the supply fleet servicing fields in production. The Group's subsea fleet is a combination of vessels on long term contracts and vessels utilised for subsea project activities. The subsea vessels on long term contracts are serving the pipelaying market (flexible pipes), IRM and the SURF market. The subsea project business includes survey, diving services, ROV operations, construction and IRM among others. The majority of the subsea fleet and all the subsea project activities are performed and owned by the subsidiary DOF Subsea.

8.5.1.2 Subsea projects

The Group's subsea offshore services include:

- Life-of-field services: The Group's track record extends across the full range of life-of-field stages – from front end concept engineering, design, construction and installation, IRM to field abandonment and decommissioning. From inception to completion, every project the Group undertakes progresses through its robust, field proven systems. Starting with engineering and management support in the preparatory phases and carried through to successful offshore execution. As a part of an integrated approach, the project teams apply expertise in a variety of disciplines from field development studies through subsea installation, field enhancement and decommissioning.
- Project management: Operating in complex environments, the Group manages many variables, synchronise on- and offshore teams and logistics. Project management is the interface to subsea engineering and all related resources, disciplines and assets from the start-to-finish of any project. The Group's project management team provides technical capability and experience to run projects smoothly and to schedule. Experts combine creativity and innovation with high quality and rigorous risk assessment, underpinned by an accredited ISO 9001:2008 quality system.
- Engineering: The Group undertakes naval architecture, structural engineering, mechanical design, operations and engineering across a broad range of applications. The Group's engineering teams are involved in all stages of subsea construction projects from tendering, design, procurement, fabrication,

construction, FAT and SIT to offshore installation, commissioning, completion, operation and decommissioning. The Group tailors bespoke solutions to complex subsea installation operations including design of operational tooling employed in manned and remotely operated subsea equipment.

- Inspection, repair and maintenance (IRM): The Group is a global supplier of subsea inspection, repair services and maintenance. Highly professional and competent on -and offshore personnel understand and regularly undertake IMR work scopes. Large or small, the Group plans and executes campaigns to the highest health, safety, environment and quality (HSEQ) standards, and has all IRM related disciplines in-house to offer integrated subsea solutions.
- Construction and installation: As an integrated approach, the Group's project teams apply expertise in a variety of disciplines from field development studies through subsea installation, field enhancement and decommissioning. The Group matches services, expertise and equipment to the requirements of each individual operation.
- Survey & positioning: The Group provides surveys, positioning operations and efficient data reporting. The Group acquires seabed and sub-surface data using leading technology, the Group's vessels and survey systems. Data is gathered by ROV and autonomous underwater vehicle ("AUV") surveys. The Group's equipment pool enables seabed mapping and sub-surface data to be gathered down to 5,000 meters depth. Once gathered, the Group offers a data management service. Services include: (i) subsea positioning, (ii) seabed mapping, (iii) data processing, (iv) acoustic wellhead positioning, (v) C3D & C4D visualisation, (vi) technical software and (vii) ocean observations systems.

8.5.2 Marine management

The Group's marine management activities are performed by the subsidiaries DOF Management AS and Norskan Offshore Ltda. DOF Management AS is responsible for marine operation of the Group's vessels with operations outside of Brazil and for the project management of newbuildings and vessel conversion projects within the Group. DOF Management AS has subsidiaries in Norway, Singapore, Australia, Egypt and Argentina, and has outsourced parts of its services to the sister company DOF UK Ltd. Norskan Offshore Ltda. is responsible for maritime operation of the Group's fleet operating in Brazil. DOF Management AS has historically and is currently responsible for marine operations for vessels owned by external owners.

The Group's marine management services include:

- Chartering: The chartering department's main objective is to achieve high utilisation of all the Group's vessels to reputable clients at competitive terms and conditions which are in the best interest of the Group.
- Crewing: It is the Group's priority to meet the increased request from the offshore industry for high quality services, with a staff of motivated, well trained, experienced and safety minded employees.
- Vessel maintenance: The management companies evaluates, manages and oversees all maintenance, including periodical class docking done; from engine overhauls to ROV systems design. The vessels should be state of the art at all times, following the highest standard with respect to quality, health, safety and environment.
- Projects and newbuilding: The project and newbuilding team is responsible for project development and management of vessels under construction or vessel conversions. From project start to finalisation, the project team ensures that the conversion projects and newbuildings are built and delivered in compliance with regulations and requirements that apply, and in accordance with its customers' expectations.

8.5.3 Vessel chartering

DOF Subsea has the recent years hired in subsea vessels from external owners to fulfil the demand for its subsea project activity in certain regions. DOF Subsea has during 2017 hired up to three vessels from external owners to fulfil the company's subsea project activities in North America and Asia Pacific. Currently, DOF Subsea is hiring in three vessels.

8.5.4 *Joint ventures and material subsidiaries with minority interests*

8.5.4.1 DOF Subsea AS

DOF Subsea is a holding company owned by DOF ASA (approximately 65%) and First Reserve Corporation (approximately 35%). DOF Subsea is responsible for the subsea business area of the Group. The main business areas of DOF Subsea and its subsidiaries are subsea inspection, maintenance and repair work in addition to owning and operating subsea vessels, see Section 8.5.1 "Offshore services".

8.5.4.2 DOFCON Brasil AS

DOFCON Brasil AS is a holding company jointly owned by DOF Subsea and Technip Coflexip Norge AS with 50% each. DOFCON Brasil AS owns TechDOF Brasil AS and controls 100% of the shares in DOFCON Navegacao Ltda. The DOFCON Brasil group owns four vessels (Skandi Acu, Skandi Niterói, Skandi Vitória and Skandi Buzios) and has two additional vessels (Skandi Olinda and Skandi Recife) under construction. The parties' shareholding in DOFCON Brasil AS is governed by a shareholders' agreement.

8.5.4.3 DOF Deepwater AS

DOF Deepwater AS is a company jointly owned by DOF ASA and Akastor AS with 50% each. The company owns five AHTS vessels (Skandi Atlantic, Skandi Emerald, Skandi Pacific, Skandi Peregrino and Skandi Saigon). Currently, two vessels operate in South America, two in Asia Pacific and one in the North Sea. The parties' shareholding in DOF Deepwater AS is governed by a shareholders' agreement.

8.6 **Principal factors affecting the market in which the Group operates**

Oil and gas E&P spending is the key driver of demand in the oil and gas services industry. E&P spending is directly linked to the earnings of oil and gas companies which are, in turn, dependent on average oil and gas prices. Volatility in oil prices can therefore reduce the ability of oil and gas companies to budget for increased E&P spending. Further, the future production capacity of the oil and gas industry depends on the ability of oil and gas companies to maintain a sustainable reserve replacement ratio through the discovery and development of new reservoirs or improvements in oil recovery techniques.

The above-mentioned principal factors affecting the market in which the Group operates have in turn an impact on the Group's business. For a description of the market in which the Group operates, including the current challenges the market faces, see Section 7 "Industry and market overview".

8.7 **The fleet**

8.7.1 *Introduction*

The Group operates within three vessel segments in relation to strategic types of activities and vessel types: PSV (platform supply vessels), AHTS (anchor handling tug supply vessels) and subsea/CSV (construction support vessels/subsea vessels). The ownership and operation of the Group's fleet of ROVs is included in the subsea/CSV segment.

As of the date of this Prospectus, the fleet consisted of 64 vessels in operation, two newbuilds, and 70 ROVs. The fleet in operation includes vessels owned through joint venture companies and vessels on management.

The Group's main operational focus has been to further improve its fleet's technical performance. The Group has defined key performance indicators and targets which is monitored closely, such as technical breakdown (offhire), fuel efficiency (optimise use of machinery to reduce consumption and emissions), preventive maintenance measures in addition to technical costs. The Group has had a high focus on global maintenance standards, and further implemented tools in recent years to globally monitor the condition of its vessels and equipment. For example, the Group requires all vessels to provide regular oil sampling and vibrations measurements on critical equipment, which are analysed by a defined external company, and results collected in common fleet database and evaluated. This enables the Group to work out trends and improvement potentials on each vessel, fleet or region, and to take appropriate action in early phase, in order to avoid potential breakdown and offhire.

8.7.2 Platform Supply Vessels (PSVs)

PSVs are used to transport oil field products and supplies to offshore drilling and production facilities. As of the date of this Prospectus, the Group operates a fleet of 16 PSVs:

Vessel	Built	Charterer	Size LOA
Skandi Aukra	2012	Asco Marine	87.9 m
Skandi Barra	2005	Total E&P UK Limited	85.7 m
Skandi Buchan	2002	Total E&P UK Limited	83.9 m
Skandi Caledonia	2003	Technip	83.9 m
Skandi Captain	2003	Peterson	74.3 m
Skandi Feistein	2011	In transit	87.9 m
Skandi Flora	2009	Statoil ASA	94.9 m
Skandi Foula	2002	In transit	83.9 m
Skandi Gamma	2011	Wintershall	94.9 m
Skandi Kvitsøy	2012	ConocoPhillips Norway	87.9 m
Skandi Marøy	2012	ConocoPhillips Norway	82.2 m
Skandi Mongstad	2008	Statoil ASA	96.9 m
Skandi Nova	2012	ConocoPhillips Norway	82.2 m
Skandi Rona	2002	Spot	83.9 m
Skandi Sotra	2003	Chevron	83.9 m
Skandi Texel	2006	Lay up	69.5 m

8.7.3 Anchor Handling Tug Supply Vessels (AHTS')

AHTS vessels are used to set anchors for drilling rigs, tow mobile drilling rigs and equipment from one location to another. As of the date of this Prospectus, the Group operates a fleet of 20 AHTS vessels:

Vessel	Built	Charterer	Size LOA
Skandi Admiral	1999	Petrobras	83.3 m
Skandi Amazonas	2011	Petrobras	95.0 m
Skandi Angra	2015	Petrobras	93.5 m
Skandi Atlantic	2012	Lay up	75.0 m
Skandi Bergen	2010	Spot	87.4 m
Skandi Botafogo	2006	Petrobras	80.4 m
Skandi Emerald	2011	Spot	75.0 m
Skandi Fluminense	2007	Petrobras	80.4 m
Skandi Giant	2002	Lay up	81.0 m
Skandi Hera	2009	Spot	93.8 m
Skandi Iceman	2013	Spot	93.6 m
Skandi Iguacu	2011	Petrobras	95.0 m
Skandi Ipanema	2010	Petrobras	74.3 m
Skandi Pacific	2011	Total Austral	75.0 m
Skandi Paraty	2016	Petrobras	93.5 m
Skandi Peregrino	2010	Statoil Brazil	75.0 m
Skandi Rio	2007	Petrobras	80.5 m
Skandi Saigon	2011	Lay up	75.0 m
Skandi Urca	2014	Petrobras	93.5 m
Skandi Vega	2010	Statoil ASA	109.5 m

8.7.4 Subsea vessels/Construction Supply Vessels (subsea/CSVs)

Subsea/CSVs are the most sophisticated vessels in the Group's fleet, and are utilised for a wide range of subsea services and projects. As of the date of this Prospectus, the Group operates a fleet of 28 subsea/CSVs in operation:

Vessel	Built	Charterer	Size LOA
Geograph	2007	Lay up	70.0 m
Geoholm	2006	Project vessel ¹	85.7 m
Geosea	2002	Lay up	84.8 m
Geosund	2001/2006	Project vessel ¹	89.4 m
Skandi Acergy	2008	Subsea 7	156.9 m
Skandi Achiever	2007	Project vessel ¹	105.9 m
Skandi Acu	2016	Petrobras	146.0 m
Skandi Africa	2015	Technip	160.9 m
Skandi Buzios	2017	Petrobras	146.0 m
Skandi Carla	2001	Fugro GB (North) Marine Ltd	83.9 m
Skandi Chieftain	2005	Project vessel ¹	74.3 m

Vessel	Built	Charterer	Size LOA
Skandi Commander	2007	Petrobras	74.3 m
Skandi Constructor	2009	Siemens	120.2 m
Skandi Darwin	2012	Shell Australia	93.8 m
Skandi Hav	1983/2009	Petrobras	87.7 m
Skandi Hawk	2012	Shell Philippines Exploration B.V.	88.1 m
Skandi Hercules	2010	Project vessel ¹	109.6 m
Skandi Hugen	2012	ConocoPhillips Norway	82.2 m
Skandi Neptune	2001/2005	Project vessel ¹	104.2 m
Skandi Niterói	2011	Spot	142.2 m
Skandi Olympia	2009	Fugro GB (North) Marine Ltd	79.6 m
Skandi Patagonia	2000	Total Austral	93.3 m
Skandi Salvador	2009	Project vessel ¹	105.9 m
Skandi Seven	2008	Project vessel ¹	120.7 m
Skandi Singapore	2011	Project vessel ¹	107.1 m
Skandi Skansen	2011	Project vessel ¹	107.2 m
Skandi Vinland	2017	Husky Energy	93.2 m
Skandi Vitória	2010	Petrobras	142.2 m

1 Project vessels are vessels utilised in the Group's subsea project activity as further described in Section 8.5 "Overview of the Group's business areas".

8.7.5 Newbuildings

As of the date of this Prospectus, the Group had two vessels under construction owned through a joint venture company:

Vessel	Expected delivery	Charterer	Size LOA
EP-10 – Skandi Recife	2018	Petrobras	139.9 m
EP-9 – Skandi Olinda	2019	Petrobras	139.9 m

8.7.6 ROVs and AUVs

As of the date of this Prospectus, the Group owned a ROV fleet of 70 units, including two AUVs.

8.8 Competition

DOF operates in two key markets – the market for AHTS, PSV and Subsea/CSV (the supply segment) and the market for subsea services.

The market for PSV, AHTS and subsea/CSV is highly fragmented; IHS Petrodata estimates that the 53 largest owners of larger offshore service vessels control around 70% of the total fleet worldwide, whereas there are as many as 156 owners who each owns five vessels or less, who combined comprise 17.5% of the fleet. The largest owner of vessels world-wide is Edison Chouest of the US, and no one owns more than 10% of the total fleet worldwide.

DOF is among the 10 largest owners of offshore services vessels worldwide, and particularly has a strong position in Brazil where the Company is the third largest after Edison Chouest and CBO. This is a result of DOF's long-term focus on the Brazilian market through its subsidiary Norskan. DOF is the 4th largest vessel owner in the North Sea market, whereas in other geographical regions, DOF is not among the 10 largest owners. DOF's largest competitors in the supply segment include Edison Chouest, Bourbon, Solstad Farstad, and Gulfmark.

The Group operates in the subsea services market through its approximately 65% owned subsidiary DOF Subsea. The major companies in this segment are Saipem, Subsea 7 and TechnipFMC (in alphabetical order). These companies mainly undertake large construction- and SURF projects, as EPCI contracts. In general, DOF Subsea does not undertake on these large construction projects, and has its main focus on IRM, construction-/installation and survey-/positioning. Contracts for services are mainly conducted at a daily rate for a fixed period or under frame agreements. DOF Subsea is also from time to time a pure sub-supplier to the largest offshore contractors, and such sub-supplying may be limited to providing vessels or vessels with services. At smaller contracts, DOF Subsea competes with the major operators. DOF Subsea's main competitors are other medium-sized subsea operators.

8.9 Property plants and equipment

See Section 8.7 "The fleet" for a description of the Group's material tangible fixed assets.

Environmental issues which may have an impact on the Group's utilisation of tangible fixed assets may comprise pollution, local or global, which could prevent oil service and oil search, production and service industry from being able to conduct their business for commercial or political reasons, by closure of fields and facilities; local blow-outs in oil fields under exploitation, and similar events which may influence future operations in the industry. The Group may be in violation of its environmental obligations, contractual or otherwise, prohibiting the Group from participating in its regular activities, by virtue of law, regulation, public or contractual obligations. The Group operates in a marine environment, which is subject to the forces of nature, as well as environmental and climatological risks, that could cause damage to, loss of, or suspension of operations by the Group's vessels and could result in reduced levels of offshore activity.

8.10 Legal proceedings

From time to time, the Group may become involved in litigation, disputes and other legal proceedings arising in the normal course of business. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Group is not, nor has it during the course of the preceding 12 months been, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on DOF's and/or the Group's financial position or profitability, and the Group is not aware of any such proceedings which are pending or threatened.

8.11 Material contracts

No company in the Group has entered into any material contract outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no company in the Group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any material obligation or entitlement.

Below is an overview of the main categories of contracts entered into by the Group in the ordinary course of business:

- Time charter contracts: The Group is party to several time charter contracts pursuant to which the Group charters out its vessels for a fixed charter period. Several of the Group's time charter contracts include options where the charterer may extend the charter period. Some of the Group's time charter contracts include provisions pursuant to which the charterer has the right to terminate the contract for convenience against payment of an early termination fee. Some contracts only allow for termination for cause, without payment of any termination fee, as a result of inter alia delay in delivery, non-performance due to breakdown and failure to keep a vessel up to standard or prolonged force majeure events. For an overview of the charterers of the Group's vessels, see Section 8.7 "The fleet".
- Shipbuilding contracts: The Group currently has two vessels under construction through a subsidiary of DOFCON Brasil AS, DOFCON Navegacao Ltda. ("**DOFCON**") in Brazil. For these newbuilds, DOFCON has entered into shipbuilding contracts with the yards.
- IRM and engineering contracts: The Group is supplying services to its clients under several IRM and engineering contracts. Under the IRM contracts the Group supplies subsea inspection and repair and maintenance services. Under the engineering contracts, the Group undertakes naval architecture, structural engineering, mechanical design and operations and engineering across a broad range of applications for its clients.
- Shareholders' agreements and joint venture agreements: The Group is party to shareholders' agreements and joint venture agreements. For a description of the Group's joint ventures and material subsidiaries with minority interests, see Section 8.5.4 "Joint ventures and material subsidiaries with minority interests".
- Financing agreements: The Group is party to several financing agreements, including credit facilities agreements entered into with banks and bond agreements entered into with Nordic Trustee ASA on behalf of the bondholders. For a description of the Group's material borrowings, see Section 11.8.1 "Material borrowings" and Section 11.8.4 "Subsequent amendments to the credit facilities and bonds".

8.12 Insurance

The Group maintains insurance coverage customary for the type of business in which it operates. The Group's vessels are insured against such risks as the Group finds appropriate, including but not limited to, hull and machinery (H&M), protection & indemnity (P&I) (including cover for pollution liability as normally adopted by the industry for similar units), hull interest, freight interest, loss of hire and war risk insurances. The claims leaders are Norwegian Hull Club and Aon Norway AS.

The aggregate value of the hull and machinery insurance, hull interest insurance and freight interest insurance is equal to the higher of the market value of the insured vessel and one hundred and twenty per cent (120%) of the mortgaged loan corresponding to such vessel, whereof hull and machinery insurance at all times cover at least eighty per cent (80%) of the insurable value.

The mortgagees of the Group are noted as first priority mortgagee in the insurance contracts. The Group has on certain mortgaged loans taken out a mortgagee's interest insurance (MII) in addition to a mortgagee's interest – additional perils pollution insurance (MAP). The MAP is taken out when operating in certain areas of the world, such as the US or the Exclusive Economic Zone (as defined in the US Oil Pollution Act, 1990) or the territorial waters of any other jurisdiction having similar or comparable pollution or environmental protection legislation.

8.13 Health, safety, environment and quality

Safety is DOF's highest priority regardless of where DOF operates in the world. The Group strives to become a leader in the fields of health, safety and working environment.

The Group strives to improve safety and environmental performance across all worksites, globally. The Group's ambition is to be an incident free organisation. The Group saw improved performance in 2017, and is now close to the ambition to be 25% better to the International Marine Contractors Association (IMCA) average, which is its benchmark. During the approximately 9 million man-hours in 2017, the Group experienced two lost time injuries and 10 medical treatment cases/restricted workday cases. All employees are back in normal duties and none of the injured suffered permanent disabilities. All injuries have been investigated and root causes vary from weakness in risk perception to technical issues. However, no trends have been identified. The lost time injury frequency rate at the end of 2017 was 0.2 per million man-hours and recordable incident frequency rate of 1.1 per million man-hours.

In 2015, work commenced reinforcing the Group's safety culture by increasing focus on HSE training sessions and by rolling out a new safety programme, Safe the RITE way. RITE stands for respect, integrity, teamwork and excellence. During 2017, the Group has been able to establish a more unified safety culture through the Safe the RITE way programme, as well as stronger safety cooperation with clients, industry partners, and suppliers.

The Group's working environment is continuously being monitored, also by conducting regular working environment surveys. Absence due to sickness was below three percent during 2017.

During the year ended 31 December 2017, the subsea part of the Group was successfully re-certified by DNV-GL of the new management and environmental standards ISO 9001-2015 as well as ISO 14001-2015. The OHSAS 18001-2007 was also re-issued by DNV-GL. A programme has been initiated to merge the management system on the Marine side, between DOF Management AS and Norskan, according to the OVMSA standard. This work will be finalised in the first quarter of 2018.

The Group has a number of processes which ensures that direct and indirect activities that influence climate change are consistent with the Group's overall approach to climate change. Defining and measuring environmental sustainability and risks associated with the business activities is important for the Group. Investments in systems and equipment have been made in order to record, understand and improve environmental performance. In 2018, at least two vessels will have battery packs installed, and at least three vessels will be prepared for shore power connection. DOF reports according to the GRI (Global Reporting Initiative) in the DOF Group Sustainability Report. The report is audited by EY and all environmental figures are verified by CO2 Focus. In 2017, the Group achieved the "Management" score in the Carbon Disclosure Project, placing the Company in the top range of environmental initiatives within the industry.

8.14 Research and development

The Group is not involved in any material research and development activities.

8.15 Dependency on contracts, patents, licenses etc

It is the Company's opinion that the Group's existing business or profitability is not dependent upon any contracts. It is further the opinion of the Company that the Group's existing business or profitability is not dependent on any patents or licenses.

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Financial and other information" and Section 11 "Operating and financial review", and the Financial Statements and the Interim Financial Statements and related notes, incorporated by reference hereto, see Section 19.3 "Incorporation by reference".

9.1 Introduction

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 September 2017 and, in the "As adjusted 30 September 2017" column, the Group's unaudited capitalisation and net financial indebtedness as at 30 September 2017 on an adjusted basis to give effect to the material post-balance sheet events and effects of (i) the Private Placement completed on 21 December 2017 raising gross proceeds of NOK 500 million of which NOK 6 million are expenses charged to the Company and (ii) the Bond Amendment Agreement as further described in Section 11.8.4 "Subsequent amendment to the Group's credit facilities and bonds".

Other than the Private Placement and the Bond Amendment Agreement, there has been no material change to the Group's capitalisation and net financial indebtedness since 30 September 2017. For further details regarding the Private Placement, see Section 17 "The completed Private Placement and the terms of the Subsequent Offering" and Section 6 "Reasons for the Private Placement and the Subsequent Offering".

9.2 Capitalisation

<i>In NOK million</i>	As of 30 September 2017	Adjustment for the Private Placement	Adjustment for the Bond Amendment Agreement	As adjusted 30 September 2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Indebtedness				
<i>Total current debt:</i>				
Guaranteed.....	-	-	-	-
Secured ¹	1,984	-	-	1,984
Unguaranteed/unsecured.....	1,887	-	-508	1,379
<i>Total non-current debt:</i>				
Guaranteed.....	-	-	-	-
Secured ²	15,195	-	-	15,195
Unguaranteed/unsecured.....	1,476	-	508	1,984
Total indebtedness	20,542	-	-	20,542
Shareholders' equity				
Share capital.....	829	417	-	1,246
Share premium	2,003	83	-	2,086
Other equity.....	1,307	-6	-	1,302
Non-controlling interests.....	3,549	-	-	3,549
Total shareholders' equity	7,688	494	-	8,182
Total capitalisation	28,230	494	-	28,724

1 Debt to credit institutions, including lease debt and overdraft facilities. Most of the Group's loan facilities are secured with a standard vessel financing security package including mortgages over the relevant vessels, assignment of insurances and earnings and pledge over bank accounts. See Section 11.8.1 "Material borrowings" for further details regarding the loan facilities.

2 Debt to credit institutions, including lease debt. Most of the Group's loan facilities are secured with a standard vessel financing security package including mortgages over the relevant vessels, assignment of insurances and earnings and pledge over bank accounts. See Section 11.8.1 "Material borrowings" for further details regarding the loan facilities.

9.3 Net financial indebtedness

<i>In NOK million</i>	As of 30 September 2017	Adjustment for the Private Placement	Adjustment for the Bond Amendment Agreement	As adjusted 30 September 2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net indebtedness				
(A) Cash	2,009	494	-	2,503

<i>In NOK million</i>	As of 30 September 2017	Adjustment for the Private Placement	Adjustment for the Bond Amendment Agreement	As adjusted 30 September 2017
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
(B) Cash equivalents	-	-	-	-
(C) Interest bearing receivables	-	-	-	-
(D) Liquidity (A)+(B)+(C)	2,009	494	-	2,503
(E) Current financial receivables	-	-	-	-
(F) Current bank debt	300	-	-	300
(G) Current portion of non-current debt.....	2,192	-	-508	1,684
(H) Other current financial debt.....	-	-	-	-
(I) Current financial debt (F)+(G)+(H)	2,492	-	-508	1,984
(J) Net current financial indebtedness (I)-(E)-(D).....	483	-494	-508	-519
(K) Non-current bank loans including lease debt.....	15,195	-	-	15,195
(L) Bonds issued.....	1,368	-	508	1,876
(M) Other non-current loans.....	-	-	-	-
(N) Non-current financial indebtedness (K)+(L)+(M).....	16,563	-	508	17,071
(O) Net financial indebtedness (J)+(N)	17,046	-494	-	16,552

Note: Only interest bearing debt has been included in this table.

9.4 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.

9.5 Contingent and indirect indebtedness

As of 30 September 2017, and as of the date of the Prospectus, the Group did not have any contingent or indirect indebtedness at such date, other than set out below.

The Group has for the period from 2009 until 2016 received notices of assessment of customs penalty from the Brazilian Tax Authorities regarding importation of vessel and equipment to Brazil. The Group has disputed the assessments and based on legal opinions from a reputable law firm decided not to make a provision in the Financial Statements related to these penalty assessments. The assessments are ranked as low due to favorable court decisions recently in similar cases in Brazil.

DOF has issued certain guarantees on behalf of companies not being consolidated into the Group. For a description of such guarantees, see Section 11.8.5 "Off balance sheet arrangements".

10 FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been derived from the Company's unaudited consolidated interim financial statements as of and for the three and nine month periods ended 30 September 2017 and 2016 (the Interim Financial Statements) and the Company's audited consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014 (the Financial Statements). The Financial Statements have been prepared in accordance with IFRS, while the Interim Financial Statements have been prepared in accordance with IAS 34.

There has been some changes in presentation and classification of the balance sheet, the statement of consolidated income, the cash flow statement and the changes in equity statement in the financial statements for the year ended 31 December 2016. In order to present comparable figures, the financial statements for the years ended 2014 and 2015 have been presented and classified in the same way as the financial statements for the year ended 31 December 2016 in this Prospectus.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to note 2 of the Financial Statements incorporated by reference hereto, see Section 19.3 "Incorporation by reference".

10.3 Selected statement of comprehensive income

The tables below set out selected data from the Company's unaudited consolidated interim income statement and statement of comprehensive income for the three and nine month periods ended 30 September 2017 and 2016 and from the Company's audited consolidated income statement and statement of comprehensive income for the years ended 31 December 2016, 2015 and 2014.

In NOK million

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Income statement							
Operating income	1,595	1,917	4,871	6,356	8,134	10,291	10,196
Payroll expenses	-794	-780	-2,303	-2,536	-3,340	-4,159	-4,077
Other operating expenses	-392	-474	-1,288	-1,778	-2,258	-3,166	-3,170
Share of income of associates and joint ventures	81	-42	90	-83	-85	65	77
Net gain (loss) on sale of tangible assets	-	-	-1	73	171	332	468
Operating expenses	-1 105	-1 296	-3,502	-4,325	-5,513	-6,928	-6,702
Operating profit before depreciation and impairment - EBITDA	490	620	1,370	2,031	2,621	3,362	3,495
Depreciation	-257	-266	-761	-788	-1,063	-1,041	-1,029
Impairment	-367	-876	-854	-1,389	-1,762	-500	-16
Operating profit - EBIT	-134	-522	-245	-145	-203	1,822	2,450
Finance income	11	1,055	63	1,106	1,144	99	82
Finance costs	-226	-237	-712	-817	-1,134	-1,238	-1,355
Realised gain/loss on currencies	6	-49	-161	-243	-437	-332	-203
Unrealised gain/loss on currencies	280	159	483	740	742	-869	-336
Net change in unrealised gain/loss on derivatives	61	155	112	364	248	108	-217
Net financial items	133	1,083	-214	1,150	562	-2,232	-2,028
Profit (loss) before taxes	-1	561	-459	1,006	359	-410	422
Tax income (expense)	-26	16	-43	-91	-158	87	78
Profit (loss) for the period	-26	577	-502	915	201	-323	500
Attributable to:							
- Non-controlling interest	82	95	70	321	141	120	419
- Controlling interest	-109	482	-572	594	60	-443	81

In NOK million

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Earnings per share (NOK).....	-0.07	0.53	-0.35	1.57	0.09	-4.00	0.73
Diluted earnings per share (NOK)	-0.05	0.37	-0.29	1.17	0.07	-4.00	0.73

In NOK million

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Statement of comprehensive income							
Profit (loss) for the period	-26	577	-502	915	201	-323	500
Other comprehensive income net of tax							
Items that may be subsequently reclassified to profit or loss							
Currency translation differences	-38	-56	-71	-140	-59	89	381
Cash flow hedge.....	159	-12	170	729	762	-979	-332
Share of other comprehensive income of joint ventures and associates	-36	-28	-55	218	230	-377	-21
Total.....	85	-96	44	808	933	-1,267	28
Items that will not be reclassified to profit or loss							
Defined benefit plan actuarial gains/losses	-	-	-	-8	-4	13	-2
Total.....	-	-	-	-8	-4	13	-2
Total other comprehensive income for the period net of tax	85	-95	44	800	929	-1,253	27
Total comprehensive income for the period net of tax.....	59	482	-458	1,715	1,130	-1,577	527
Total comprehensive income attributable to:							
- Non-controlling interest	55	76	29	411	264	-60	495
- Controlling interest	4	406	-488	1,304	866	-1,517	31

10.4 Selected statement of financial position

The table below sets out selected data from the Company's unaudited consolidated interim statement of financial position as at 30 September 2017 and 2016 and from the Company's audited consolidated statement of financial position as at 31 December 2016, 2015 and 2014.

In NOK million

	As at 30 September	As at 30 September	As at 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Assets					
Tangible assets.....	21,068	23,030	22,199	23,188	23,866
Goodwill	320	338	330	436	418
Deferred tax assets	834	948	951	1,341	638
Investment in associated companies and joint ventures.....	847	647	808	513	1,246
Non-current receivables.....	1,132	1,218	1,152	905	512
Non-current assets	24,201	26,180	25,440	26,383	26,681
Trade receivables.....	1,513	1,503	1,506	2,112	2,331
Other receivables.....	507	736	592	589	710

In NOK million

	As at 30 September	As at 30 September	As at 31 December		
	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Current receivables.....	2,020	2,240	2,098	2,701	3,041
Restricted deposits.....	370	402	405	520	639
Cash and cash equivalents	1,639	1,631	1,787	1,536	1,971
Cash and cash equivalents included restricted deposits.....	2,009	2,033	2,192	2,056	2,609
Total current assets	4,029	4,273	4,290	4,757	5,650
Asset held for sale	-	-	-	477	-
Total current assets included asset held for sale.....	4,029	4,273	4,290	5,234	5,650
Total assets	28,230	30,453	29,731	31,617	32,331
Equity and liabilities					
Paid in capital.....	2,832	2,662	2,675	1,452	1,452
Other equity.....	1,307	2,403	1,950	439	1,957
Non-controlling interests.....	3,549	3,665	3,521	3,281	3,458
Total equity	7,688	8,730	8,146	5,172	6,866
Bond loan	1,368	1,296	1,297	3,347	4,124
Debt to credit institutions	15,195	16,665	16,729	17,354	13,091
Non-current derivatives	58	147	135	244	384
Deferred tax	1	1	1	42	49
Other non-current liabilities	48	66	51	70	85
Non-current financial liabilities.....	16,671	18,175	18,212	21,057	17,733
Current bond loan and debt to credit institution	2,609	2,174	1,805	3,034	5,840
Accounts payable.....	805	939	1,061	1,439	1,192
Other current liabilities	457	435	506	654	700
Current liabilities	3,871	3,548	3,372	5,127	7,732
Liabilities directly associated with asset held for sale.....	-	-	-	260	-
Current liabilities included liabilities held for sale.....	3,871	3,548	3,372	5,387	7,732
Total liabilities	20,542	21,723	21,584	26,445	25,465
Total equity and liabilities.....	28,230	30,453	29,731	31,617	32,331

10.5 Selected statement of cash flow

The table below sets out selected data from the Company's unaudited consolidated interim statements of cash flows for the three and nine month periods ended 30 September 2017 and 2016 and from the Company's audited statement of cash flows for the years ended 31 December 2016, 2015 and 2014.

In NOK million

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Operating result	-134	-522	-245	-145	-203	1,822	2,450
Depreciation and impairment	624	1,142	1,615	2,176	2,825	1,541	1,045
Profit/loss on disposal of tangible assets	-	-	1	-73	-171	-332	-468
Share of net income of associates and joint ventures.....	-81	42	-90	84	85	-65	-78
Change in trade receivables	-99	525	-7	627	606	219	-499
Change in accounts payable	-85	-354	-256	-482	-378	247	151
Change in other working capital.....	71	-20	194	-33	64	208	-108
Exchange rate effect on operating activities.....	-21	-38	-72	-56	-57	-196	50

In NOK million

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 (unaudited)	2016 (unaudited)	2017 (unaudited)	2016 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Cash from operating activities	274	776	1,140	2,098	2,770	3,444	2,544
Interest received	15	-9	51	42	59	36	63
Interest paid	-240	-222	-713	-807	-1,087	-1,248	-1,346
Tax paid	10	-14	-29	-53	-59	-215	-6
Net cash generated from operating activities	58	531	450	1,280	1,684	2,016	1,255
Payment received for sale of tangible assets	-	-1	33	550	1,531	1,953	2,082
Purchase of tangible assets	-104	-42	-713	-1,398	-1,610	-3,901	-2,001
Payments received for sale of shares.....	-	-	-	3	-	417	-
Purchase of shares.....	-	-2	-9	-2	-7	-	-6
Received dividends	-	-	5	-	-	3	-
Payments received on long-term receivables	-28	-14	-107	-365	-356	-431	-156
Net cash used in investing activities	-132	-59	-792	-1,212	-443	-1,958	-81
Proceeds from borrowings.....	300	-685	2,276	1,288	5,088	6,681	4,036
Repayment of borrowings	-438	-6	-2,123	-2,140	-6,935	-7,299	-4,895
Share issue	-	1,044	-	1,044	1,044	-	-
Purchase of convertible bond.....	-	-209	-	-209	-209	-	-
Non-controlling interest	-	-	-	-26	-26	-117	-7
Net cash flow from financing activities	-138	144	153	-43	-1,036	-735	-866
Net change in cash and cash equivalents	-211	615	-189	25	204	-677	307
Cash included restricted cash at the start of the period	2,201	1,442	2,192	2,056	2,056	2,609	2,219
Exchange gain/loss on cash and cash equivalents	19	-24	6	-48	-68	124	83
Cash included restricted cash at the end of the period	2,009	2,033	2,009	2,033	2,192	2,056	2,609

10.6 Selected statement of changes in equity

The table below sets out selected data from the Company's unaudited consolidated statement of changes in equity for the nine month period ended 30 September 2017 and from the Company's audited consolidated statement of changes in equity for the years ended 31 December 2016, 2015 and 2014.

<i>In NOK million</i>										
	Share capital	Share premium fund	Paid in capital	Other contributed capital	Other equity – retained earnings	Other equity – currency translation differences	Other equity – Cash flow hedge	Total other equity	Non-contr-olling interest	Total equity
Balance at 1 January 2014	222	1,230	1,452	-	2,076	-54	-93	1,929	2,965	6,346
Profit (loss) for the year	-	-	-	-	81	-	-	81	419	500
Other comprehensive income	-	-	-	-	-13	304	-342	-50	77	27

In NOK million

	Share capital	Share premium fund	Paid in capital	Other contributed capital	Other equity – retained earnings	Other equity – currency translation differences	Other equity – Cash flow hedge	Total other equity	Non-controlling interest	Total equity
Total comprehensive income for the year	-	-	-	-	68	304	-342	31	495	527
Changes in non-controlling interests	-	-	-	-	-4	-	-	-4	-3	-7
Total transactions with owners.....	-	-	-	-	-4	-	-	-4	-3	-7
Balance at 31 December 2014 ...	222	1,230	1,452	-	2,141	250	-435	1,957	3,458	6,866
Balance at 1 January 2015	222	1,230	1,452	-	2,141	250	-435	1,957	3,458	6,866
Profit (loss) for the year	-	-	-	-	-443	-	-	-443	120	-323
Other comprehensive income	-	-	-	-	-181	99	-991	-1,073	-181	-1,254
Reclassification between CTA and cash flow hedge.....	-	-	-	-	-	-126	126	-	-	-
Total comprehensive income for the year	-	-	-	-	-625	-27	-865	-1,517	-60	-1,577
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-116	-116
Total transactions with owners.....	-	-	-	-	-	-	-	-	-116	-116
Balance at 31 December 2015 ...	222	1,230	1,452	-	1,516	222	-1,299	439	3,281	5,172
Balance at 1 January 2016	222	1,230	1,452	-	1,516	222	-1,299	439	3,281	5,172
Profit (loss) for the year	-	-	-	-	594	-	-	594	321	915
Other comprehensive income	-	-	-	-	103	-123	729	710	90	800
Total comprehensive income for the year	-	-	-	-	697	-123	729	1,303	411	1,715
Reduced share capital with reduced nominal value.....	-167	-	-167	-	167	-	-	167	-	-
Convertible bond	-	-	-	824	-	-	-	824	-	824
Converted bond	159	159	317	-317	-	-	-	-317	-	-

In NOK million

	Share capital	Share premium fund	Paid in capital	Other contributed capital	Other equity – retained earnings	Other equity – currency translation differences	Other equity – Cash flow hedge	Total other equity	Non-controlling interest	Total equity
Share issue settled in cash	530	530	1,060	-	-16	-	-	-16	-	1,044
Dividends	-	-	-	-	-	-	-	-	-23	-23
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-2	-2
Total transactions with owners.....	522	689	1,211	506	151	-	-	658	-25	1,843
Balance at 30 September 2016 ..	744	1,918	2,662	506	2,364	99	-570	2,403	3,665	8,730
Balance at 1 January 2016	222	1,230	1,452	-	1,516	222	-1,299	439	3,281	5,172
Profit (loss) for the period	-	-	-	-	60	-	-	60	141	201
Other comprehensive income	-	-	-	-	114	-69	762	807	123	929
Reclassification between CTA and cash flow hedge.....	-	-	-	-	-	156	-156	-	-	-
Total comprehensive income for the year	-	-	-	-	174	87	606	866	264	1,130
Reduced share capital with reduced nominal value.....	-167	-	-167	-	167	-	-	167	-	-
Convertible bond	-	-	-	824	-	-	-	824	-	824
Converted bond	165	165	330	-330	-	-	-	-330	-	-
Share issue settled with cash	530	530	1,060	-	-16	-	-	-16	-	1,044
Dividends	-	-	-	-	-	-	-	-	-22	-22
Changes in non-controlling interest..	-	-	-	-	-	-	-	-	-2	-2
Total transactions with owners.....	529	695	1,224	493	151	-	-	644	-24	1,844
Balance at 31 December 2016 ...	751	1,925	2,675	493	1,840	309	-693	1,950	3,521	8,146
Balance at 1 January 2017	751	1,925	2,675	493	1,840	309	-693	1,950	3,521	8,146
Profit (loss) for the year	-	-	-	-	-572	-	-	-572	70	-502
Other comprehensive income	-	-	-	-	-28	-57	170	84	-40	44

In NOK million

	Share capital	Share premium fund	Paid in capital	Other contributed capital	Other equity – retained earnings	Other equity – currency translation differences	Other equity – Cash flow hedge	Total other equity	Non-controlling interest	Total equity
Total comprehensive income for the year	-	-	-	-	-600	-57	170	-488	30	-458
Converted bond	78	78	156	-156	-	-	-	-156	-	-
Total transactions with owners	78	78	156	-156	-	-	-	-156	-	-
Balance at 30 September 2017 ..	829	2,003	2,832	338	1,240	252	-523	1,307	3,549	7,688

10.7 Key financial information by segment

The Group operates within three business segments in terms of strategic areas of operation and vessel types. The three different business segments are: PSV (platform supply vessel), AHTS (anchor handling tug supply vessel) and CSV (construction support vessel/subsea vessels). The subsidiary DOF Subsea is represented as part of the CSV segment.

The segment reporting is presented according to internal management reporting, based on proportional consolidation method of accounting of joint ventures controlled companies. The bridge between the management reporting and the figures in the financial statement is included in the presentation below.

The table below sets out selected segment data from the notes to the Interim Financial Statements and the Financial Statements.

In NOK million (unaudited)	PSV	AHTS	CSV	Total	Reconciliation to equity method	Financial reporting
Three months ended 30 September 2017						
Operating income	211	353	1,236	1,801	-206	1,595
Gain on sale for tangible assets	-	-	-	-	-	-
EBITDA	40	164	358	562	-73	490
Depreciation	-35	-66	-190	-291	34	-257
Impairment	-151	-36	-207	-395	28	-367
EBIT	-146	61	-40	-124	-10	-134
Three months ended 30 September 2016						
Operating income	242	422	1,372	2,036	-119	1,917
Gain on sale for tangible assets	-	-	-	-	-	-
EBITDA	91	173	462	727	-107	620
Depreciation	-40	-75	-179	-294	27	-266
Impairment	-442	-270	-216	-928	53	-876
EBIT	-391	-172	67	-495	-27	-522
Year ended 31 December 2016						
Operating income	961	1,652	5,957	8,569	-435	8,134
Gain on sale for tangible assets	2	-	169	171	-	171
EBITDA	336	682	1,969	2,986	-364	2,621
Depreciation	-184	-268	-691	-1,142	80	-1,063
Impairment	-696	-513	-723	-1,932	170	-1,762
EBIT	-544	-98	554	-89	-114	-203
Year ended 31 December 2015						
Operating income	1,217	1,640	7,952	10,809	-518	10,291

<i>In NOK million (unaudited)</i>	Reconciliation					
	PSV	AHTS	CSV	Total	to equity method	Financial reporting
Gain on sale for tangible assets	28	96	251	375	-43	332
EBITDA	461	829	2,430	3,719	-357	3,362
Depreciation.....	-174	-247	-698	-1,118	77	-1,041
Impairment	-60	-257	-215	-531	31	-500
EBIT.....	228	325	1,517	2,070	-248	1,822
Year ended 31 December 2014						
Operating income	1,205	1,459	8,017	10,681	-485	10,196
Gain on sale for tangible assets	-	-	-468	-468	-	468
EBITDA	452	686	2,652	3,790	-295	3,495
Depreciation.....	-185	-228	-698	-1,111	82	-1,029
Impairment	-	-	-16	-16	-	-16
EBIT.....	267	458	1,938	2,663	-213	2,450

10.8 Sales revenues by geographic area

The table below sets out the Group's unaudited sales revenues by geographic area for the years ended 31 December 2016, 2015 and 2014.

	Year ended 31 December 2016		Year ended 31 December 2015		Year ended 31 December 2014	
	MNOK	Ratio %	MNOK	Ratio %	MNOK	Ratio %
Norway.....	958	12	1,863	18	2,920	29
Brazil	2,556	31	2,764	27	2,519	25
United Kingdom.....	1,329	16	1,838	18	1,610	16
Australia	800	10	951	9	722	7
United States	661	8	928	9	595	6
Netherland.....	145	2	377	4	197	2
Argentina.....	421	5	338	3	222	2
Singapore	56	1	244	2	212	2
Other	1,208	15	986	10	1,199	12
Total	8,134	100%	10,291	100%	10,196	100%

10.9 Auditor

The Company's auditor is PricewaterhouseCoopers AS (PwC), Dronning Eufemias gate 8, 0191 Oslo, Norway. PwC's partners are members of The Norwegian Institute of Public Accountants (*Nw.*: Den Norske Revisorforening). PwC has been the Company's auditor since 22 May 1996 (earlier Coopers & Lybrand). The Financial Statements have been audited by PwC, and the auditor's report is included together with the Financial Statements as incorporated hereto, see Section 19.3 "Incorporation by reference". PwC has not audited, reviewed or produced any report on any other information provided in this Prospectus.

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Financial and other information" and the Financial Statements and Interim Financial Statements and related notes incorporated by reference hereto, see Section 19.3 "Incorporation by reference". The following discussion contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" of this Prospectus and Section 4.3 "Cautionary note regarding forward-looking statements" as well as other sections of this Prospectus.

11.1 Overview

11.1.1 General overview

The Group is a leading provider of essential offshore and subsea services to the global offshore industry, and has vessels operating in all major oil and gas regions. With over 35 years in the offshore business, the Group has a strong position in terms of experience, innovation, product range, technology and capacity.

The Group's core businesses are vessel ownership, vessel management, and project management, including engineering, survey, IRM (inspection, repair and maintenance), mooring, lift construction and decommissioning primarily for the oil and gas sector. The Group's main operation centres and business units are located in the Atlantic region (Norway and UK), the Asia Pacific region (Singapore and Australia), the North America Region (USA and Canada) and the South America Region (Brazil).

As of the date of this Prospectus, the Group had a fleet comprising of 64 vessels and two newbuilds. As of the date of this Prospectus, the Group further owned a ROV fleet of 70 units. The Group operates a majority of its fleet on long-term contracts. As of 30 September 2017, the Group's firm backlog was approximately NOK 23 billion in addition to options backlog of approximately NOK 33 billion (not including frame agreements within subsea vessel projects).

11.1.2 Reporting segments

The Group operates in three segments of the offshore services market, strategically defined by activities and vessel types: PSV (Platform Supply Vessels), AHTS (Anchor Handling Tug Supply vessels) and Subsea (Subsea vessels and Subsea engineering services).

PSVs transport oilfield products and supplies to offshore drilling and production facilities. As of the date of this Prospectus, the Group had 16 PSVs. AHTS' are used to set anchors for drilling rigs, tow mobile drilling rigs and equipment from one location to another. As of the date of this Prospectus, the Group had 20 AHTS vessels. Subsea vessels are the most sophisticated in the DOF fleet, and are utilised for a wide range of subsea services and projects, such as diving vessels, well stimulation vessels, pipe laying, construction support vessels and other vessels within this category. As of the date of this Prospectus, the Group had 30 subsea vessels (including two newbuilds).

11.1.3 Presentation of financial information

The Financial Statements as of and for the years ended 31 December 2016, 2015 and 2014 have been prepared in accordance with IFRS. The Financial Statements have been audited by PwC. The unaudited Interim Financial Statements as of and for the three and nine months ended 30 September 2017 and 2016 have been prepared in accordance with IAS 34. The Financial Statements and the Interim Financial Statements are incorporated by reference hereto, see Section 19.3 "Incorporation by reference".

11.2 Recent developments and trends

The market has overall continued to be weak throughout 2017, but with higher activity in certain regions due to seasonal variations. The market is expected to continue to be challenging during the winter season and throughout 2018. The current market situation has increased the risk of lower utilisation and reduced earnings for the Group. The uncertainty related to evaluation of the market development is higher than normal, and the value of the Group's vessels, equipment and investments in joint ventures may be challenged if the negative market continues.

As of 30 September 2017, the Group had a contract coverage of 43.74% for 2018. All vessels under construction are secured firm contracts.

The Group maintains its strategy to secure the fleet on long-term contracts, and is actively working on securing and increasing firm employment of as much of the fleet as possible. The Group continues its work to reduce costs, including increasing the efficiency of work processes.

Below is an overview of the material developments in the Group's business since 30 September 2017:

- New contracts:

- In October 2017, the DOF Subsea Group was awarded several contracts, securing utilisation for several vessels in the Subsea IRM projects segment. In the Atlantic region, the DOF Subsea Group was awarded a contract within wind industry, securing utilisation of Skandi Neptune for 45 days + options in the fourth quarter. In the North America region, the DOF Subsea Group was awarded a contract for the provision of survey, ROV and vessel services in the Gulf of Mexico, securing 135 days of vessel utilisation in two phases. The project utilises the vessels Harvey Deep Sea and Skandi Achiever. Phase one commenced in the fourth quarter of 2017 and phase two commences in the first quarter of 2018.
- In November 2017, the Group was awarded several contracts and extensions: Skandi Sotra received a contract in Australia with Chevron Australia PTY Ltd. The contract is for 75 days plus options with start-up in the fourth quarter of 2017. Fugro extended the firm contract for Skandi Olympia in the North Sea until end September 2018. Skandi Foula was awarded a 2 months contract + options in the Black Sea. Wintershall has declared 3 months option for Skandi Gamma and the contract was extended until mid-March 2018. Skandi Darwin commenced its long-term IRM contract on the Shell Prelude FLNG facility in Australia. The DOF Subsea Group was awarded several contracts, securing utilisation for vessels in the Subsea IRM projects segment. In the Atlantic region, the contracts for Skandi Neptune and Skandi Constructor were extended until the end of 2017 and end of January 2018, respectively. In the Asia Pacific region, a contract for the provision of geotechnical services in Northern Australia was awarded securing utilisation for Skandi Hercules in the first quarter of 2018. In Brazil, Skandi Niteroi, owned by the joint venture between DOF Subsea (50%) and Technip Coflexip Norge AS (50%), was awarded a contract by McDermott on the Atlanta Project for Queiroz Galvão, with a contract duration of approximately 2 months.
- In January 2018, the DOF Subsea Group was awarded two new ROV contracts by Petrobras in Brazil for ROVs to be installed on board Skandi Angra and Skandi Paraty. The new contracts start in April 2018 and end in September and November 2020, respectively. Further, Petrobras extended two ROV contracts for the ROVs on board Skandi Iguacu and Skandi Urca until end of 2018. The new contracts and contract extensions give 1,630 days of ROV services for the DOF Subsea Group and increase the backlog by approximately NOK 200 million.

- Sale of vessels:

- In November 2017, the Group sold Skandi Møgster (AHTS), built in 1998. In December 2017, the Group sold Skandi Marstein (PSV), built in 1996. The sales were in line with DOF Group's strategy to divest in the oldest part of the fleet.

11.3 Significant factors affecting the Group's results of operations and financial performance

The Group's results of operations have been, and may continue to be, affected by certain key factors, as well as certain historical events and actions. The key factors affecting the Group's business and its results of operations include, in particular:

11.3.1 Oil price and E&P spending

The oil price and E&P spending by the oil companies are the main factors affecting the short, medium and long-term demand for the Group's services. A negative or positive shift in the oil price will reduce or increase the oil companies' E&P spending. The amount spent by oil companies on offshore operations and development projects is an indication of the overall demand for offshore services in the industry.

The above mentioned principle factors affect the markets in which the Group operates and they have in turn an impact on the Group's business and its results.

11.3.2 *Investments in the fleet*

The quality and the size of the Group's fleet is a business enabler. The range of vessels, together with the equipment onboard and the global organisation, have and will increase the Group's ability to win contracts. The Group's fleet size in all regions it operates gives the Group a competitive advantage within the subsea/IRM project segment.

In the long-term chartering segment, the Group has invested in state-of-the-art vessels which enables the Group to obtain long-term charter contracts with reputable counterparties in the oil and gas industry.

If the markets the Group operates in experience a slow-down, and thereby a weakening, the Group may find opportunities to acquire and charter-in additional vessels at favourable prices. However, a weak market will also reduce the value of the Group's existing fleet and the prices obtainable through potential sale of vessels.

11.3.3 *Global organisation*

The experience and qualification of the employees are key to the Group's operations. The Group has gradually built its organisation and increased the complexity of work performed in all regions.

The Group has invested in standardisation of guidelines, procedures and an uniform way of its operations. A period of weakened markets has enabled the Group to get access to, and be able to permanently employ, highly qualified personnel. However, a weakened market may also lead to redundancy of personnel and loss of competence. In a strong market the Group may face difficulties to hire in qualified personnel at acceptable costs.

11.3.4 *Day rates*

The vessel day rate is dependent of the supply and demand for vessels. Short-term day rates fluctuate more than long-term day rates. The short-term day rates depend on the supply and demand for vessels at any given time. In a market with over-supply of vessels, the day rates may be as low as the operating cost less costs of lay-up. However, in the medium term, the short-term day rates may move towards market equilibrium where the owners get a normalized return on investments.

In the long-term market, the day rates are derived from newbuilding cost of the vessel, the interest rate level, the cost of operating the vessel and the owners' required rate of return.

For the vessels owned by the Group, a low day rate is negative for the operation and the Group's result. However, a low day rate for the chartered-in vessels in the subsea/IRM project segment is positive for the operations and the Group's results.

11.3.5 *Contract backlog*

The Group's ability to secure contracts has a major impact on the Group's business and its results. Traditionally, the Group has been able to maintain a large contract backlog within the long-term chartering business segment. Over the last five years, the Group has built a reputation as a global IRM contractor and the long-term contract backlog within this segment has increased through several IRM contract awards to the Group companies. The quality and the size of the Group's backlog influences the future revenues and the Group's overall exposure to fluctuations in market conditions, which potentially could have an adverse effect on the Group's results and operations in a weakened market.

11.3.6 *Fleet utilisation*

The Group's backlog and its ability to secure new contracts is the main driver behind its fleet utilisation, in addition to the maintenance level and the operation of the vessels. However, within the subsea/IRM project segment, scheduling is also key for vessel utilisation.

11.3.7 *Operation of assets*

The quality of maintenance and standardisation of equipment is important for the Group's performance. Poor maintenance level of the Group's assets may lead to increased costs, lower fleet utilisation and loss of reputation for the Group. The Group has invested heavily in personnel and maintenance systems in order to monitor the quality and performance of vessels and equipment.

11.3.8 Operations through joint ventures and concentrating risk towards clients

The Group is party to joint venture agreements. Owning vessels in a joint venture limits the Group's control over the assets and the operations are dependent on agreements with the other joint venture party. However, joint venture agreements may also mitigate the Group's risk on projects and assets.

11.3.9 Foreign exchange rates and interest rate

The Group has an active approach to foreign exchange risk and to interest rate risk. To a large extent, the Group seeks to match income and costs in the same currency. In addition to standard hedging, the Group uses derivatives to reduce exchange risk exposure.

On the interest rate exposure, the Group tries to match the long-term chartering commitments with having long-term funding of assets at fixed interest rates. In addition to the fixed interest rate loans, the Group uses derivatives to reduce the interest rate exposure.

A strong USD and a low interest rate is positive for the Group's results and operations, while a weakened USD and high interest rate could lead to adverse effects for the Group's results and operations.

11.3.10 Regulatory

The Group has a global operation and seeks to comply with all local regulations. The local regulations may reduce the Group's ability to transfer assets from one country to another or between regions. The differences in local regulations may also effect the cost level for the Group, in order for it to comply with local content requirements and taxations. Differences in local regulations increase the Group's vulnerability to seasonality, i.e. reduced ability to move assets from low demand areas due to winter season and low activity to an area with higher activity.

11.4 Results of operations

11.4.1 Three months ended 30 September 2017 compared with three months ended 30 September 2016

The table below is extracted from the Interim Financial Statements for the three months ended 30 September 2017 and 2016.

In NOK million

	Three months ended 30 September	
	2017 (unaudited)	2016 (unaudited)
Operating income	1,595	1,917
Payroll expenses.....	-794	-780
Other operating expenses	-392	-474
Share of income associates and joint ventures	81	-42
Net gain (loss) on sale of tangible assets	-	-
Operating expenses	-1,105	-1,296
Operating profit before depreciation and impairment - EBITDA.....	490	620
Depreciation.....	-257	-266
Impairment.....	-367	-876
Operating profit - EBIT	-134	-522
Finance income	11	1,055
Finance costs	-226	-237
Realised gain/loss on currencies	6	-49
Unrealised gain/loss on currencies	280	159
Net changes in fair value of financial instruments	61	155
Net financial costs	133	1,083
Profit (loss) before taxes	-1	561
Tax income (expense)	-26	16
Profit (loss) for the period	-26	577

11.4.1.1 Operating income

Operating income for the three months ended 30 September 2017 was NOK 1,595 million compared to NOK 1,917 million for the three months ended 30 September 2016, a decrease of NOK 322 million. The decrease was primarily attributable to reduced activity from subsea projects, reduced day-rates and utilisation on time-charter contracts.

11.4.1.2 Payroll expenses

Payroll expenses for the three months ended 30 September 2017 was NOK -794 million compared to NOK -780 million for the three months ended 30 September 2016, an increase of NOK 14 million.

11.4.1.3 Other operating expenses

Other operating expenses for the three months ended 30 September 2017 was NOK -392 million compared to NOK -474 million for the three months ended 30 September 2016, a decrease of NOK 82 million. The decrease was primarily attributable to reduced activity on subsea projects and reduced costs on vessels due to layup.

11.4.1.4 Share of income associates and joint ventures

Share of income of associates and joint ventures for the three months ended 30 September 2017 was NOK 81 million compared to NOK -42 million for the three months ended 30 September 2016, an increase of NOK 123 million. The increase was primarily attributable to less impact on impairment of vessels in 2017.

11.4.1.5 Net gain (loss) on sale of tangible assets

There was no net gain or loss on sale of tangible assets during the three months ended 30 September 2017 or the three months ended 30 September 2016.

11.4.1.6 Operating profit before depreciation and impairment – EBITDA

For the reasons described above, EBITDA for the three months ended 30 September 2017 was NOK 490 million compared to NOK 620 million for the three months ended 30 September 2016, a decrease of NOK 130 million.

11.4.1.7 Depreciation

Depreciation for the three months ended 30 September 2017 was NOK -257 million compared to NOK -266 million for the three months ended 30 September 2016, a decrease of NOK 9 million.

11.4.1.8 Impairment

Impairment for the three months ended 30 September 2017 was NOK -367 million compared to NOK -876 million for the three months ended 30 September 2016, a decrease of NOK 509 million. The decrease was primarily attributable to high drop in the market values on vessels in the third quarter of 2016.

11.4.1.9 Operating profit – EBIT

For the reasons described above, EBIT for the three months ended 30 September 2017 was NOK -134 million compared to NOK -522 million for the three months ended 30 September 2016, an increase of NOK 388 million.

11.4.1.10 Finance income

Finance income for the three months ended 30 September 2017 was NOK 11 million compared to NOK 1,055 million for the three months ended 30 September 2016, a decrease of NOK 1,044 million. The decrease is primarily attributable to gain on conversion of bond loan in 2016.

11.4.1.11 Finance costs

Finance costs for the three months ended 30 September 2017 was NOK -226 million compared to NOK -237 million for the three months ended 30 September 2016, a decrease of NOK 11 million.

11.4.1.12 Realised gain/loss on currencies

Realised gain/loss on currencies for the three months ended 30 September 2017 was NOK 6 million compared to NOK -49 million for the three months ended 30 September 2016, an increase of NOK 55 million. The increase is primarily attributable to the fluctuations in foreign exchange rates throughout the period, with a particular impact on NOK and BRL against the USD.

11.4.1.13 Unrealised gain/loss on currencies

Unrealised gain/loss on currencies for the three months ended 30 September 2017 was NOK 280 million compared to NOK 159 million for the three months ended 30 September 2016, an increase of NOK 121 million. The increase was primarily attributable to the fluctuations in foreign exchange rates throughout the period, with a particular impact on NOK and BRL against the USD.

11.4.1.14 Net change on unrealised gain/loss on financial instruments

Net change in unrealised gain/loss on financial instruments for the three months ended 30 September 2017 was NOK 61 million compared to NOK 155 million for the three months ended 30 September 2016, a decrease of NOK 94 million. The decrease was attributable to interest swap contracts and currency derivatives.

11.4.1.15 Profit (loss) before taxes

For the reasons described above, profit (loss) before taxes for the three months ended 30 September 2017 was NOK -1 million compared to NOK 561 million for the three months ended 30 September 2016, a decrease of NOK 562 million.

11.4.1.16 Tax income (expense)

Tax income/expense for the three months ended 30 September 2017 was NOK -26 million compared to NOK 16 million for the three months ended 30 September 2016, a decrease of NOK 42 million.

11.4.1.17 Profit (loss) for the period

For the reasons described above, profit (loss) for the three months ended 30 September 2017 was NOK -26 million compared to NOK 577 million for the three months ended 30 September 2016, a decrease of NOK 603 million.

11.4.2 Nine months ended 30 September 2017 compared with nine months ended 30 September 2016

The table below is extracted from the Interim Financial Statements for the nine months ended 30 September 2017 and 2016.

In NOK million

	Nine months ended 30 September	
	2017 (unaudited)	2016 (unaudited)
Operating income	4,871	6,356
Payroll expenses	-2,303	-2,536
Other operating expenses	-1,288	-1,778
Share of income of associates and joint ventures	90	-83
Net gain (loss) on sale of tangible assets	-1	73
Operating expenses	-3,502	-4,325
Operating profit before depreciation and impairment - EBITDA	1,370	2,031
Depreciation	-761	-788
Impairment	-854	-1,389
Operating profit - EBIT	-245	-145
Finance income	63	1,106
Finance costs	-712	-817
Realised gain/loss on currencies	-161	-243
Unrealised gain/loss on currencies	483	740
Net change in fair value of financial instruments	112	364
Net financial items	-214	1,150
Profit (loss) before taxes	-459	1,006
Tax income (expense)	-43	-91
Profit (loss) for the period	-502	915

11.4.2.1 Operating income

Operating income for the nine months ended 30 September 2017 was NOK 4,871 million compared to NOK 6,356 million for the nine months ended 30 September 2016, a decrease of NOK 1,485 million. The decrease was primarily

attributable to reduced activity from subsea projects, reduced day-rates and utilisation on time-charter contracts. The Group took delivery of one vessel and sold one vessel.

11.4.2.2 Payroll expenses

Payroll expenses for the nine months ended 30 September 2017 was NOK -2,303 million compared to NOK -2,536 million for the nine months ended 30 September 2016, a decrease of NOK 233 million. The decrease was primarily attributable to reduced activity from the subsea projects.

11.4.2.3 Other operating expenses

Other operating expenses for the nine months ended 30 September 2017 was NOK -1,288 million compared to NOK -1,778 million for the nine months ended 30 September 2016, a decrease of NOK 490 million. The decrease was primarily attributable to reduced activity from the subsea projects and layup of vessel.

11.4.2.4 Share of income of associates and joint ventures

Share of income of associates and joint ventures for the nine months ended 30 September 2017 was NOK 90 million compared to NOK -83 million for the nine months ended 30 September 2016, an increase of NOK 173 million. The increase was primarily attributable to less impact on impairment of vessel owned by joint ventures in 2017.

11.4.2.5 Net gain (loss) on sale of tangible assets

Net gain (loss) on sale of tangible assets for the nine months ended 30 September 2017 was NOK -1 million compared to NOK 73 million for the nine months ended 30 September 2016, a decrease of NOK 74 million. The Group sold one vessel in the nine months period 2017 and one vessel in the nine months period 2016.

11.4.2.6 Operating profit before depreciation and impairment – EBITDA

For the reasons described above, EBITDA for the nine months ended 30 September 2017 was NOK 1,370 million compared to NOK 2,031 million for the nine months ended 30 September 2016, a decrease of NOK 661 million.

11.4.2.7 Depreciation

Depreciation for the nine months ended 30 September 2017 was NOK -761 million compared to NOK -788 million for the nine months ended 30 September 2016, a decrease of NOK 27 million.

11.4.2.8 Impairment

Impairment for the nine months ended 30 September 2017 was NOK -854 million compared to NOK -1,389 million for the nine months ended 30 September 2016, a decrease of NOK 535 million. The impairments in 2017 were related to vessels (NOK 844 million) and goodwill (NOK 10 million). In the same period in 2016, the impairment of vessels was NOK 1,327 and goodwill NOK 62 million.

11.4.2.9 Operating profit – EBIT

For the reasons described above, EBIT for the nine months ended 30 September 2017 was NOK -245 million compared to NOK -145 million for the nine months ended 30 September 2016, a decrease of NOK 100 million.

11.4.2.10 Finance income

Finance income for the nine months ended 30 September 2017 was NOK 63 million compared to NOK 1,106 million for the nine months ended 30 September 2016, a decrease of NOK 1,043 million. The decrease was primarily attributable to gain on conversion of bond loan in 2016.

11.4.2.11 Finance costs

Finance costs for the nine months ended 30 September 2017 was NOK -712 million compared to NOK -817 million for the nine months ended 30 September 2016, a decrease of NOK 105 million. The decrease was primarily attributable to reduced interest bearing debt and reduced interest rate in 2016.

11.4.2.12 Realised gain/loss on currencies

Realised gain/loss on currencies for the nine months ended 30 September 2017 was NOK -161 million compared to NOK -243 million for the nine months ended 30 September 2016, a decrease of NOK 82 million.

11.4.2.13 Unrealised gain/loss on currencies

Unrealised gain/loss on currencies for the nine months ended 30 September 2017 was NOK 483 million compared to NOK 740 million for the nine months ended 30 September 2016, a decrease of NOK 257 million. The decrease was primarily attributable to the fluctuations in foreign exchange rates throughout the period, with a particular impact on NOK and BRL against the USD.

11.4.2.14 Net change in fair value of financial instruments

Net change in fair value of financial instruments for the nine months ended 30 September 2017 was NOK 112 million compared to NOK 364 million for the nine months ended 30 September 2016, a decrease of NOK 252 million. The decrease was attributable to interest swap contracts and currency derivatives.

11.4.2.15 Profit (loss) before taxes

For the reasons described above, profit (loss) before taxes for the nine months ended 30 September 2017 was NOK -459 million compared to NOK 1,006 million for the nine months ended 30 September 2016, a decrease of NOK 1,465 million.

11.4.2.16 Tax income (expense)

Tax income/expense for the nine months ended 30 September 2017 was NOK -43 million compared to NOK -91 million for the nine months ended 30 September 2016, a decrease of NOK 48 million.

11.4.2.17 Profit (loss) for the period

For the reasons described above, profit (loss) for the nine months ended 30 September 2017 was NOK -502 million compared to NOK 915 million for the nine months ended 30 September 2016, a decrease of NOK 1,417million.

11.4.3 Year ended 31 December 2016 compared with year ended 31 December 2015

The table below is extracted from the Financial Statements for the years ended 31 December 2016 and 2015.

In NOK million

	Year ended 31 December	
	2016 (audited)	2015 (audited)
Operating income	8,134	10,291
Payroll expenses.....	-3,340	-4,159
Other operating expenses	-2,258	-3,166
Share of income of associates and joint ventures.....	-85	65
Net gain (loss) on sale of tangible assets	171	332
Operating expenses	-5,513	-6,928
Operating profit before depreciation and impairment - EBITDA.....	2,621	3,362
Depreciation	-1,063	-1,041
Impairment.....	-1,762	-500
Operating profit - EBIT	-203	1,822
Finance income	1,144	99
Finance costs	-1,134	-1,238
Realised gain/loss on currencies	-437	-332
Unrealised gain/loss on currencies	742	-869
Net change in unrealised gain/loss on derivatives	248	108
Net financial items.....	562	-2,232
Profit (loss) before taxes	359	-410
Tax expense (income)	-158	87
Profit (loss) for the period	201	-323

11.4.3.1 Operating income

Operating income for the year ended 31 December 2016 was NOK 8,134 compared to NOK 10,291 million for the year ended 31 December 2015, a decrease of NOK 2,157 million. The drop in revenue compared to 2015 reflects fewer vessels in operation and lower earnings from the projects activity. The Group has during 2016 sold three vessels and taken delivery of one newbuilding.

11.4.3.2 Payroll expenses

Payroll expenses for the year ended 31 December 2016 was NOK -3,340 compared to NOK -4,159 million for the year ended 31 December 2015, a decrease of NOK 819 million. The decrease is mainly attributable to lower project activity and fewer vessels in operation.

11.4.3.3 Other operating expenses

Payroll expenses for the year ended 31 December 2016 was NOK -2,258 compared to NOK -3,166 million for the year ended 31 December 2015, a decrease of NOK 908 million. The decrease was mainly related to lower project activity and fewer vessel in operation.

11.4.3.4 Share of income associated with joint ventures

Share of income of associates and joint ventures for the year ended 31 December 2016 was NOK -85 compared to NOK 65 million for the year ended 31 December 2015, a decrease of NOK 150 million. The decrease was primarily attributable to substantial drop in values of the AHTS fleet during 2016. One newbuilding was delivered.

11.4.3.5 Net gain (loss) on sale of tangible assets

Net gain (loss) on sale of tangible assets for the year ended 31 December 2016 was NOK 171 compared to NOK 332 million for the year ended 31 December 2015, a decrease of NOK 161 million. The gain in 2016 was related to sales of three vessels, Skandi Protector, Skandi Stord and Skandi Santos.

11.4.3.6 Operating profit before depreciation and impairment – EBITDA

For the reasons described above, EBITDA for the year ended 31 December 2016 was NOK 2,621 compared to NOK 3,362 million for the year ended 31 December 2015, a decrease of NOK 741 million.

11.4.3.7 Depreciation

Depreciation for the year ended 31 December 2016 was NOK -1,063 compared to NOK -1,041 million for the year ended 31 December 2015, an increase of NOK 22 million.

11.4.3.8 Impairment

Impairment for the year ended 31 December 2016 was NOK -1,762 compared to NOK -500 million for the year ended 31 December 2015, an increase of NOK 1,262 million. There was a substantial drop in values during 2016, of which the PSV segment and part of the AHTS fleet experienced the largest drop.

11.4.3.9 Operating profit – EBIT

For the reasons described above, EBIT for the year ended 31 December 2016 was NOK -203 compared to NOK 1,822 million for the year ended 31 December 2015, a decrease of NOK 2,025 million.

11.4.3.10 Finance income

Finance income for the year ended 31 December 2016 was NOK 1,144 compared to NOK 99 million for the year ended 31 December 2015, an increase of NOK 1,045 million. The restructuring of the bond debt in 2016 had one-off positive effect on the financial income with NOK 1,043 million.

11.4.3.11 Finance costs

Finance costs for the year ended 31 December 2016 was NOK -1,134 compared to NOK -1,238 million for the year ended 31 December 2015, a decrease of NOK 104 million. The decrease was primarily attributable to reduced interest bearing debt after restructuring of bond loans and reduced interest rate in 2016.

11.4.3.12 Realised gain/loss on currencies

Realised gain/loss on currencies for the year ended 31 December 2016 was NOK -437 compared to NOK -332 million for the year ended 31 December 2015, an increase of NOK 105 million. The increase was primarily attributable to the fluctuations in foreign exchange rates throughout the period, with a particular impact on NOK and BRL against the USD.

11.4.3.13 Unrealised gain/loss on currencies

Unrealised gain/loss on currencies for year ended 31 December 2016 was NOK 742 compared to NOK -869 million for the year ended 31 December 2015, an increase of NOK 1,611 million. The increase was primarily attributable to the

fluctuations in foreign exchange rates throughout the period, with a particular impact on NOK and BRL against the USD.

11.4.3.14 Net change in unrealised gain/loss on derivatives

Net change in unrealised gain/loss on derivatives for the year ended 31 December 2016 was NOK 248 compared to NOK 108 million for the year ended 31 December 2015, an increase of NOK 140 million. The increase was attributable to gain interest swap contracts and currency derivatives.

11.4.3.15 Profit/loss before taxes

For the reasons described above, profit (loss) before taxes for the year ended 31 December 2016 was NOK 359 compared to NOK -410 million for the year ended 31 December 2015, an increase of NOK 769 million.

11.4.3.16 Tax expense (income)

Tax expense (income) for the year ended 31 December 2016 was NOK -158 compared to NOK 87 million for the year ended 31 December 2015, a decrease of NOK 245 million.

11.4.3.17 Profit (loss) for the year

For the reasons described above, profit (loss) for the year ended 31 December 2016 was NOK 201 compared to NOK -323 million for the year ended 31 December 2015, an increase of NOK 524 million.

11.4.4 Year ended 31 December 2015 compared with year ended 31 December 2014

The table below is extracted from the Financial Statements for the years ended 31 December 2015 and 2014.

In NOK million

	Year ended 31 December	
	2015 <i>(audited)</i>	2014 <i>(audited)</i>
Operating income	10,291	10,196
Payroll expenses.....	-4,159	-4,077
Other operating expenses	-3,166	-3,170
Share of income of associates and joint ventures.....	65	77
Net gain (loss) on sale of tangible assets	332	468
Operating expenses	-6,928	-6,702
Operating profit before depreciation and impairment - EBITDA.....	3,362	3,495
Depreciation	-1,041	-1,029
Impairment.....	-500	-16
Operating profit - EBIT	1,822	2,450
Finance income	99	82
Finance costs	-1,238	-1,355
Realised gain/loss on currencies	-332	-203
Unrealised gain/loss on currencies	-869	-336
Net change in unrealised gain/loss on derivatives	108	-217
Net financial items	-2,232	-2,028
Profit (loss) before taxes	-410	422
Tax expense (income)	87	78
Profit (loss) for the period	-323	500

11.4.4.1 Operating income

Operating income for the year ended 31 December 2015 was NOK 10,291 compared to NOK 10,196 million for the year ended 31 December 2014, an increase of NOK 95 million. In 2015, the Group sold nine vessels and took delivery of two newbuilds.

11.4.4.2 Payroll expenses

Payroll expenses for the year ended 31 December 2015 was NOK -4,159 compared to NOK -4,077 million for the year ended 31 December 2014, an increase of NOK 82 million.

11.4.4.3 Other operating expenses

Payroll expenses for the year ended 31 December 2015 was NOK -3,166 compared to NOK -3,170 million for the year ended 31 December 2014, a decrease of NOK 4 million.

11.4.4.4 Share of income of associates and joint ventures

Share of income of associates and joint ventures for the year ended 31 December 2015 was NOK 65 million compared to NOK 77 million for the year ended 31 December 2014, a decrease of NOK 12 million. Share of income of associates and joint ventures in 2015 includes gain from the sale of a 50% share in one joint venture (NOK 43 million).

11.4.4.5 Net gain (loss) on sale of tangible assets

Net gain (loss) on sale of tangible assets for the year ended 31 December 2015 was NOK 322 million compared to NOK 468 million for the year ended 31 December 2014, a decrease of NOK 146 million. In 2015, the Group sold nine vessels with a net gain of NOK 332 million.

11.4.4.6 Operating profit before depreciation and impairment – EBITDA

For the reasons described above, EBITDA for the year ended 31 December 2015 was NOK 3,362 million compared to NOK 3,495 million for the year ended 31 December 2014, a decrease of NOK 133 million.

11.4.4.7 Depreciation

Depreciation for the year ended 31 December 2015 was NOK -1,041 million compared to NOK -1,029 million for the year ended 31 December 2014, an increase of NOK 12 million.

11.4.4.8 Impairment

Impairment for the year ended 31 December 2015 was NOK -500 million compared to NOK -16 million for the year ended 31 December 2014, an increase of NOK 484 million. Impairments in 2015 were based on a decline in broker valuations for the Group's vessels and impairment tests performed throughout the year. Based on a projected reduction in broker valuations and contract coverage going forward, the level of uncertainty around value estimates was higher than normal and there was a higher risk of further impairment.

11.4.4.9 Operating profit – EBIT

For the reasons described above, EBIT for the year ended 31 December 2015 was NOK 1,822 million compared to NOK 2,450 million for the year ended 31 December 2014, a decrease of NOK 628 million.

11.4.4.10 Finance income

Finance income for the year ended 31 December 2015 was NOK 99 million compared to NOK 82 million for the year ended 31 December 2014, an increase of NOK 17 million. The increase was primarily attributable to other financial income.

11.4.4.11 Finance costs

Finance costs for the year ended 31 December 2015 was NOK -1,238 million compared to NOK -1,355 million for the year ended 31 December 2014, a decrease of NOK 117 million. The decrease was primarily attributable to net repayment of interest bearing debt and reduced interest rates in 2015.

11.4.4.12 Realised gain/loss on currencies

Realised loss on currencies for the year ended 31 December 2015 was NOK -322 million compared to NOK -203 million for the year ended 31 December 2014, an increase of NOK 119 million. The increase was primarily attributable to substantial fluctuations in foreign exchange rates throughout the year, with a particular impact from the weaker NOK and BRL against the USD.

11.4.4.13 Unrealised gain/loss on currencies

Unrealised gain/loss on currencies for year ended 31 December 2015 was NOK -869 million compared to NOK -336 million for the year ended 31 December 2014, an increase of NOK 533 million. The increase was primarily attributable to substantial fluctuations in foreign exchange rates throughout the year, with a particular impact from the weaker NOK and BRL against the USD.

11.4.4.14 Net change in unrealised gain/loss on derivatives

Net change in unrealised gain/loss on derivatives for the year ended 31 December 2015 was NOK 108 million compared to NOK -217 million for the year ended 31 December 2014, an increase of NOK 325 million. The increase was primarily attributable to gain interest swap contracts and currency derivatives.

11.4.4.15 Profit (loss) before taxes

For the reasons described above, profit (loss) before taxes for the year ended 31 December 2015 was NOK -410 million compared to NOK 422 million for the year ended 31 December 2014, a decrease of NOK 832 million.

11.4.4.16 Tax expense (income)

Tax expense for the year ended 31 December 2015 was NOK 87 million compared to NOK 78 million for the year ended 31 December 2014, an increase of NOK 9 million.

11.4.4.17 Profit (loss) for the year

For the reasons described above, profit (loss) for the year ended 31 December 2015 was NOK -323 million compared to NOK 500 million for the year ended 31 December 2014, a decrease of NOK 823 million.

11.5 Financial condition

The table below sets out selected data from the Company's unaudited consolidated interim statement of financial position as at 30 September 2017 and from the Company's audited consolidated statement of financial position as at 31 December 2016, 2015 and 2014.

	As at 30 September	As at 31 December		
	2017 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
<i>In NOK million</i>				
Assets				
Tangible assets.....	21,068	22,199	23,188	23,866
Goodwill	320	330	436	418
Deferred tax assets.....	834	951	1,341	638
Investment in associated companies and joint ventures....	847	808	513	1,246
Non-current receivables.....	1,132	1,152	905	512
Non-current assets	24,201	25,440	26,383	26,681
Trade receivables.....	1,513	1,506	2,112	2,331
Other receivables.....	507	592	589	710
Current receivables.....	2,020	2,098	2,701	3,041
Restricted deposits.....	370	405	520	639
Cash and cash equivalents	1,639	1,787	1,536	1,971
Cash and cash equivalents included restricted deposits	2,009	2,192	2,056	2,609
Total current assets	4,029	4,290	4,757	5,650
Asset held for sale	-	-	477	-
Total current assets included asset held for sale	4,029	4,290	5,234	5,650
Total assets	28,230	29,731	31,617	32,331
Equity and liabilities				
Paid in capital.....	2,832	2,675	1,452	1,452
Other equity.....	1,307	1,950	439	1,957
Non-controlling interests.....	3,549	3,521	3,281	3,458
Total equity	7,688	8,146	5,172	6,866
Bond loan	1,368	1,297	3,347	4,124
Debt to credit institutions	15,195	16,729	17,354	13,091
Non-current derivatives	58	135	244	384
Deferred tax	1	1	42	49
Other non-current liabilities	48	51	70	85
Non-current financial liabilities.....	16,671	18,212	21,057	17,733
Current bond loan and debt to credit institution	2,609	1,805	3,034	5,840
Accounts payable.....	805	1,061	1,439	1,192

In NOK million

	As at 30 September		As at 31 December	
	2017 (unaudited)	2016 (audited)	2015 (audited)	2014 (audited)
Other current liabilities	457	506	654	700
Current liabilities	3,871	3,372	5,127	7,732
Liabilities directly associated with asset held for sale	-	-	260	-
Current liabilities included liabilities held for sale	3,871	3,372	5,387	7,732
Total liabilities	20,542	21,584	26,445	25,465
Total equity and liabilities.....	28,230	29,731	31,617	32,331

11.5.1 Financial position as at 30 September 2017 compared to 31 December 2016

DOF's total assets amounted to NOK 28,230 million as at 30 September 2017, compared to NOK 29,731 million as at 31 December 2016. The decrease in total assets for the period was due to reduced non-current assets with NOK 1,239 million and current assets with NOK 261 million. The decrease of non-current assets is mainly due to depreciation and impairment of vessels. In addition one newbuild was delivered.

Total equity decreased to NOK 7,688 million in the third quarter of 2017, from NOK 8,146 million as at 31 December 2016, reflecting a loss for the year of NOK -502 million and other comprehensive income of NOK 44 million. Other comprehensive income is related to currency differences and hedge accounting.

Non-current financial liabilities were NOK 16,671 million as at 30 September 2017, compared to NOK 18,212 million as at 31 December 2016. The decrease in non-current financial liabilities was primarily related to drawdown of loan on one newbuild, a new bond loan in DOF Subsea, in addition to normal amortisation and currency adjustment. Current liabilities increased to NOK 3,871 million as at 30 September 2017, from NOK 3,372 million as at 31 December 2016, mainly due to current bond loan DOFSUB07 with due date in May 2018. Total liabilities amounted to NOK 20,542 as at 30 September 2017, compared to 21,584 as at 31 December 2016.

11.5.2 Financial position as at 31 December 2016 compared to 31 December 2015

DOF's total assets amounted to NOK 29,731 million as at 31 December 2016, compared to NOK 31,617 million as at 31 December 2015. The decrease in total assets for the period was due to reduced non-current assets with NOK 943 million and current asset of NOK 467 million. The decrease in non-current assets was mainly related to depreciation and impairment of the tangible asset. In addition, three vessels were sold and two newbuilds were delivered.

Total equity increased to NOK 8,146 million in the year ended 31 December 2016, from NOK 5,172 million as at 31 December 2015, reflecting profit for the year of NOK 201 million and other comprehensive income of NOK 929 million. In addition, the equity is reflecting a converted bond loan of NOK 824 million and a share issue of net NOK 1,044 million. The restructuring of the bond loan had a one-off positive effect on the profit with NOK 1,041 million.

Non-current financial liabilities were NOK 18,212 million as at 31 December 2016, compared to NOK 21,057 million as at 31 December 2015. The decrease in non-current financial liabilities primarily related to the restructuring of the bond loan in DOF, new loan on one newbuild, in addition to normal amortisation and currency adjustment. Current liabilities decreased to NOK 3,372 million in the year ended 31 December 2016, from NOK 5,127 million as at 31 December 2015, mainly due to repayment of bond loan and loan related to assets held for sale, in addition to reduced 12 month instalments on non-current debt. Total liabilities amounted to NOK 21,584 as at 31 December 2016, compared to 26,445 as at 31 December 2015.

11.5.3 Financial position as at 31 December 2015 compared to 31 December 2014

DOF's total assets amounted to NOK 31,617 million as at 31 December 2015, compared to NOK 32,331 million as at 31 December 2014. The decrease in total assets for the period was mainly due to nine vessels sold and two newbuilds delivered.

Total equity decreased to NOK 5,172 million in the year ended 31 December 2015, from NOK 6,866 million as at 31 December 2014, reflecting loss for the year of NOK -323 million and other comprehensive income of NOK -1,253 million. In addition, dividend of NOK 116 million was paid to non-controlling interest.

Non-current financial liabilities were NOK 21,057 million as at 31 December 2015, compared to NOK 17,733 million as at 31 December 2014. The increase in non-current financial liabilities was primarily related to delivery of two newbuilds, and a substantial fluctuation of NOK and BRL against USD. In addition, nine vessels were sold. Current liabilities decreased to NOK 5,127 million in the year ended 31 December 2015, from NOK 7,732 million as at 31 December 2015, reflecting refinancing of balloons and repaid bond loans DOF08 and DOFSUB06. Total liabilities amounted to NOK 26,445 as at 31 December 2015, compared to 25,465 as at 31 December 2014.

11.5.4 Measures of financial condition

The Group measures, *inter alia*, its financial condition by its liquidity and solidity and by being in compliance with its financial covenants, see Section 11.8 "Borrowings and other contractual obligations". See the below table for other metrics related to the financial condition of the Group for the periods indicated.

In NOK million	As of / nine months ended 30 September		As of 31 December		
	2017	2016	2016	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
EBITDA margin ¹	28%	32%	32%	33%	34%
Equity ratio ¹	27%	29%	27%	16%	21%
Return on equity ¹	-7%	8%	2%	-6%	7%
Net interest bearing debt ¹	17,046	17,959	17,494	21,765	20,630

¹ See Section 4.2.2 "Alternative performance measures (APMs)" for the definitions of the measures.

11.6 Liquidity and capital resources

11.6.1 Sources and use of cash

The primary source of the Group's liquidity is cash from its operations, external debt in the form of bonds and bank loans, and dividends from associates and jointly controlled entities. As of 30 September 2017, the Company had NOK 2,009 million in cash and cash equivalents. In 2017, 2016, 2015 and 2014, the Group also received cash from the sale of three, three, nine and two vessels, respectively. In addition, a 50% share in a joint venture was sold in 2015.

The Group primarily uses cash to invest in vessels, including newbuilds and conversion of vessels, equipment (ROVs or other subsea equipment), other investments related to and support of the business and for the repayment of borrowings.

The Group's expected liquidity needs for the 12 months period following the date of this Prospectus primarily relate to:

- instalments on newbuilds;
- class docking and operation investments (subsea equipment); and
- instalments on long-term debt.

The management of the Group believes that cash from operations, funds from bank loans and bonds and the proceeds from the Private Placement will be adequate to support the liquidity need described above.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Group's activities expose it to a variety of financial risks such as market risk (including currency risk and price risk), interest risk, credit and liquidity risk and capital structure risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Board of Directors' view is that continuous improvement of the Group's operations in a systematic manner is a necessity in order to manage risks and realise opportunities, ensuring cost efficient operations in line with the stakeholders' expectations.

The Group carries out detailed budget processes every year at all levels, and routines have been established for weekly and monthly reports on operations, investments, financing and liquidity. Based on current challenging markets, the focus on liquidity control has been increased, profit/loss and investment budgets are re-evaluated and the

forecasts for the next few years updated to take into account the change in market situation. The Board of Directors considers the Group's reporting procedures to be satisfactory and in compliance with the requirements on risk management and internal control.

11.6.2 Cash received from subsidiaries

The Company does not believe that there are significant obstacles or barriers to transfer funds to it from its subsidiaries that may affect its ability to meet or fulfil its financial or other obligations. However, the shareholders' agreement with First Reserve Corporation related to DOF Subsea sets forth that any distribution of dividend requires consensus between the shareholders, which is in line with normal practice for shareholders' agreements in companies under jointly control.

11.6.3 Cash flows

The table below summarises the Group's historical cash flows, and is extracted from the Financial Information, for each of the financial periods presented.

<i>In NOK million</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net cash generated from operating activities.....	58	531	450	1,280	1,684	2,016	1,255
Net cash used in investing activities.....	-132	-59	-792	-1,212	-443	-1,958	-81
Net cash flow from financing activities.....	-138	144	153	-43	-1,036	-735	-866
Net change in cash and cash equivalents ..	-211	615	-189	25	204	-677	307
Cash and cash equivalents at the start of the period	2,201	1,442	2,192	2,056	2,056	2,609	2,219
Exchange gain/loss on cash and cash equivalents	19	-24	6	-48	-68	124	83
Cash and cash equivalents at the end of the period.....	2,009	2,033	2,009	2,033	2,192	2,056	2,609

11.6.3.1 Cash flow from operating activities

Three months ended 30 September 2017 compared to three months ended 30 September 2016

Net cash flow from operating activities for the three months ended 30 September 2017 was NOK 58 million compared to NOK 531 million for the three months ended 30 September 2016, a decrease of NOK 473 million. The decrease was primarily attributable to reduced earnings and changes in the Group's trade receivable, accounts payable and other working capital.

Nine months ended 30 September 2017 compared to nine months ended 30 September 2016

Net cash flow from operating activities for the nine months ended 30 September 2017 was NOK 450 million compared to NOK 1,280 million for the nine months ended 30 September 2016, a decrease of NOK 830 million. The decrease was primarily attributable to reduced earnings and changes in the Group's trade receivable, accounts payable and other working capital.

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash flow from operating activities for the year ended 31 December 2016 was NOK 1,684 million compared to NOK 2,016 million for the year ended 31 December 2015, a decrease of NOK 332 million. The decrease was primarily attributable to reduced earnings and changes in the Group's trade receivables, accounts payable and other working capital.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash flow from operating activities for the year ended 31 December 2015 was NOK 2,016 million compared to NOK 1,255 million for the financial year ended 31 December 2014, an increase of NOK 761 million. The increase was primarily attributable to changes in the Group's trade receivables, accounts payable and other working capital.

11.6.3.2 Cash flow from investing activities

Three months ended 30 September 2017 compared to three months ended 30 September 2016

Net cash flow from investing activities for the three months ended 30 September 2017 was NOK -132 million compared to NOK -59 million for the three months ended 30 September 2016, an increase of NOK 73 million. The increase was primarily attributable to increased investments in tangible assets and increased investments in joint ventures.

Nine months ended 30 September 2017 compared to nine months ended 30 September 2016

Net cash flow from investing activities for the nine months ended 30 September 2017 was NOK -792 million compared to NOK -1,212 million for the nine months ended 30 September 2016, a decrease of NOK 420 million. The decrease was primarily attributable to reduced investments in tangible assets and reduced investments in joint venture.

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash flow from investing activities for the year ended 31 December 2016 was NOK -443 million compared to NOK -1,958 million for the year ended 31 December 2015, a decrease of NOK 1,515 million. The decrease was primarily attributable to reduced investments in tangible assets and reduced investments in joint ventures. In addition the decrease relates to sale of shares in a joint venture in 2015.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash flow from investing activities for the year ended 31 December 2015 was NOK -1,958 million compared to NOK -81 million for the financial year ended 31 December 2014, an increase of NOK 1,877 million. The increase was primarily attributable to increased investments in tangible assets and investments in joint ventures. In addition sale of shares in a joint venture was done in 2015.

11.6.3.3 Cash flow from financing activities

Three months ended 30 September 2017 compared to three months ended 30 September 2016

Net cash flow from financing activities for the three months ended 30 September 2017 was NOK -138 million compared to NOK 144 million for the three months ended 30 September 2016, a decrease of NOK 282 million. The net decrease was primarily attributable to reduced amortisation of debt and a drawdown on credit facility. In addition a share issue was done in August 2016.

Nine months ended 30 September 2017 compared to nine months ended 30 September 2016

Net cash flow from financing activities for the nine months ended 30 September 2017 was NOK 153 million compared to NOK -43 million for the nine months ended 30 September 2016, an increase of NOK 196 million. The increase was primarily attributable to proceeds included a new bond loan in DOF Subsea. In addition, a share issue was done in August 2016.

Year ended 31 December 2016 compared to year ended 31 December 2015

Net cash flow from financing activities for the year ended 31 December 2016 was NOK -1,036 million compared to NOK -735 million for the year ended 31 December 2015, a decrease of NOK 301 million. The decrease was primarily attributable to reduced proceeds. In addition, a share issue was done in August 2016.

Year ended 31 December 2015 compared to year ended 31 December 2014

Net cash flow from financing activities for the year ended 31 December 2015 was NOK -735 million compared to NOK -866 million for the financial year ended 31 December 2014, an increase of NOK 135 million. The net increase was primarily attributable to refinancing of debt and dividend to non-controlling interest.

11.7 Investments

11.7.1 Principal historical investments

Principal historical investments in the period covered by the Financial Information mainly relate to investments in newbuilds, upgrades of vessels, periodical maintenance on vessels, ROVs and investments in joint ventures and associated companies.

The table below shows the principal historical capital expenditures and investments of the Group for the three and nine month periods ended 30 September 2017 and the years ended 31 December 2016, 2015 and 2014.

	Nine months ended 30 September	Year ended 31 December		
<i>In NOK million</i>	2017 (unaudited)	2016 (unaudited)	2015 (unaudited)	2014 (unaudited)
Skandi Urca, AHTS vessel, built in Brazil	-	-	-	628
Skandi Angra, AHTS vessel, built in Brazil	-	-	754	95
Skandi Africa, CSV vessel, built in Norway	-	25	2,384	138
Skandi Paraty, AHTS vessel, built in Brazil	-	1,029	-	-
Skandi Vinland, CSV vessel, built in Norway	505	-	-	-
Vessel upgrades	47	188	227	292
Periodic maintenance	188	306	237	256
ROV	71	12	142	346
Other tangible assets ¹	67	100	157	190
Total investment tangible assets	833	1,660	3,901	1,945
Investments in joint ventures (non-current receivables)	87	299	348	237
Investments in associates (non-current receivables)	14	35	12	-
Total investments joint ventures and associates	101	334	360	237
Total investments	990	1,994	4,261	2,183

1 Other tangible assets includes operating equipment.

Except for normal periodical maintenance and ordinary investments related to subsea projects, in total approximately MNOK 130, there has been no principal capital expenditures or investments from the date of the Interim Financial Statements ended 30 September 2017 and to the date of this Prospectus. For a description of principal investments in progress and future planned principal investments Section 11.7.2 "Principal investments in progress and planned principal investments".

11.7.2 Principal investments in progress and planned principal investments

The table below sets forth information on the Group's capital expenditure committed for the periods indicated:

<i>In NOK million (unaudited)</i>	2018	2019	2020	2021	2022	Total
Periodic maintenance ...	211	182	191	377	329	1,289
Other	16	36	36	36	36	160
Total	227	218	227	413	365	1,449

The Management of the Group believes that cash from operations, funds from bank loans and bonds and the proceeds from the Private Placement will be adequate to finance the committed capital expenditure described above. The assumption is based on Management's estimated operational performance and utilisation of the Group's vessels going forward.

Other than as described above, the Group has no significant committed future investments as of the date of this Prospectus.

DOF Subsea has a 50% ownership interest in two newbuilds which are held in a joint venture with Technip Coflexip Norge AS. Given that joint ventures are consolidated using the equity method, any future capital commitments related to these newbuilds are not included in the table above. The estimated remaining commitment for DOF Subsea for the two newbuilds under construction is approximately USD 230 million.

11.8 Borrowings and other contractual obligations

11.8.1 Material borrowings

The table below sets out the maturity structure of all financial liabilities of the Group from 30 September 2017.

Instalments, balloons and interest profile¹	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Total current debt	Q4 2018	2019	2020	2021	Subsequent	Total
Bond loans.....	-	-	508	-	508	-	-	-	-	1,379	1,887
Debt to credit institutions.....	420	436	419	435	1,710	506	3,169	4,260	1,448	5,843	16,936
Overall facilities.....	300	-	-	-	300	-	-	-	-	-	300
Total instalments and balloons².....	720	436	927	435	2,518	506	3,169	4,260	1,448	7,222	19,123
Calculated interest profile	195	219	194	216	824	184	721	610	482	984	3,806
Total, instalments, balloons and interest.....	915	655	1,121	651	3,342	690	3,890	4,870	1,930	8,206	22,929

1 All amounts are in NOK million.

2 Amortised costs are excluded in the figures above.

11.8.2 Credit facilities

The following table sets forth the committed credit facilities of the Group as per 30 September 2017.

Borrower	Facility	Currency	Outstanding amount as per 30 September 2017 (in million)	Interest rate (%)	Maturity date
DOF ASA	NOK 400 million overdraft facility	NOK	300.0	NIBOR + 4.50% p.a.	October 2019
DOF Rederi AS	Maritime mortgages	NOK	3,578.8	NIBOR + 2.60% p.a. CIRR at 3.41% p.a.	September 2021
Norskan Offshore	Maritime mortgages	USD	691.3	LIBOR + 2.25% - 2.70% p.a. (BNDES financing fixed in range 3.08% p.a. - 4.38% p.a.)	June 2019 - April 2028
DOF Subsea	Maritime mortgages	NOK	9,650.3	LIBOR + 1.75% - 3.25% p.a.	December 2016 - March 2029

The following sections summarise the material terms of the Group's credit facilities as of 30 September 2017.

The Company's debt to credit institution comprises an overdraft facility of NOK 400 million for general liquidity purposes.

The wholly owned subsidiaries' credit facilities include a combination of commercial bank financing and export credit facilities financing the acquisition of assets or refinancing of existing assets. There is generally one loan facility financing each vessel or a fleet of vessels, secured by, *inter alia*, a mortgage and other security interests relating to the relevant vessel(s), and a parent company guarantee.

DOF is the company guarantor for the commercial credit facilities to wholly owned subsidiaries.

Interest

Borrowings under the Group's commercial and export credit facilities bear interest at variable rates of NIBOR/LIBOR plus margin, whereas certain export credit financing incurs a fixed CIRR interest rate. The margins range from 1.75% to 3.25% p.a. on secured debt. The margins depend on, *inter alia*, when the credit facilities were extended, the total amount of drawings made and type of security. The Company's overdraft facility bears interest based on 7 days NIBOR + a margin of 4.50% p.a.

Regular amortisation

The terms of the Group's loan facilities are in general amortising loans. The amortisation payments (prior to final maturity) under the loan facilities are made in equal, consecutive quarterly or semi-annual instalments. The BNDES/FMM funded loan facilities in Brazil have monthly amortisation schedule. Remaining loan balances must be repaid in full at the end of the fixed term (as shown in the table above). The tenor of the commercial bank facilities varies from five to six years, while the export credit facilities varies from 10 to 15 years following the first drawdown

dates. The BNDES loan facilities in Norskan Offshore Ltda. have on average 18 years tenor following the first drawdown date.

Prepayment

The terms of most of the Group's loan facilities, including the export credit facilities allow, subject to payment of break costs (if applicable), partial voluntary prepayments without penalty. The prepayment notices need to be presented to the lender on a certain amount of days prior to prepayment, and subject to a minimum amount to be prepaid. The terms of most credit facilities allow the borrower to cancel without penalty any undrawn portion under the commitment, which amount may not be redrawn, on applicable notice to the lender.

Negative pledge and security

Most of the Group's loan facilities are secured with a standard vessel financing security package including mortgages over the relevant vessels, assignment of insurances and earnings and pledge over bank accounts. Consequently, the terms of the relevant negative pledge provisions of the Group's credit facilities allow for the security provided in each credit facility as well as certain security to be pledged by other credit facilities. The Group's loan facilities contain negative pledge clauses which provide that the borrower shall not create or permit to subsist any security over any of its assets which are provided as security for the relevant loan facility.

Financial covenants

The Company's current mortgaged loan facilities, including loan facilities to wholly owned subsidiaries, contain a set of shared covenants relating to value adjusted equity ratio, minimum liquidity, and positive working capital and on a consolidated basis.

For DOF, the most important financial covenants are as follows:

- The Company shall, on a consolidated basis, at all times maintain a book equity of at least NOK 3,000 million.
- The Group (excluding the DOF Subsea Group) shall at all times have free liquidity of NOK 500 million.
- The fair value of the vessels shall at all times be at least 100-125% of the outstanding debt corresponding to the vessels.

The most important financial covenants for DOF Subsea are as follows:

- The DOF Subsea Group shall at all times have free liquidity of at least NOK 500 million and positive working capital.
- The DOF Subsea Group shall at all times have equity of at least NOK 3,000 million, and value adjusted equity to value adjusted assets of 30%.
- The fair value of vessels shall at all times be at least 100 – 130% of outstanding amount.

Each of the financial covenants above shall apply at all times, and are generally tested on a quarterly/semi-annually basis at the end of each financial reporting period. Breach of financial covenants generally allows the bank to cancel its commitment and declare that all or part of the loan to be immediately due and payable unless the breach is remedied within the relevant remedy period (if applicable). As of 30 September 2017 and as of the date of this Prospectus, the Group was in compliance with the said financial covenants.

In addition to the above-mentioned financial covenants, the following terms and conditions also apply to a number of loan agreements:

- Full insurance for the Group's assets.
- No changes of classification, management or ownership of the vessels without prior written consent from the banks.

Representations and warranties

The Group's credit facilities contain several customary representations given at signing and at each drawdown, including, among others, representations and warranties in respect of status and ownership, powers and authority, legal validity and enforceability, non-conflict, no default, authorisations and consents and no withholdings or deductions.

Termination and acceleration rights

The Group's credit facilities contain customary rights of the lenders to terminate credit facilities early and accelerate and immediately cancel any outstanding amount of the commitment under the facility. In particular, termination and acceleration rights exist if amounts payable under the facility are not made when due, obligations under the facility (including financial covenant thresholds and information obligations) are not complied with, a member of the Group becomes insolvent or defaults on other financial liabilities, a lien is levied upon the assets of any member of the Group, representations and warranties turn out to have been incorrect, a member of the Group ceases to carry out a substantial part of its business or there is a material adverse change in the financial condition of the borrower.

Change of control provisions

The Group's credit facilities contain change-of-control provisions which are related to the ultimate beneficial ownership of the relevant borrower. In the Company's credit facilities, the change of control is related to Møgster Mohn Offshore AS' positive and negative control over the Company. In each of the credit facilities of the borrowing subsidiaries, the change of control is related to the relevant parent guarantor's ownership of the borrower and/or the Company's control over the parent guarantor. In all the credit facilities in which the Company is the parent guarantor, the change of control provisions are related to Møgster Mohn Offshore AS' negative (and in certain cases positive) control over the Company.

A change of control will generally give the lenders a right to mandatory prepayment of the loan, and/or result in an event of default of the relevant credit facility and a termination right as described above.

Additional undertakings

The Group's credit facilities contain customary covenants, such as, among others, information undertakings, delivery of compliance certificates, notifications of default, restrictions on financial indebtedness in respect of the other members of the Group, restrictions on the borrower and other members of the Group's ability to provide financial support to other members of the Group and third parties, restrictions on disposals, restrictions on mergers, demergers and other corporate reconstructions, and pari passu ranking.

Most of the Group's credit facilities allow dividends to be paid and other distributions to be made to the shareholders provided that there is no event of default existing or occurring as a result of such payments and, after giving effect to such payments, the borrower and its subsidiaries (and/or the parent guarantor as the case may be) remain in compliance with the financial covenants. In some of the credit facilities the right to make distributions is limited to 50% of the net income of the borrower and/or the parent guarantor.

Payment of dividend or other distributions to the shareholders in violation of the provisions of the credit facilities may constitute a breach of covenants qualifying as an event of default, which may give the lenders a right to terminate the facilities agreement and accelerate the outstanding loan.

The Group's credit facilities also include undertakings relating to the relevant vessels, including without limitation standard covenants relation to ownership and title, insurance coverage, registration, classification, surveys, operation of the vessels, ISM Code compliance and environmental compliance.

11.8.3 Bonds

The following table sets forth the committed bond debt of the Group as per 30 September 2017.

Borrower	Facility	Currency	Outstanding amount as per 30 September 2017 (in million)	Interest rate (%)	Maturity date
DOF Subsea	Bond debt	NOK	NOK 508	3 month NIBOR + 5% p.a. (amended to NIBOR + 7% p.a. from December 2017)	May 2018 (subsequently amended to NOK 100 million in October 2019, the remaining in May 2020)
DOF Subsea	Bond debt	USD	USD 173	Fixed 9.5% p.a.	March 2022

DOF Subsea as issuer

DOF Subsea currently has one NOK-denominated senior unsecured debt obligation and one USD-denominated senior unsecured debt obligation (together the "**DOF Subsea Bonds**"), both with Nordic Trustee ASA as bond trustee on behalf of the bondholders.

The DOF Subsea Bonds rank at least pari passu with all other obligations of DOF Subsea, subject to bankruptcy, insolvency, liquidation and other similar laws of general application, and rank ahead of subordinated debt. The DOF Subsea Bonds are unsecured. The proceeds of the DOF Subsea Bonds were used for the refinancing of existing debt of DOF Subsea, and are issued with ticker DOFSUB07 and DOFSUB08, as well as for the general corporate purposes of DOF Subsea.

The bond loan agreements for the DOF Subsea Bonds include standard covenants customary in the Norwegian bond market, relating to *inter alia* information undertakings, delivery of compliance certificates, notifications of default, continuation of business, restrictions on disposals, restrictions on mergers, demergers and other corporate reconstructions and arm's length transactions.

For the purpose of preserving equity in the issuer group, the bond agreements of DOF Subsea contain restrictions on dividends to the effect that the issuer shall not make any dividend payments or other distributions to its shareholders that exceeds 50% of the net result after tax.

Payment of dividend or other distributions to the shareholders in violation of the provisions of the DOF Subsea Bond agreements may constitute a breach of covenants qualifying as an event of default, which may give the bondholders a right to terminate the bond agreement and accelerate the outstanding loan, unless the breach of covenant is remedied or waived.

Furthermore, the DOF Subsea Bonds include standard events of default provisions, including financial covenants relating to the DOF Subsea Group's coverage ratio which shall be maintained at a minimum of 2.50:1.00 or cash and cash equivalents of the DOF Subsea Group in an amount of no less than NOK 400,000,000, a book equity of NOK 3,000,000,000, a value adjusted equity ratio higher than 30% (or higher than 25% if the contractual coverage for the fleet is higher than 60%).

11.8.4 Subsequent amendments to the Group's credit facilities and bonds

The following amendments have been made to the Group's credit facilities and bonds following 30 September 2017:

Amendments to DOFSUB07

On 19 December 2017, DOF Subsea and Nordic Trustee AS, as bond trustee on behalf of the bondholders, entered into an amendment agreement to the DOFSUB07 bond agreement (the "**Bond Amendment Agreement**"), pursuant to which (i) the tenor of the bonds was extended from May 2018 to (A) the interest payment date in October 2019 in respect of NOK 100 million of bonds and (B) May 2020 (the new maturity date) for the remaining bonds that have not been repaid, and (ii) the annual interest rate was increased to NIBOR + 7.00% per annum from and including the interest payment date in January 2018 (recalculated as required) to the maturity date.

Amendments to credit facilities

On 18 December 2017, DOF Rederi AS and the relevant financial institutions entered into an amendment agreement relating to its NOK 3.8 billion facility, pursuant to which "soft terms" was approved with a liquidity effect of approximately NOK 550 million.

On 18 December 2017, the Company and a financial institution signed a commitment relating to a credit facility pursuant to which the credit facility was extended from October 2019 until 30 June 2021.

The following table sets forth the maturity structure of the credit facilities and bonds of the Group following the amendments:

Instalments, balloons and interest profile¹	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Total current debt	Q4 2018	2019	2020	2021	Subsequent	Total
Bond loans.....	-	-	-	-	-	-	100	408	-	1,379	1,887
Debt to credit institutions.....	420	436	419	435	1,710	506	3,169	3,897	1,583	6,070	16,936
Overall facilities.....	300	-	-	-	300	-	-	-	-	-	300
Total instalments and balloons².....	720	436	419	435	2,010	506	3,269	4,305	1,583	7,222	19,123
Calculated interest profile	195	219	196	218	828	186	729	637	497	984	3,861
Total, instalments, balloons and interest.....	915	655	615	653	2,838	692	3,998	4,942	2,080	8,434	22,984

1 All amounts are in NOK million.

2 Amortised costs are excluded in the figures above.

11.8.5 Off balance sheet arrangements

Other than set forth below, the Group does not have any off-balance sheet arrangements.

The Group has commitments to clients to ensure proper performance of construction contracts. These commitments are mainly parent guarantees from DOF Subsea on behalf of its subsidiaries. The guarantees are limited to fulfilment of the contract and are released after delivery of the project.

Furthermore, guarantees are given to suppliers for fulfilment of payments for deliveries of goods and services, including vessels.

DOF Subsea has issued pre-delivery guarantees for its 50% share in the company jointly owned with Technip Coflexip Norge AS, DOFCON, relating to construction of newbuilds.

The Company has on behalf of DOF Deepwater AS guarantee commitments in favour of financial institutions totalling NOK 535 million. The Company has issued a guarantee in the amount of NOK 429 million plus any accrued interest, on behalf of Iceman AS in favour of DNB ASA. Vard Group AS has counter guaranteed 50% of the commitment. The Company has entered into agreements whereby the Company guarantees coverage of operational expenses and interest payments of LOS Shipping I AS and LOS Shipping II AS for a limited period of time. In return, the Company has an option to purchase the said companies.

11.9 Financial risk management

11.9.1 General

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit- and liquidity risk, capital structure risk and tax risk. The Group's overall risk management seeks to minimise potential adverse effects of the Group's financial performance.

The financial risk management program for the Group is carried out by the treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risk in co-operation with the various operating units within the Group. The Board of Directors approves the principles of overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest risk and credit risk.

11.9.2 Market risk

Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, basically with respect to USD, NOK, BRL, GBP and AUD. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities, and investments in foreign operations.

The Group's reporting currency is NOK and the Company's functional currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets) and liabilities are denominated in a currency which is not the functional currency. The Group aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk arising from commercial transactions, assets and liabilities through forward contracts and similar instruments as appropriate.

Hedging of foreign exchange exposure is executed on a gross basis and foreign exchange contracts with third parties are generated at Group level. The Group's risk management policy is to hedge anticipated transactions in each major currency. The Group has implemented hedge accounting for parts of the revenues (in Brazil) with the objective to reduce the volatility in the operational and financial result due to foreign exchange risk.

Currency changes in receivables, liabilities and currency swaps are recognised as a financial income/expense in the profit and loss statement. Fluctuation in foreign exchange rates will therefore have an effect on the future results and balances.

The Group has a significant amount of debt denominated in USD. The table below shows the effect of an appreciation/depreciation of NOK against USD. A foreign exchange sensitivity analysis as per year-end 2016 shows how a hypothetical 5% appreciation/depreciation of NOK against USD would affect the value of the USD debt as of 31 December 2016, and increase/decrease the consolidated statement of comprehensive income, see table below. The Group's subsidiaries with functional currency BRL have USD debt only. The effect of change in BRL to USD is included in the sensitivity results below. The Group's exposure to other foreign exchange movements is not material.

	5% appreciation	5% depreciation
	USD	USD
Derivative financial instruments ¹	MNOK 154	MNOK -150
Financial instruments directly to equity ²	MNOK 253	MNOK -253
Debt to credit institutions	MNOK 301	MNOK -301

1 The change in MTM recognised in financial derivatives.

2 The change in gain/loss recognised in another comprehensive income through hedge accounting.

A significant portion of the Group's operating income is denominated in USD. A depreciation of NOK against USD will over a longer period have a positive impact on the Group's future earnings and cash in NOK. Current receivables and liabilities excluding short portion of long term debt are often in the same currency and are normally due within 30 days. Changes in foreign currency rates against each subsidiary's functional currency will have limited effect on the Group consolidated statement of comprehensive income.

Interest rate risk

The Group's existing debt arrangements are long term loans both with floating and fixed rates. Movements in interest rates will have effects on the Group's cash flow and financial condition. The Group's policy is to maintain parts of its debt at fixed interest rates.

The Group manages its cash flow interest risk by using floating-to-fixed interest rate swaps. Such interest swaps have the economic effect of conversion from floating to fixed interest rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals the difference between fixed interest rates and floating interest rates calculated by reference to the agreed amounts.

The long term funding of the Group's vessels built in Brazil are secured at fixed interest rates for the entire duration of the loans. The duration of these loans is usually between 18 to 20 years. The portion of long term debt secured with fixed rate of interest was 74% per year-end (2016) and includes debt with fixed interest in BNDES.

The Group has an interest risk in the change in value of the interest rates swaps. In accordance with IFRS, the Group provides information about the potential risk with a sensitivity analysis. The table below shows the changes in the MTM on interest swaps at year end (2016) with an increase and decrease of 100 bps in 2016. Interest rates are not reduced to less than zero.

When interest rates increase, equity (liability) will increase (decrease) and profit (loss) will increase (decrease) unless hedge accounting is applied, which only applies to equity.

<i>Amounts in NOK million</i>	+100BPS		-100BPS	
	USD	NOK	USD	NOK
Interest rate swaps.....		15		126
			-16	-115

Price risk

The Group is exposed to price risk at two main levels:

- The costs of construction of new assets and replacements of assets are sensitive to changes in market prices.
- The demand for the Group's vessels is sensitive to oil price developments, exploration results and general activity within the oil-industry. This can affect both the pricing and the utilisation of the Group's assets.

The market has weakened considerably during 2016, mainly due to the low oil price and increased focus on cost cutting and capital rationing. There is reason to believe that the markets will be demanding over the coming years. The counterparty risk increases as contracts may not be renewed or cancelled.

The Group aims to reduce price risk by having the majority of its vessels on long term charter contracts. All newbuilding contracts are based on fixed prices of the assets, and the vessels are fixed on longer-term contracts upon delivery.

11.9.3 Credit and liquidity risk

Credit and liquidity risk arises from cash and cash equivalents, derivatives, financial instruments and deposit with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain the available funding through committed credit facilities. The Group has a policy of limiting the credit exposure to any single financial institution and bank, and actively manages its exposure in order to achieve this.

The Group's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations. The Group's credit risk to clients is therefore considered to be low and losses have historically been low. The current demanding market conditions have increased the Group's credit risk, however it is still considered to be acceptable.

The Group's business is capital intensive and the Group may in periods need to raise additional funding through bond loans or equity financing to execute the Group's strategy and fund capital expenditures. A difficult market within the OSV segment during 2015 and 2016 led to a restructuring of DOF's balance sheet, which secured the Company with satisfactory financing and liquidity through the expected demanding period going forward.

The Group has routines to report cash flow forecasts on a regular basis in order to monitor the Group's future cash position.

See Section 11.8.1 "Material borrowings" for the maturity structure of all financial liabilities of the Group as of 30 September 2017.

11.9.4 Capital structure risk

The main objective when managing the Group's capital structure is to ensure that the Group is able to sustain a good credit rating and thereby achieve favourable terms and conditions for long term funding which are suitable for the Group's operation and growth. The Group manages its own capital structure and carries out all necessary amendments to the capital structure, based on continuous assessments of the economic conditions under which the operations take place and the short and medium to long term outlook.

See Section 11.8.2 "Credit facilities" and Section 11.8.3 "Bonds" for a description of certain terms and conditions related to the Group's credit facilities and bonds as of 30 September 2017.

The Group monitors its capital structure by evaluating the debt ratio, which is defined as net interest bearing debt divided by equity plus net interest bearing debt. The Group policy is to achieve debt financing corresponding to 70-80% funding of new vessels and to continue to have high contractual coverage of the entire fleet.

The Group has established similar financial covenants on all long term funding (except for DOF Subsea) which implies minimum cash and minimum book equity. The DOF Subsea Group has similar minimum cash requirements on its long-

term funding, in addition to requirements to minimum value adjusted equity ratio. Mortgaged loans have minimum value clauses included. A negative market development has led to lower contract coverage for the Group's vessels, which again increases the risk for further fall in broker estimates. DOF and DOF Rederi AS have re-negotiated the financial covenants in its loan agreements in 2016. DOF also carried out a restructuring of its bond debt and completed a rights issue in 2016, hence the Group's refinancing - and liquidity risks are reduced.

11.9.5 Tax risk

Changes in tax regimes may adversely affect the Group's cash flow and financial conditions. A number of the Group's vessels are operating within the special offshore taxation regimes in different jurisdictions, hence there is a risk that changes in bilateral tax treaties and local tax regulations might have a negative effect on the Group's cash flows and financial condition. Further, transfer pricing regulations in the various jurisdictions might impose a tax risk for the Group. Different jurisdictions may have different views on how Group internal transaction shall be priced, i.e. the Group's transfer pricing principles and documentation may be challenged. There is also a risk that the Group's historical tax compliance might be questioned in tax audits performed by local tax authorities, imposing a risk of supplementary taxation.

11.10 Critical accounting policies and estimates

11.10.1 General

When preparing the annual accounts in accordance with IFRS, the Company's Management has applied estimates based on best judgement and conditions considered to be realistic. Situations or changes may occur in the markets which may result in changes to the estimates, thereby impacting the Group's assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below.

11.10.2 Vessels

The carrying amount of the Group's vessels represents 75% of the total statement of financial position. Consequently, policies and estimates linked to the vessels have a significant impact on the Group's financial statements. Depreciation is calculated on a straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value.

Useful life of vessels

The level of depreciation depends on the vessels' estimated useful lives. Estimated useful life is based on strategy, past experience and knowledge of the types of vessels the Group owns. Useful life of older vessels is individually assessed. There will always be a certain risk of events like breakdown, obsolescence e.g. with older vessels, which may result in a shorter useful life than anticipated.

Residual value of vessels

The level of depreciation depends on the calculated residual value at the statement of financial position date. Assumptions concerning residual value are made on the basis of knowledge of the market for second hand vessels. The estimate of residual value is based on a market value of a charter free vessel, and today's fair value forms a basis for the estimate. Fair values are adjusted to reflect the value of the vessels as if it had been of an age and in the condition expected at the end of the useful life.

Useful life of investments related to periodical maintenance

Periodic maintenance is related to major inspections and overhaul costs which occurs at regular intervals over the life of an asset. The expenditure is capitalised and depreciated until the vessel enters the next periodical maintenance. Estimated life of each periodical maintenance program is normally 5 years. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates.

11.10.3 Impairment of assets

Vessels

For the purposes of assessing impairment for vessels, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "**CGU**"). Each vessel together with associated contracts is considered as a separate CGU.

For vessels, fair value less cost to sell is based on an average of the brokers' estimates, taken into account sales commission. For vessels older than 10 years within the PSV and AHTS segment, the Group has used the lower value in the range of broker estimates. All vessels in the Group are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of "willing buyer and willing seller". Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Group adjusts for positive or negative value in associated contracts.

Due to a limited number of vessel transactions in the current market, the brokers' estimates only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more influenced by the judgement of each broker. For this reason, the Group has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations. The Group has deemed it necessary to perform separate calculations for all vessels to support the broker estimates. In addition, conducted sales transactions during the year are reviewed and compared to broker estimates.

After the evaluation, the Group has concluded that the broker estimates are considered reliable.

Estimated cash flows are based on next year's budgets per vessel, and forecasted earnings going forward. The budget process is a detailed and thorough bottom-up budgeting process at all levels of the organisation, with approval procedures on all levels within the Group. Estimated future cash flows are based on historical performance per vessel, in combination with current market situation and future expectations. Critical assumptions in the assessment are related to income rates, utilisation, operational and capital expenditure.

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until expiry of the contracts. Options held by the customers are not assumed to be exercised, unless the options are at or below current market rates. For vessels without contract, assumptions derived from the evaluation of broker estimates, combined with other market information are considered when estimating future revenues. It is expected to be a weak market the next 2-3 years, and gradually normalise to historical average levels thereafter. Due to the current market situation there is a high level of uncertainty related to the estimates.

The Weighted Average Cost of Capital (WACC) is used as a discount rate, and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Group is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after tax discount rate. The nominal WACC used in the value in use calculations are ranging from 8.3%-10.0%.

Sensitivity analysis or stress tests have been carried out for the main variables in the assessment. This includes changes to key assumptions such as broker estimates, operating income, operating expenses and the discount rate.

ROVs

A value in use calculation is performed for ROVs as a pool of assets. Principles for calculation of future cash flows and WACC are the same as described for vessels.

Goodwill

Goodwill is allocated to the operating segments, which represent the lowest level within the entity which the goodwill is monitored. Each operational segment consists of several cash generating units (CGU). As a consequence of organisational changes in 2016, goodwill related to the acquisition of CSL UK Ltd previously allocated to the CSV segment has been reported and monitored separately from other goodwill in the CSV segment. CSL UK Ltd is a separate cash generating unit, and the Group has therefore concluded to allocate 100% of the goodwill identified in the original transaction as the method that best reflects the goodwill associated with the reorganised unit.

For the impairment test of goodwill the vessels are allocated to the different segments based on the current and expected use of the vessels.

For the CSV segment, goodwill is supported by the sum of value in use for all vessels in the segment. Recoverable amount is calculated based on discounted cash flows extracted from next year's budgets and forecasts covering five years. No real growth is expected after five years. Cash flows are based on budgets and forecast presented to the Board of Directors covering five years. Management has used the same expectation about market development as for the impairment test of vessels. The impairment test demonstrated that recoverable amount was higher than carrying amount, and no impairment was required.

11.10.4 Project income and costs

Lump sum projects, contract revenue and expenses are recognised in accordance with the stage of completion of a contract as set out in IAS 11. The stage of completion method is calculated by dividing contract costs incurred to date by total estimated contract costs. Revenue earned to date can then be calculated by allocating the percentage of completion based on cost to total contract revenue.

Contract revenue comprises the set amount of revenue agreed by the client in the contract plus variation orders where applicable. Variation orders will only be included in contract revenue to the extent they will likely result in revenue, they are capable of being reliably measured and they have been reviewed and approved by the client.

Cost forecasts are reviewed on a continuous basis and the project accounts are updated monthly as a result of these reviews.

As contract revenue, costs and the resulting profit are recognised as the work is performed, costs incurred relating to future activities are deferred and recognised as an asset in the consolidated statement of financial position. Conversely, where revenue is received in advance of costs being incurred, a deferred liability is recognised in the consolidated statement of financial position.

Where the outcome of a project cannot be reliably measured, revenue will be recognised only to the extent that costs are recoverable. Where it is probable that contract costs will not be recovered, it is only costs incurred that are recognised in the consolidated statement of comprehensive income.

In the event that it is probable total contract costs will exceed contract revenue, the anticipated loss is immediately recognised as an expense in the consolidated statement of comprehensive income. Expected losses are determined by reference to the latest estimate of project results at completion.

11.10.5 Provisions

A provision is recognised when there is a legal or constructive obligation arising from past events, or in cases of doubt as to the existence of an obligation, when it is more likely than not that a legal or constructive obligation has arisen from a past event and the amount can be estimated reliably.

The amount recognised as a provision is the best estimate of the expenditure to be incurred. The best estimate of the expenditure required to settle the present obligation is the amount that rationally will have to be paid to settle the obligation at the statement of financial position date or to transfer it to a third party at that time.

11.10.6 Deferred tax assets

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts per IAS 12.

Deferred tax assets are recorded in the consolidated statement of financial position on the basis of unused tax losses carried forward or deductible temporary differences to the extent that it is probable there will be sufficient future earnings available against which the loss or deductible can be utilised. Deferred income tax is calculated on temporary differences related to investments in subsidiaries and associated companies, except when the company has control of the timing of the reversal of the temporary differences, and it is probable that reversal will not take place in the foreseeable future.

In general, attention from tax authorities is increasing in all tax jurisdictions. This should be seen in relation to the OECD project Base Erosion and Profit Shifting (BEPS) and the general trend that each individual country has become more concerned about protecting their tax basis, in the context the Group experience more tax audits.

11.11 Significant change

Other than the Private Placement, there has been no significant changes in the financial or trading position of the Group since the date of the Interim Financial Statements for the three months ended 30 September 2017, which have been incorporated by reference into the Prospectus, see Section 19.3 "Incorporation by reference".

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's 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 Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has appointed an audit committee. In addition, the Company's Articles of Association provides for a nomination committee.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

12.2 Board of Directors

12.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of four to seven Board Members. The current Board of Directors consist of five Board Members, as listed in the table in Section 12.2.2 "The Board of Directors" below.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last updated 30 October 2014 (the "**Norwegian Corporate Governance Code**"), (i) the majority of the shareholder-elected members of the Board of Directors should be independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors should be independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's executive management should be on the Board of Directors.

All Board Members are independent of the Company's executive management and material business contacts, and no members of the Company's executive management serves on the Board of Directors. Kathryn Moore Baker (Board Member) is independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company).

The Company's registered office address at 5392 Storebø, Norway serves as c/o addresses for the Board Members in relation to their directorships of the Company.

As at the date of this Prospectus, none of the members of the Board of Directors hold any options or other rights to acquire Shares.

12.2.2 The Board of Directors

The names and positions of the Board Members are set out in the table below.

Name	Position	Served since	Term expires	Shares
Helge Arvid Møgster.....	Chairman	2000	AGM 2018	206,129,568 ¹
Helge Singelstad.....	Deputy Chairman	2008	AGM 2018	4,178,667
Marianne Møgster	Board Member	2016	AGM 2018	49,082,742
Kathryn Moore Baker	Board Member	2016	AGM 2018	-
Frederik Wilhelm Mohn	Board Member	2017	AGM 2019	505,307,560 ¹

¹ Via Laco AS, the Møgster family, including Helge Arvid Møgster, owns 66.4% of the shares in Møgster Mohn Offshore AS, which owns 59.02% of the issued Shares. The remaining 33.6% of the shares in Møgster Mohn Offshore AS are owned by Perestroika AS, a company affiliated with Frederik Wilhelm Mohn.

12.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, 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 Board Member is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Helge Arvid Møgster, Chairman

Helge Arvid Møgster, born in 1953, is the founder, majority owner and chairman of LACO AS, the majority shareholder of Møgster Mohn Offshore AS (the Company's largest shareholder) and the main shareholder of Austevoll Seafood ASA. Mr. Møgster has long experience from both the offshore supply and fishing industry, and is holding board positions in several companies, including being the chairman of the board of directors of DOF Subsea AS. Mr. Møgster is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... DOF Subsea AS (chairman), I&H Møgster AS (chairman), H Møgster AS (chairman), Møgster Management AS (chairman), Møgster Mohn Offshore AS (chairman), Møgster Havfiske AS (CEO, board member), 4 Seas AS (chairman), Laco AS (chairman), Lafjord AS (chairman), Maron AS (chairman), Aumur AS (board member), Piren AS (board member), Møgsterbas AS (chairman), Opilio AS (chairman), Talbor AS (CEO and chairman), Eikelie Invest Eiendom AS (chairman), Bjånesøy Eiendom AS (CEO and chairman), Eikelie Invest Eiendom II AS (CEO and chairman), Malibu Eiendom AS (chairman), Storebø Maritim AS (chairman), BR Birkeland AS (CEO and chairman), Fitjar Mekaniske Verksted AS (chairman), Mogstein AS (chairman), Sentrum Eiendom AS (board member), Pelagia Holding AS (board member), Austevoll Seafood ASA (board member), Kobbervik og Furuholmen Oppdrett AS (chairman), Birkeland Fiskebåtrederi Holding AS (CEO and chairman), BR Birkeland Fiskebåtrederi AS (CEO and chairman), Br Birkeland Farming AS (chairman), Vesterfjord (chairman) and Skjold AS (chairman).

Previous directorships and senior management positions

last five years DOF Subsea Holding AS (chairman), DOF Subsea Holding 2 AS (chairman), Lafjord II AS (chairman), Lafjord III AS (chairman), Nergård Holding AS (board member), Welcon Invest AS (board member), Moh Eiendom 1 AS (CEO), Maron AS (board member), Nergård AS (board member), Norskan AS (chairman) and DOF Rederi AS (chairman).

Helge Singelstad, Deputy Chairman

Helge Singelstad, born in 1963, has extensive experience from various types of business such as oil and gas, ship equipment and the seafood sector. He chairs and serves on numerous boards of directors, including being the chairman of the board of directors in Austevoll Seafood ASA, Lerøy Seafood Group ASA, Pelagia Holding AS, and is CEO in Laco AS. He holds a degree in computer engineering from Bergen Engineering College, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH), and he has a first year degree from the law school at the University of Bergen (UiB). Mr. Singelstad is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... Møgster Mohn Offshore AS (CEO and board member), Laco AS (CEO), Seigrunn AS (chairman), Pelagia Holding AS (chairman), Austevoll Seafood ASA (chairman), Austevoll Eiendom AS (chairman), Sjøtroll Havbruk AS (chairman), Austevoll Pacific AS (chairman), Lerøy Seafood Group ASA (chairman), Seistar Holding AS (chairman), Seivåg Shipping AS (chairman), Mowi Star AS (chairman), Austevoll Laksepakkeri AS (board member), Norskott Havbruk AS (board member), Fitjar Mekaniske Verksted AS (board member), A-Fish AS (board member), Mogstein AS (board member), Lerøy Midt AS (board member), Møgster Havfiske AS (board member), Møgster Management AS (board member), Lerøy Norway Seafood AS (chairman), Lerøy Seafood AS (board member), DOF Subsea AS (board member), Havfisk AS (chairman), Austral Group S.A.A (board member), Foodcorp Chile SA (board member) and Scottish Sea Farms Ltd (board member).

Previous directorships and senior management positions

last five years Welcon Invest AS (board member), Lerøy Hydrotech AS (board member), DOF Subsea Holding AS (board member), DOF Subsea Holding 2 AS (board member), Lerøy Vest AS (board member), Lerøy Aurora AS (board member).

Marianne Møgster, Board Member

Marianne Møgster, born in 1974, currently serves as Senior Vice President of Finance in DOF Subsea AS, and has experience from several other positions in DOF, StatoilHydro and Norsk Hydro. She has experience as a board member both with the DOF Group and other listed companies such as Lerøy Seafood Group ASA. She holds a degree in Economics and Business Administration from the Norwegian School of Economics and Administration (NHH). Mrs. Møgster is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... Malibu Eiendom AS (CEO and board member), DOF Installer ASA (CEO), DOF Subsea Rederi AS (CEO) M Møgster AS (chairman), MM Vesterlie AS (chairman), Lafford AS (board member), DOF Subsea Norway AS (board member), A Møgster AS (board member), C Møgster AS (board member), K Møgster AS (board member), DOF Rederi III AS (board member), DOF Rederi AS (board member), Eikelie Invest Eiendom AS (board member), CSL Norge AS (board member), KM Vesterlie AS (board member), AM Vesterlie AS (board member), CM Vesterlie AS (board member) and University of Bergen (board member).

Previous directorships and senior management positions

last five years DOF Subsea Asia Pacific Pte Ltd (CEO), Lerøy Seafood Group ASA (board member), DOFCON Brasil AS (board member) and Techdof DA (board member).

Kathryn Moore Baker, Board Member

Kathryn Moore Baker, born in 1964, serves on the executive board of the Central Bank of Norway (Norges Bank), where she is also a member of the audit and ownership committees. Mrs. Baker is chairman of Catena Media plc and Navamedic ASA, in addition to several other board and advisory positions. Mrs. Baker was previously a partner at the Norwegian private equity firm Reiten & Co for 15 years, and has held positions with Morgan Stanley and McKinsey. She holds a bachelor degree in Economics from Wellesley College and an MBA from the Tuck school of Business at Dartmouth. Mrs. Baker is a United States citizen, and resides in Norway.

Current directorships and senior management positions ... Catena Media plc (chairman), Navamedic ASA (chairman), Central Bank of Norway (executive board member), Lakeside AS (chairman), Hudya Group AS (deputy chairman), Pre Robot Holding AS (board member), Riddervoldsgate 7 AS (board member), Sevan Marine ASA (board member), Akastor ASA (board member) and Labrida AS (board member).

Previous directorships and senior management positions

last five years Paupac Invest AS (chairman), Hiddn Solutions ASA (chairman), Obligo Holding AS (board member), Bertel O. Steen Invest AS (board member), Riddervoldsgate 7 AS (chairman), Data Respons ASA (deputy chairman), Edutainment AS (chairman), Custom Holding AS (chairman), Themoon AS (chairman), Reiten & Co AS (board member), Stormgeo Holding AS (board member) and Norsk Venturekapitalforening (chairman).

Frederik Wilhelm Mohn, Board Member

Frederik Wilhelm Mohn, born in 1977, is sole owner of Perestroika AS, an investment company with long-term investments within offshore/rig, shipping, property-development and financial services. He holds extensive industrial experience from the world-wide family business, Frank Mohn AS, where he also has held the position of managing director as well as through positions with Schlumberger in the U.S. Frederik W. Mohn has since 2014 held the position as chairman of the board of directors in the listed Songa Offshore SE and is a member of the audit committee. Mr. Mohn has been a board member of Fjord1 ASA since July 2017. He also serves as member of the board in several privately owned property-development companies and in the tanker shipping company Viken Crude AS. Mr Mohn is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... Songa Offshore SE (chairman), Fjord1 ASA (board member), Viken Crude AS (board member), Perestroika Invest AS (chairman), Perestroika Industri AS (chairman), Perestroika AS (chairman), Perestroika Cyprus Limited (board member), Fornebu Strandsone AS (board member), Snoveien 17-19 AS (board member), Fornebu Sentrum AS (board member) Fornebu Sentrum Utvikling AS (board member), Høvik Stasjonsby KS (board member), Høvik Stasjonsby AS (board member), Gjettumgrenda AS (board member), Gjettumgrenda KS (board member) and Møgster Mohn Offshore AS (board member).

Previous directorships and senior management positions

last five years Krasavets AS (chairman and CEO), Luzmon Medical AS (board member) and Wimoh AS (CEO and board member).

12.3 Management

12.3.1 Overview

The names and positions of the members of the Management are set out in the table below.

Name	Current position within the Group	Employed with the Group since	Shares
Mons Svendal Aase	Chief Executive Officer	2005 ¹	19,844,184 ³
Hilde Drønen	Chief Financial Officer	2004 ²	4,493,342 ⁴

1 Mons Svendal Aase has since 1998 been part of the management team of DOF's parent company before he became CFO in 2005.

2 Hilde Drønen has previously held various positions in companies associated with the main shareholder of the Company. She joined the Company as CFO in 2004.

3 The shares are indirectly controlled by Mr. Aase through Moco AS.

4 The shares are directly and indirectly controlled by Mrs. Drønen through Djupedalen AS.

The Company's registered office address at 5392 Storebø, Norway, serves as c/o address for the members of Management in relation to their employment with the Company.

As at the date of this Prospectus, none of the members of the Management hold any options or other rights to acquire Shares.

12.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of 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 Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Mons Svendal Aase, Chief Executive Officer

Mons Svendal Aase, born in 1966, has been a part of the management team since 1998. He served as CFO and Deputy Managing Director before he became CEO of the Company in 2005. Mr. Aase has various experiences from financing and ship broking industries and chairs and serves in numerous boards of directors. He holds a MSc from the Norwegian Institute of Technology and a Cand. Merc. from the Norwegian School of Economics and Business Administration (NHH). Mr. Aase is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... AS Slettebakkveien 104 (chairman and CEO), DOF Deepwater AS (chairman and CEO), DOF Subsea AS (board member and CEO), Piren AS (chairman), DOF Iceman AS (chairman), Techdof Brasil AS (chairman), Moco AS (chairman), Moco Holding AS (chairman), Vizbygg AS (chairman), A/S C. Sundts. 54 (board member), Den Norske Krigsforsikring for Skib Gjensidige Forening (board member), Svendal-Aase Eiendom AS (board member), Åmodt Entreprenør AS (board member), Constructa AS (board member), Constructa Entreprenør AS (board member), DOFCON Brasil AS (board member), Iceman AS (board member), DOF Installer ASA (chairman), DOF Management AS (chairman), Semar AS (board member), DOF Rederi III AS (chairman), DOF Rederi AS (chairman and CEO), Norskan AS (chairman), Norskan Norway AS (chairman), PSV Invest II AS (chairman), DOF Rederi II AS (chairman), DOF Sjø AS (board member), DOF Subsea Norway AS (chairman), DOF Subsea Atlantic AS (chairman), DOF Subsea Rederi III AS (chairman), DOF Subsea ROV AS (chairman), CSL Norge AS (chairman), DOF Subsea Chartering AS (chairman), DOF Subsea Rederi AS (chairman) and DOF UK Ltd (board member).

Previous directorships and senior management positions

last five years DOF Subsea Holding AS (board member), Iceman AS (chairman), Doftech DA (chairman), MOH Eiendom 1 AS (chairman), Moco Fritidseiendom AS (chairman and CEO), DOF Deepwater AS (board member), Techdof DA (board member), Dofcon Brasil AS (board member), Norskan Holding AS (chairman), Waveney AS (chairman), PSV Invest I AS (chairman), DOF Subsea Rederi II AS (chairman), Norskan Norway AS (board member and CEO), Norskan AS (board member and CEO), DOF Subsea Holding 2 AS (board member and CEO), DOF Subsea Rov Holding AS (chairman), DOF Rederi AS (board member) and Anoma AS (chairman).

Hilde Drønen, Chief Financial Officer

Hilde Drønen, born in 1961, has worked as CFO in the Company since 2004. Mrs. Drønen has experience from acting as director of finance with Bergen Yards AS from 2003 to 2004 and group controller for the Møgster Group from 1995 to 2003. Mrs. Drønen holds a business administration degree and a business management degree from the Norwegian School of Management (BI). Mrs. Drønen has served on numerous boards and is currently, inter alia, member of the board of directors of Statkraft AS. Mrs. Drønen is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ... Norskan AS (CEO and board member), Statkraft AS (board member), DOF Deepwater AS (board member), Djupedalen AS (chairman), DOF Sjø AS (chairman), Marin IT AS (chairman), Statkraft SF (board member), Norskan Norway AS (CEO and board member), DOF Rederi II AS (CEO and board member), DOF Installer ASA (board member), DOF Subsea Rov AS (CEO and board member), DOF Management AS (board member), DOF Iceman AS (CEO and board member), Poseidon Management AS (chairman), DOF Rederi III AS (board member), DOF Rederi AS (board member), DOF Subsea Chartering AS (board member), DOF Subsea Rederi AS (board member) and DOF Subsea AS (board member).

Previous directorships and senior management positions

last five years DOF Subsea Holding AS (board member), Anoma AS (board member), Waveney AS (board member), Norskan Holding AS (CEO and board member), Altinex AS (board member), Bergen Næringsråd (board member), PSV Invest I AS (board member), DOF Subsea Holding 2 AS (board member), DOF Subsea Rederi II AS (board member), DOF Subsea Rov Holding AS (CEO and board member), Norskan Norway AS (chairman), Noreco Norway AS (board member), Norwegian Energy Company ASA (board member) and DOF Osm Marine Services AS (board member).

12.4 Remuneration and benefits

12.4.1 Remuneration to the Board of Directors

The remuneration of the Board of Directors for the year ended 31 December 2016 totalled NOK 1,225,000, of which the Chairman of the Board of Directors received NOK 300,000 and the other Board Members received NOK 175,000 each. In addition, the compensation to the audit committee totalled NOK 150,000 for the same period and the compensation to the nomination committee totalled NOK 75,000.

12.4.2 Remuneration of Management

The guiding principle of the Management remuneration policy is to offer senior employees terms of employment that are competitive in relation to salary, benefits in kind, bonus and pension scheme, taken together. The Group shall offer a salary level that is comparable with corresponding companies and activities, and taking account of the Group's need to have well qualified personnel at all levels.

The total remuneration to the members of the Management in 2016 was NOK 7,368 million. The table below sets out the remuneration of the CEO and CFO in 2016.

In TNOK

	Chief Executive Officer	Chief Financial Officer	Total
Salary including bonus	4,003	2,103	6,107
Pension premium	297	266	562
Other remuneration	564	135	700
Total	4,864	2,504	7,368

12.4.3 Bonus and share incentive program for Management

Members of Management only receive remuneration in addition to basic salary in the form of bonus. The amount of any bonus to the CEO shall be set by the Chairman of the Board of Directors. The bonus to other members of Management shall be set by the CEO in consultation with the Chairman of the Board of Directors. The CEO has the right to a bonus payment of 0.5% of the Group's annual result. In addition, the CEO can be granted a discretionary bonus. Members of Management have agreements whereby they are entitled to a free car and free business telephone. Other than this, there are no other benefits in kind granted to the members of Management.

In addition, the executive vice president (EVP) in DOF Subsea is entitled to a bonus based on the result of DOF Subsea and personal performance.

12.5 Benefits upon termination

The CEO is entitled to severance pay equal to 12 months' salary in the event of termination of his employment. Apart from this, no employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the Board Members or members of the nomination committee have service contracts and none will be entitled to any benefits upon termination of office.

12.6 Pension and retirement benefits

The members of Management are members of the Group's general pension scheme with life insurance companies. As of 31 December 2016, the Group's defined pension benefit plan covered 658 active members and 66 pensioners. Pension obligations as of 31 December 2016 were NOK 30 million for the Group. The pension obligations are included in other non-current liabilities in the consolidated statement of financial position.

12.7 Loans and guarantees

Except for the below, no company in the Group has granted any loans, guarantees or other commitments to any of its Board Members or to any member of Management.

A loan of NOK 2.5 million has been given to each of the CEO and the executive vice president (EVP) in DOF Subsea. The annual interest on the loans is 2% and the loans are to be paid in 2019. There is sufficient security related to the loans.

12.8 Employees

As of 31 December 2017, the Group had 3,953 full-time employees, including hired personnel. The table below shows the development in the number of employees over the last three years.

	As of 31 December			
	2017	2016	2015	2014
Total Group	3,953	4,072	4,819	5,375
By main category of activity:				
- Marine management	282	286	306	352
- Subsea management	1,214	1,278	1,566	1,858
- Marine crew	2,457	2,508	2,947	3,165

12.9 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of three members. The current members of the nomination committee are Kristine Herrebrøden, Harald Eikesdal and Roy Reite. The nomination committee shall give recommendations for the shareholder-elected Board Members and the members of the nomination committee and make recommendations for remuneration to the Board Members and the members of the nomination committee.

12.10 Audit committee

The Board of Directors has established an audit committee composed of Board Members. The current members of the audit committee are Helge Singelstad (Chairman) and Frederik Wilhelm Mohn. The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets, the operation of adequate system and internal controls, the control processes and the preparation of accurate financial reporting and statements in compliance with applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Group.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.11 Corporate governance

The Company has adopted and implemented a corporate governance policy which complies with the Norwegian Corporate Governance Code, with the following exception:

Deviation from section 8 "Corporate assembly, and board of directors: composition and independence": Pursuant to section 8 of the Norwegian Corporate Governance Code, at least two of the members of the board elected by the shareholders should be independent of the company's main shareholders. Following the general meeting of the Company held on 24 May 2017 where Frederik Wilhelm Mohn was elected as a new Board Member, replacing Lars Purlund, the Company only has one Board Member (Kathryn Moore Baker) who is independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company).

12.12 Conflicts of interests etc.

Other than companies which have been liquidated in the ordinary course of business, no Board Member or member of the Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any 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 was 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 or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

Helge Møgster is chairman of the board of directors of Møgster Mohn Offshore AS. Helge Singelstad is CEO and board member of Møgster Mohn Offshore AS. Frederik Wilhelm Mohn is board member of Møgster Mohn Offshore AS.

Other than the aforementioned, and Helge Arvid Møgster and Marianne Møgster who are father and daughter, there are no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons.

13 RELATED PARTY TRANSACTIONS

13.1 Introduction

Below is a summary of the Group's related party transaction for the periods covered by the historical financial information and up to the date of this Prospectus. For further information on related party transactions of the Group, please refer to note 29 and 10 of the Financial Statements and the Interim Financial Statements, respectively, incorporated by reference hereto, see Section 19.3 "Incorporation by reference". All related party transactions have been concluded at arm's length principles.

13.2 Transactions carried out with related parties in the years ended 31 December 2016, 2015 and 2014

13.2.1 Overview

The table below sets forth the operating costs of related party transactions in the years ended 31 December 2016, 2015 and 2014.

<i>In NOK million</i>	Year ended 31 December		
	2016 <i>(unaudited)</i>	2015 <i>(unaudited)</i>	2014 <i>(unaudited)</i>
Møgster Management AS	8	9	11
Total	8	9	11

In addition to the Board Members and the members of the Management, other companies in the Group, their board members and management are regarded as related parties.

Below is a description of significant transactions between related parties in the years ended 31 December 2016, 2015 and 2014.

13.2.2 Long-term agreements

As at the date of this Prospectus, Møgster Mohn Offshore AS owns 59.02% of the issued Shares in the Company. Møgster Mohn Offshore AS is owned 66.4% by Laco AS (the holding company of the Møgster family and affiliated with the chairman of the Board Helge Møgster) and 33.6 % by Perestroika AS (a company affiliated with Board Member Fredrik W. Mohn).

Møgster Management AS provides administrative intra-group services to the Company. Møgster Management AS is owned by Laco AS.

Austevoll Eiendom AS is a subsidiary of Austevoll Seafood ASA, which in turn is a subsidiary of Laco AS. The Company leases premises from Austevoll Eiendom AS.

DOF Subsea Norway AS leased two holiday homes from Mons Aase, CEO and board member in DOF Subsea and CEO of the Company. The lease costs were NOK 0.3 million and NOK 0.3 million in 2015 and 2014, respectively. The lease agreements were terminated in 2016.

13.2.3 Individual transactions

The Group uses the shipyard Fitjar Mekaniske Verksted AS to do maintenance and repairs on the vessels. Total costs were NOK 1.9 million, NOK 2.6 million and NOK 1.8 million in 2016, 2015 and 2014, respectively, and was at market terms. Fitjar Mekaniske Verksted AS is owned by Laco AS.

13.2.4 Loans to joint ventures

Loans of in total NOK 1,051 million is provided to joint ventures. DOF Subsea also guaranteed for 40% of the purchase price of each new vessel to the yard.

13.2.5 Guarantee

The Company has issued a guarantee in the maximum amount of NOK 429 million on behalf of Iceman AS in favour of DNB ASA. Guarantee income was NOK 8 million, NOK 8 million and NOK 9 million in 2016, 2015 and 2014, respectively. Iceman AS is owned with 40% by DOF Iceman AS. The Company and Vard Group ASA are owners with 50% each in DOF Iceman AS. In addition the Company owns 5% in Iceman AS.

13.3 Transactions carried out with related parties in the period following 31 December 2016

There has been no significant changes to the related party transactions following 31 December 2016 until the date of this Prospectus.

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A to this Prospectus, and applicable law.

14.1 Company corporate information

The Company's legal and commercial name is DOF ASA. The Company is a publicly limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office and domicile is in the municipality of Austevoll, Norway. The Company was incorporated in Norway on 3 May 1984. The Company's organisation number in the Norwegian Register of Business Enterprises is 935 349 230, and the Shares are registered in book-entry form with the VPS under ISIN NO0010070063. The Company's register of shareholders in VPS is administrated by the VPS Registrar. The Company's registered office is located at Alfabygget, 5392 Storebø, Norway and the Company's main telephone number at that address is +47 56 18 10 00 and its telefax number is +47 56 18 10 06. The Company's website can be found at www.dof.no. The content of www.dof.no is not incorporated by reference into and does not otherwise form part of this Prospectus.

14.2 Legal structure

The Company, the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Company. The following table sets out information about the Company's subsidiaries as of the date of this Prospectus:

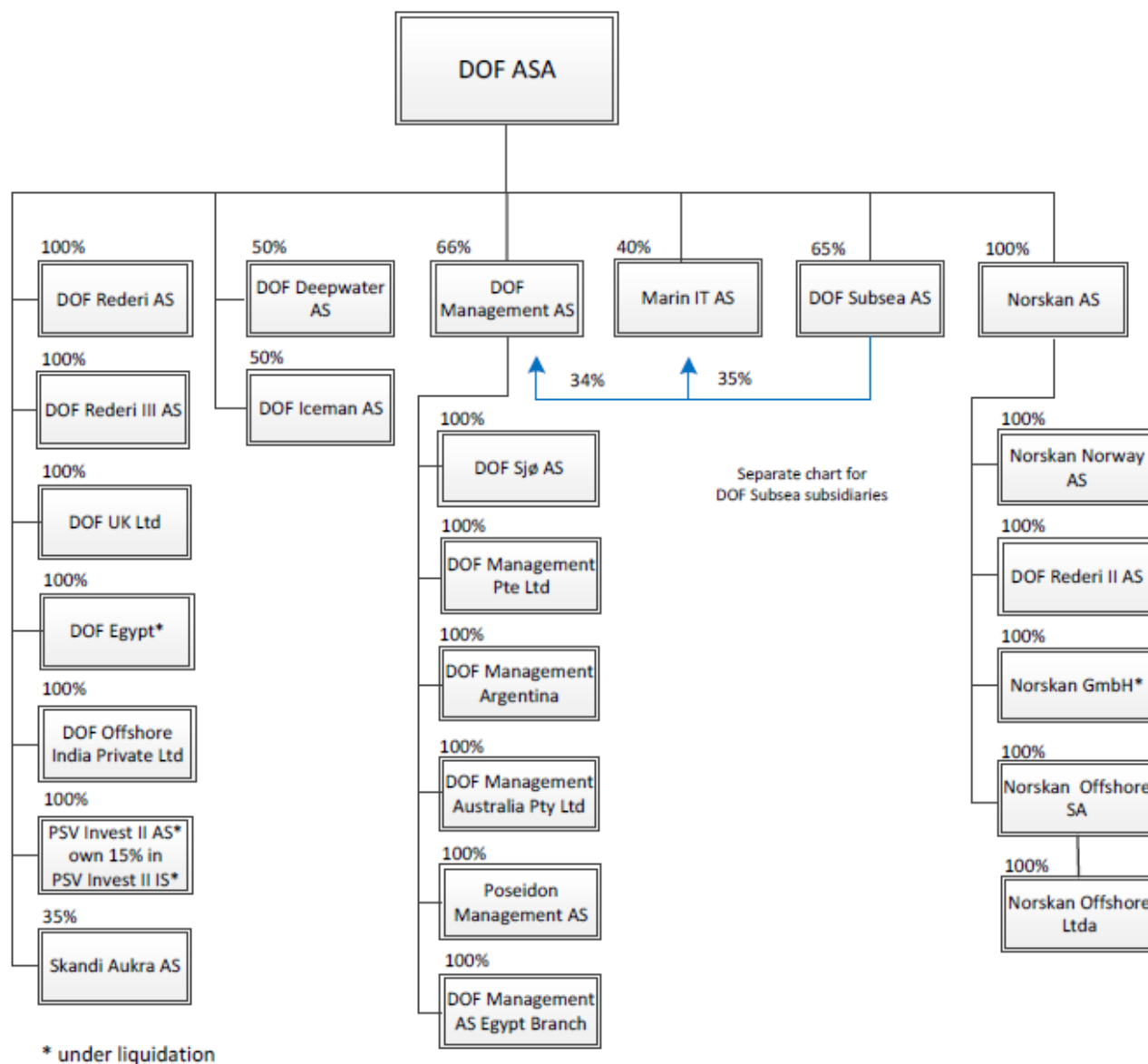
Company	Country of incorporation	Field of activity	Holding (%)	Owner
DOF Rederi AS	Norway	Shipowning	100%	DOF ASA
DOF UK Ltd	The United Kingdom	Shipowning, management	100%	DOF ASA
DOF Egypt	Egypt	Under liquidation	100%	DOF ASA
Norskan AS	Norway	Holding company	100%	DOF ASA
DOF Management AS	Norway	Management	100%	DOF ASA/DOF Subsea AS
Marin IT AS	Norway	IT services	75%	DOF ASA/DOF Subsea AS
DOF Subsea AS ¹	Norway	Subsea engineering, shipowning, subsea services, holding company	Approx. 65%	DOF ASA
DOF Subsea Chartering AS	Norway	Chartering of DOF Subsea vessels	100%	DOF Subsea AS
DOF Subsea Rederi AS	Norway	Shipowning	100%	DOF Subsea AS
DOF Subsea Rederi III AS	Norway	Shipowning	100%	DOF Subsea AS
DOF Subsea Norway AS	Norway	Subsea engineering and projects	100%	DOF Subsea AS
DOF Subsea Atlantic AS	Norway	Subsea engineering and projects	100%	DOF Subsea AS
DOF Subsea ROV AS	Norway	ROV ownership	100%	DOF Subsea AS
DOF Installer ASA	Norway	Shipowning	84.9%	DOF Subsea AS
Semar AS	Norway	Subsea engineering	50%	DOF Subsea AS
DOF Subsea USA Inc	The United States	Subsea projects, ship operations	100%	DOF Subsea AS
DOF Subsea Brasil Servicos Ltda	Brazil	Subsea projects, ship operations	100%	DOF Subsea AS
DOFCON Navegacao Ltda	Brazil	Asset owning entity (vessel owner)	50%	DOF Subsea AS
DOFCON Brasil AS	Norway	Holding company	50%	DOF Subsea AS
Techdof Brasil AS	Norway	Asset owning entity (vessel owner)	50%	DOF Subsea AS
DOF Subsea UK Ltd	The United Kingdom	Subsea projects, ship operations	100%	DOF Subsea AS
DOF Subsea S&P UK Ltd	The United Kingdom	Subsea survey and positioning activities	100%	DOF Subsea AS
DOF Subsea Angola Lda	Angola	Subsea activities Angola	100%	DOF Subsea AS
DOF Subsea Asia Pacific Pte. Ltd	Singapore	Subsea engineering and projects	100%	DOF Subsea AS
PT DOF Subsea Indonesia	Singapore	Subsea engineering and projects	95%	DOF Subsea Asia Pacific Pte Ltd
DOF Subsea Australian Pty.	Australia	Subsea engineering and projects	100%	DOF Subsea Asia Pacific Pte Ltd
DOF Subsea Labuan (L) Bhd	Malaysia	Subsea engineering and projects	100%	DOF Subsea Asia Pacific Pte

Company	Country of incorporation	Field of activity	Holding (%)	Owner
				Ltd
DOF Subsea Malaysia Sdn Bhd	Malaysia	Subsea engineering and projects	100%	DOF Subsea Asia Pacific Pte Ltd
DOF Subsea Offshore Services Pte Ltd	Singapore	Subsea crewing services	100%	DOF Subsea Asia Pacific Pte Ltd
DOF Subsea Asia Pacific Pte Ltd, Philippine Branch	Philippines	Subsea services	100%	DOF Subsea Asia Pacific Pte Ltd
Mashhor DOF Subsea Snd	Brunei Darussalam	Subsea services	50%	DOF Subsea Australian Pty
DOF Subsea Canada Corp	Canada	Subsea projects and vessel operations	100%	DOF Subsea US Inc.
DOF Subsea S&P US LLP	The United States	Subsea survey and positioning	100%	DOF Subsea US Inc.
CSL UK Ltd.	The United Kingdom	Subsea engineering	100%	DOF Subsea Atlantic AS
CSL Norge AS	Norway	Subsea engineering	100%	DOF Subsea Atlantic AS
Norskan Offshore SA	Brazil	Holding company	100%	Norskan AS
Norskan Offshore Ltda.	Brazil	Shipowning, management	100%	Norskan Offshore SA
DOF Offshore India Private Ltd	India	Management	100%	DOF ASA
Norskan GmbH in ligu	Austria	Under liquidation	100%	Norskan AS
Norskan Norway AS	Norway	Shipowning	100%	Norskan AS
DOF Rederi II AS	Norway	Shipowning	100%	Norskan AS
Poseidon Management AS	Norway	Management	100%	DOF Management AS
DOF Argentina	Argentina	Management	100%	DOF Management AS
DOF Sjø AS	Norway	Crewing company	100%	DOF Management AS
DOF Management Pte.	Singapore	Management	100%	DOF Management AS
DOF Management Australia Pty	Australia	Management, chartering	100%	DOF Management AS
PSV Invest II AS	Norway	Shipowning	100%	DOF ASA
DOF Subsea Congo SA	Congo	Legal project company	100%	DOF ASA/DOF Subsea AS
DOF Subsea Ghana Ltd	Ghana	Project company	49%	DOF Subsea UK
DOF Rederi III AS	Norway	Shipowning	100%	DOF ASA
DOF Deepwater AS	Norway	Shipowning	50%	DOF ASA
DOF Iceman AS	Norway	Shipowning	50%	DOF ASA
DOF Management AS Egypt Branch	Egypt	Management	100%	DOF Management AS

- 1 DOF Subsea AS is a private limited company incorporated in Norway where the minority owner, First Reserve Corporation, owns approximately 35%. The Company has a shareholders' agreement with First Reserve Corporation regarding the ownership in DOF Subsea AS. See Section 8.5.4 "Joint ventures and material subsidiaries with minority interests" for further information.

As at the date of this Prospectus, the Company is of the opinion that its holdings in the entities specified above are likely to have a significant effect on the assessment of the Group's assets and liabilities, financial condition or profits and losses.

The following condensed chart sets out the Group's legal structure as at the date of this Prospectus:



14.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 1,276,156,256 divided into 2,552,312,512 Shares, with each Share having a nominal value of NOK 0.50. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. Except from the Convertible Bond Issue, there are no share options or other rights to subscribe for or acquire Shares from the Company. Neither the Company nor any of its subsidiaries directly or indirectly own Shares in the Company.

The holders of the Convertible Bonds may at any time (in the period up to five years from the date of the extraordinary general meeting of the Company held on 6 July 2016) convert their bonds to Shares at a subscription price of NOK 1.00 per Share. On the final maturity date, the Company will redeem the Convertible Bond Issue, to the extent not already converted to Shares, by issuance of Shares at a subscription price of NOK 1.00 per Share.

The table below shows the development in the Company's share capital for the period covered by the historical financial information to the date of the Prospectus:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued Shares	Subscription price per share (NOK)
3 August 2016	Share capital increase	529,934,926.00	585,460,600.00	0.50	1,170,921,200	1.00
11 August 2016	Share capital increase	68,750,000.00	654,210,600.00	0.50	1,308,421,200	1.00
22 August 2016	Share capital increase	48,625,000.00	702,835,600.00	0.50	1,405,671,200	1.00
15 September 2016	Share capital increase	41,250,000.00	744,085,600.00	0.50	1,488,171,200	1.00
15 November 2016	Share capital increase	3,250,000.00	747,335,600.00	0.50	1,494,671,200	1.00
22 December 2016	Share capital increase	3,325,000.00	750,660,600.00	0.50	1,501,321,200	1.00
10 January 2017	Share capital increase	41,903,298.50	792,563,898.50	0.50	1,585,127,797	1.00
9 February 2017	Share capital increase	14,750,000.00	807,313,898.50	0.50	1,614,627,797	1.00
22 March 2017	Share capital increase	7,375,000.50	814,688,898.50	0.50	1,629,377,797	1.00
1 August 2017	Share capital increase	14,171,193.50	828,860,092.00	0.50	1,657,720,184	1.00
9 October 2017	Share capital increase	13,129,497.50	841,989,589.50	0.50	1,683,979,179	1.00
11 December 2017	Share capital increase	13,000,000.00	854,989,589.50	0.50	1,709,979,179	1.00
18 December 2017	Share capital increase	4,500,000.00	859,489,589.50	0.50	1,718,979,179	1.00
21 December 2017	Share capital increase	416,666,666.50	1,276,156,256	0.50	2,552,312,512	0.60

Other than the Convertible Bonds, no share capital in the Company has been paid for with assets other than cash in the period covered by the historical financial information to the date of the Prospectus.

14.4 Listing on the Oslo Stock Exchange

The Shares are, and the Private Placement Shares and the Offer Shares will be, admitted to trading on the Oslo Stock Exchange. The Company currently expects commencement of trading in the Private Placement Shares on the Oslo Stock Exchange on or around 1 February 2018 and the Offer Shares on the Oslo Stock Exchange on or around 22 February 2018. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

14.5 Ownership structure

As of 26 January 2018, the Company had 7,450 shareholders. The Company's 20 largest shareholders as of the same date are shown in the table below.

#	Shareholders	Number of Shares	Percent
1	MØGSTER MOHN OFFSHORE AS	1,506,399,363	59.02%
2	BNP PARIBAS SECURITIES SERVICES	95,701,686	3.75%
3	MP PENSJON PK	36,718,373	1.44%
4	CITY FINANCIAL ABSOLUTE EQUITY FD	27,750,000	1.09%
5	SKANDINAVISKA ENSKILDA BANKEN AB	26,303,058	1.03%
6	DRAGESUND INVEST AS.....	24,600,000	0.96%
7	MOCO AS	19,844,184	0.78%
8	GERDA MARIE AS	18,000,000	0.71%
9	PARETO AS	14,234,975	0.56%
10	TOPDANMARK LIVSFORSIKRING A/S.....	12,500,000	0.49%
11	NORDNET LIVSFORSIKRING AS.....	10,194,854	0.40%
12	AKERSHUS FYLKESKOMM. PENSJONSKASSE	10,000,000	0.39%
13	KRISTIAN FALNES AS.....	9,500,000	0.37%
14	DEUTSCHE BANK AG.....	9,192,640	0.36%
15	AS NAVE	8,615,000	0.34%
16	THE NORTHERN TRUST COMP, LONDON BR	8,589,578	0.34%
17	SIGFISK AS	8,500,000	0.33%
18	DNB NOR BANK ASA	8,196,883	0.32%
19	NORDNET BANK AB	7,956,567	0.31%
20	ARCTIC FUNDS PLC	7,837,012	0.31%
	Others	681,678,339	26,71%
	Total	2,552,312,512	100.00%

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

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is noticeable pursuant to the Norwegian Securities Trading Act. See Section 15.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder, other than Møgster Mohn Offshore AS (59.02%) holds 5% or more of the issued Shares.

As of the date of this Prospectus, Møgster Mohn Offshore AS exercises 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. The Shares have not been subject to any public takeover bids.

14.6 Authorisation to increase the share capital and to issue Shares

On 19 December 2017, an extraordinary general meeting of the Company resolved to grant the Board of Directors an authorisation to increase the Company's share capital by up to NOK 168,333,333.50 in connection with the Subsequent Offering. Except for the authorisation to issue shares in connection with the Subsequent Offering and as of the date of this Prospectus, the Board of Directors has not been authorised to increase the share capital and to issue Shares.

14.7 Authorisation to acquire treasury shares

The Board of Directors has not been authorised to acquire treasury Shares.

14.8 Other financial instruments

Other than the Convertible Bonds, neither the Company nor any of its subsidiaries have 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.

The Convertible Bonds were issued on 4 August 2016, and the terms and conditions of the Convertible Bonds are set out in the bond agreement dated 1 August 2016. As of the date of the Prospectus, the outstanding amount under the Convertible Bond Issue was NOK 275.6 million. The initial value of the Convertible Bond Issue was NOK 1,032.5 million. The Convertible Bond Issue has, since registration, been classified as equity.

The Convertible Bond Issue has a five year tenor, zero coupon and no financial covenants. There are no amortisations and no repayment of cash on the Convertible Bonds. In many respects, the Convertible Bonds bear resemblance to the Shares, and the bondholders have in many respects rights as if they were shareholders in the Company.

The bondholders may at any time (in the period up to five years from the date of the extraordinary general meeting of the Company held on 6 July 2016) convert their Convertible Bonds to Shares at a subscription price of NOK 1.00 per Share. On the final maturity date (6 July 2021), the Company will redeem the Convertible Bonds, to the extent not already converted to Shares, by issuance of Shares at a subscription price of NOK 1.00 per Share.

14.9 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attaching to the Shares are described in Section 14.10 "The Articles of Association and certain aspects of Norwegian law".

14.10 The Articles of Association and certain aspects of Norwegian law

14.10.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

Objective of the Company

The objective of the Company is to engage in trading and shipping business and other offshore-related activity, including participation in other companies with the same or similar objects. See Section 2 in the Company's Articles of Association.

Registered office

The Company's registered office is in the municipality of Austevoll, Norway. See Section 3 in the Company's Articles of Association.

Share capital and nominal value

The Company's share capital is NOK 1,276,156,256 divided into 2,552,312,512 Shares, each Share with a nominal value of NOK 0.50. The Shares are registered with the VPS. See Section 4 in the Company's Articles of Association.

Board of Directors

The Company's Board of Directors shall consist of four to seven Board Members. See Section 5 in the Company's Articles of Association.

Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

General meetings

Documents relating to matters to be dealt with by the General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her. See Section 9 in the Company's Articles of Association.

The Board of Directors may decide that shareholders who want to participate in the General Meeting must notify the Company thereof within a specific deadline that cannot expire earlier than five days prior to the General Meeting. See Section 7 in the Company's Articles of Association.

Nomination committee

The Company shall have a nomination committee. See Section 12.9 "Nomination committee" and Section 5 in the Company's Articles of Association.

*14.10.2 Certain aspects of Norwegian law**14.10.2.1 General meetings*

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for General Meetings, the Company plans to include a proxy form with notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the General Meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at General Meetings.

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 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 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 14 day notice period until the next annual general meeting provided the Company has procedures in place allowing shareholders to vote electronically.

14.10.2.2 Voting rights – amendments to the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including 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 at 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 the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

There are no quorum requirements that apply to the general meetings.

14.10.2.3 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 addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting passed by the same vote required to amend 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, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered par share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

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 and the rights would be sold on the shareholder's behalf by the Company.

14.10.2.4 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 Company's 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.

14.10.2.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal 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 of the Company's shareholders cannot be granted for a period exceeding 2 years.

14.10.2.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

14.10.2.7 Liability of members of the Board of Directors

Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members 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.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Company's Board Members from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than 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 the Company receives as a result of the action. If the decision to discharge any of the Company's Board Members from liability or not to pursue claims against the Company's Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

14.10.2.8 Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

14.10.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

14.11 Shareholders' agreement

To the knowledge of the Company, there are no shareholders' agreements related to the Shares.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As of 31 December 2016, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,121 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2016 amounted to approximately 36.6%.

The Oslo Stock Exchange 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.

15.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange 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 the Oslo Stock Exchange 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 the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license 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 licensed 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 license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license 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 the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all 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. Inside information means

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. The Oslo Stock Exchange may levy fines on companies violating these requirements.

15.4 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 the Oslo Stock Exchange 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.

15.5 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 company 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 in general meetings on behalf of the beneficial owners.

15.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

15.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company 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 company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange 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.

15.8 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.

15.9 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 the Oslo Stock Exchange 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 the Oslo Stock Exchange 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 the Oslo Stock Exchange 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, the Oslo Stock Exchange 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, the Oslo Stock Exchange 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.

15.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited 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 liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company 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 more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the 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 more than 90% of the voting shares of a company 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 Limited 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/voluntary offer unless specific reasons indicate another 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, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.11 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.

16 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation are 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 Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. 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 advisors 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.

16.1 Norwegian taxation

16.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 30.59% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.33 which are then included as ordinary income taxable at a flat rate of 23%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 30.59%.

The allowance is calculated on a share-by-share basis. 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.: statskasserveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

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. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at 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. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please refer to "Taxation of dividends – Norwegian Personal Shareholders" above). 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 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.

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 the beneficial owner of the shares and 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 be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate 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. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate 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.

As of 1 January 2018, new documentation requirements will need to be fulfilled in order to obtain reduced withholding tax rates. Inter alia, all Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. Such documentation must be provided to either the nominee or the account operator (VPS).

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 Company assumes this obligation.

16.1.2 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. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 30.59%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.33 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 23%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 30.59%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

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 allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to "Taxation of dividends — Norwegian Personal Shareholders" 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 Company. 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.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the Non-Norwegian Corporate Shareholder holds the shares in connection with business activities carried out or managed from Norway.

16.1.3 Taxation of subscription rights

Norwegian Personal Shareholders

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Norwegian Corporate shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Non-Norwegian Shareholders

A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Bondholders

Norwegian tax law in respect of subscription rights for shares granted to holders of bonds are not clear and bondholders should consult with and rely upon their own tax advisors with respect to the tax position in their country of residence.

Provided that the Convertible Bonds are treated and accounted for Norwegian income tax purposes as equity instruments (rather than debt instruments), subscription for shares pursuant to a subscription right should be subject to Norwegian taxation as outlined above.

16.1.4 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). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 80%).

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.

16.1.5 VAT and transfer taxes

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

16.1.6 *Inheritance tax*

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17 THE COMPLETED PRIVATE PLACEMENT AND THE TERMS OF THE SUBSEQUENT OFFERING

17.1 The Private Placement

17.1.1 Overview

At the extraordinary General Meeting of the Company held on 19 December 2017, it was inter alia resolved to increase the share capital of the Company with NOK 416,666,666.50, through the issue of 833,333,333 Private Placement Shares, at a subscription price of NOK 0.60 per Private Placement Share in the Private Placement, resulting in gross proceeds of NOK 500 million. The Private Placement was directed towards investors in Norway and other jurisdictions subject to applicable exemptions from registration, filing, prospectus and other requirements under applicable securities laws, (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the United States to 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 Company and the Managers discussed the Private Placement with larger shareholders and other investors prior to announcing the contemplated transaction on 27 November 2017 in order to determine whether to launch the transaction and also to determine the terms of the transaction, taking into consideration the need for an equity contribution in DOF Subsea. The feed-back received in this pre-sounding indicated that investors were valuing the Company using other parameters than the Share price quoted on the Oslo Stock Exchange. On the basis of the investor feed-back, it was decided that a discount to the then quoted prices for the Shares on Oslo Stock Exchange would be required in order to complete the Private Placement. In consultation with the Managers, the Board of Directors resolved to set the subscription price at NOK 0.60 when launching the conditional Private Placement. That subscription price was later approved by the extraordinary General Meeting of the Company. The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000.

The Private Placement Shares were placed by the Managers to selected investors in the application period from 16:30 hours (CET) on 27 November 2017 to 08:00 hours (CET) on 28 November 2017, and the Company and the Managers entered into application agreements with the investors pursuant to which the investors undertook to subscribe for the Private Placement Shares, subject amongst other to the following conditions being satisfied within 18 December 2017:

- approval of the Private Placement and the increase of the share capital required for the Subsequent Offering by the Company's extraordinary General Meeting;
- the DOFSUB07 bondholder meeting approving an extension of the maturity of the bond loan from currently May 2018 to October 2019 for NOK 100 million of the bond loan and May 2020 for the remaining NOK 408 million of the bond loan, at an annual interest rate of NIBOR + 7%; and
- banks' credit committee approval of soft terms relating to the NOK 3.8 billion facility in DOF Rederi AS with a liquidity effect of approximately NOK 550 million and extension of a credit facility in the Company from October 2019 until mid 2021.

The successful placing of the conditional Private Placement was announced through a stock exchange announcement on 28 November 2017.

17.1.2 Resolution to issue the Private Placement Shares

On 19 December 2017, an extraordinary General Meeting of the Company passed the following resolution to issue the Private Placement Shares and increase the share capital of the Company in connection with the Private Placement (translated from Norwegian):

- (i) *The share capital shall be increased with NOK 416,666,666.50 by the issuance of 833,333,333 new shares, each having a nominal value of NOK 0.50.*
- (ii) *The subscription price is NOK 0.60 per share. The contribution shall be made in cash.*
- (iii) *The new shares shall be subscribed for by Pareto Securities AS, ABN AMRO Bank N.V., Clarksons Platou Securities AS and/or Nordea Bank AB (publ) on behalf of the subscribers listed in Appendix 2 and allocated in accordance with said appendix.*

- (iv) *The preferential right of the existing shareholders to subscribe for the new shares pursuant to section 10-4 (1) of the Norwegian Public Limited Companies Act is deviated from, cf. section 10-5 of the Norwegian Public Limited Companies Act.*
- (v) *The new shares shall be subscribed for at a separate subscription form no later than on 20 December 2017.*
- (vi) *Payment shall be made to the Company's share issue account no later than on 20 December 2017.*
- (vii) *The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- (viii) *Section 4 of the Company's articles of association is amended to read as follows:*

"The company's share capital is NOK 1,276,156,256, divided into 2,552,312,512 shares, each with a nominal value of NOK 0.50, fully paid and registered."
- (ix) *Completion of the share capital increase is conditional upon (i) the DOFSUB07 bondholder meeting approving an extension of the maturity of the bond loan from currently May 2018 to October 2019 for NOK 100 million of the bond loan and May 2020 for the remaining NOK 408 million of the bond loan, at an annual interest rate of NIBOR + 7%, and (iii) the relevant banks' credit committee approval of "soft terms" relating to the NOK 3.8 billion facility in DOF Rederi AS with a liquidity effect of approx. NOK 550 million and extension of a credit facility in the Company from October 2019 until mid 2021.*
- (x) *The Company's expenses in relation to the share capital increase are estimated to be NOK 5,500,000.*

17.1.3 Participation of major existing shareholders and members of the Company's management, supervisory and administrative bodies

The following major existing shareholders and members of the Company's management, supervisory or administrative bodies subscribed for, and were allocated, Private Placement Shares in the Private Placement:

- DOF's largest shareholder, Møgster Mohn Offshore AS, a company owned 66.4% by Laco AS (the holding company of the Møgster family and affiliated with the chairman of the board of the Company Helge Møgster) and 33.6% by Perestroika AS (a company affiliated with board member of the Company Frederik W. Mohn) (561,023,313 Private Placement Shares);
- Moco AS, owned by the CEO Mons Aase (5,000,000 Private Placement Shares);
- Djupedalen AS, owned by the CFO Hilde Drønen (1,666,667 Private Placement Shares); and
- Helge Singelstad, deputy chairman of the Board of Directors (1,666,667 Private Placement Shares).

17.1.4 Delivery and listing of the Private Placement Shares

The share capital increase pertaining to the Private Placement was registered with the Norwegian Register of Business Enterprises on 21 December 2017.

The Private Placement was settled with existing and unencumbered Shares already listed on the Oslo Stock Exchange, pursuant to a share lending agreement between Møgster Mohn Offshore AS as lender, Pareto (on behalf of the Managers) and the Company. Hence, the Shares allocated in the Private Placement (other than those allocated to Møgster Mohn Offshore AS) were tradeable immediately after delivery to investors on 21 December 2017.

The Managers settled the share loan with the Private Placement Shares once such Shares were issued. The Private Placement Shares issued and delivered to Møgster Mohn Offshore AS have been placed on a separate ISIN pending publication of this Prospectus, and will be listed and admitted to trading on the Oslo Stock Exchange following publication of this Prospectus.

17.1.5 The rights conferred by the Private Placement Shares

The Private Placement Shares issued in the Private Placement are ordinary Shares in the Company each having a nominal value of NOK 0.50. The Private Placement Shares are issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Private Placement Shares rank in all respects *pari passu* with the existing Shares and carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Private Placement with the Norwegian Register of Business Enterprises. The Private Placement Shares are eligible for any dividends that the Company may declare after such registration. All Shares, including the Private Placement Shares, have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 14 "Corporate information and description of the share capital" for a more detailed description of the Shares.

17.1.6 Dilution

The Private Placement resulted in an immediate dilution of the existing Shares of approximately 33.1% (29.5% on a fully diluted basis taking into account the Convertible Bonds).

17.1.7 Net proceeds and expenses related to the Private Placement

The fees and expenses related to the Private Placement amounted to approximately NOK 6 million, of which approximately NOK 4.9 million were fees to the Managers and approximately NOK 1.1 million were other fees, costs and expenses. No expenses or taxes were charged by the Company or the Managers to the subscribers in the Private Placement.

Hence, the total net proceeds from the Private Placement were approximately NOK 494 million. For a description of the use of such proceeds, see Section 6 "Reasons for the Private Placement and the Subsequent Offering".

17.1.8 Interest of natural and legal persons involved in the Private Placement

The Managers or their affiliates have 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. The Managers, their employees and any affiliate may currently own Shares in the Company. Furthermore, the Managers will receive fees in connection with the Private Placement and, as such, have an interest in the Private Placement. See Section 17.1.7 "Net proceeds and expenses related to the Private Placement" for information on fees to the Managers in connection with the Private Placement.

17.2 The Subsequent Offering

17.2.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 336,700,000 Offer Shares at a Subscription Price of NOK 0.60 per Offer Share, thereby raising gross proceeds of up to NOK 202 million. The Offer Shares will have a nominal value of NOK 0.50 each.

Eligible Subscribers will be granted non-transferable Subscription Rights that, subject to certain limitations based on applicable laws and regulation, provide preferential rights to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Subsequent Offering. Over-subscription and subscription without Subscription Rights will be permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions.

The Offer Shares allocated in the Subsequent Offering are expected to be traded on the Oslo Stock Exchange from and including 22 February 2018.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to QIBs as defined in Rule 144A pursuant to transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act; and (ii) outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase or subscribe, the Offer Shares and/or the use of the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and Section 18 "Selling and transfer restrictions".

17.2.2 Use of proceeds

The net proceeds from the Subsequent Offering are expected to be approximately NOK 195 million, assuming that all the Offer Shares are issued. The net proceeds, if any, will be used for general corporate purposes.

17.2.3 Resolution to issue the Offer Shares

On 19 December 2017, an extraordinary general meeting of the Company resolved to grant the Board of Directors an authorisation to increase the Company's share capital by up to NOK 168,333,333.50 in connection with the Subsequent Offering.

Following the end of the Subscription Period, the Board of Directors will on or about 15 February 2018 approve the completion of the Subsequent Offering, including the allocation and issuance of the Offer Shares. The Offer Shares are expected to be issued on or about 21 February 2018.

17.2.4 Timetable

The timetable set out below provides certain indicative key dates for the Subsequent Offering:

Last day of trading in the Shares including Subscription Rights.....	27 November 2017
First day of trading in the Shares excluding Subscription Rights.....	28 November 2017
Record Date.....	29 November 2017
Subscription Period commences.....	1 February 2018 at 09:00 hours (CET)
Subscription Period ends.....	14 February 2018 at 16:30 hours (CET)
Allocation of the Offer Shares.....	Expected on or about 15 February 2018
Distribution of allocation letters.....	Expected on or about 15 February 2018
Payment Date.....	Expected on or about 19 February 2018
Delivery of the Offer Shares.....	Expected on or about 21 February 2018
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange.....	Expected on or about 22 February 2018

17.2.5 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 0.60 per Offer Share, which is the same subscription price as in the Private Placement.

17.2.6 Subscription Period

The Subscription Period will commence at 09:00 hours (CET) on 1 February 2018 and end at 16:30 hours (CET) on 14 February 2018. The Subscription Period may not be extended or shortened.

17.2.7 Record Date for Eligible Subscribers

Eligible Subscribers who are registered in the VPS as of the Record Date (29 November 2017) will receive Subscription Rights.

Provided that the delivery of traded Shares and the Convertible Bonds was made with ordinary T+2 settlement in the VPS, Shares and Convertible Bonds that were acquired until and including 27 November 2017 will give the right to receive Subscription Rights, whereas Shares and Convertible Bonds that were acquired from and including 28 November 2017 will not give the right to receive Subscription Rights.

17.2.8 Subscription Rights

Eligible Subscribers will be granted non-transferable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Subscriber will be granted 0.526276 Subscription Right for every Share and/or Convertible Bond registered as held by such Eligible Subscriber on the Record Date. The number of Subscription Rights granted to each Eligible Subscriber will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Subscriber's VPS account on or about 1 February 2018 under ISIN NO 001 0814809. The Subscription Rights will be distributed free of charge to Eligible Subscribers.

The Subscription Rights must be used to subscribe for Offer Shares before the end of the Subscription Period (i.e. 14 February 2018 at 16:30 hours (CET)). Subscription Rights that are not exercised before 14

February 2018 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus.

Should any Subscription Rights have been credited to any (i) Eligible Subscribers resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or (ii) Eligible Subscribers located in the United States who is not a QIB (the "**Ineligible Subscribers**"), such credit specifically does not constitute an offer to such Ineligible Subscribers.

17.2.9 Subscription procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form (the "**Subscription Form**") to one of the Managers 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.

Eligible Subscribers will receive Subscription Forms that include information about the number of Subscription Rights allocated to the relevant Eligible Subscriber and certain other matters relating to its shareholding.

Subscriptions for Offer Shares by subscribers who are not Eligible Subscribers must be made on a Subscription Form in the form included in Appendix B "Subscription form for the Subsequent Offering". Eligible Subscribers may also choose to use such Subscription Form.

Correctly completed Subscription Forms must be received by one of the Managers at the following address or email address by, or in the case of online subscriptions be registered by, no later than 16:30 hours (CET) on 14 February 2018:

ABN AMRO Bank	Clarksons Platou Securities AS	Nordea Bank AB (publ), filial i Norge	Pareto Securities AS
Gustav Mahlerlaan 10 1082 PP Amsterdam The Netherlands Tel: +31 20 5357330 E-mail: mail_syndicate@nl.abnamro.com	Munkedamsveien 62C N-0270 Oslo Norway Tel: +47 22 01 63 00 E-mail: ecm.oslo@clarksons.com http://securities.clarksons.com	Essendropsgate 7 P.O. Box 1166 Sentrum N-0107 Oslo Norway Tel: + 47 24 01 34 62 E-mail: NIS@nordea.com www.nordea.no/dof	Dronning Mauds gate 3 P.O. Box 1411 Vika N-0115 Oslo Norway Tel: + 47 22 87 87 00 E-mail: subscription@paretosec.com www.paretosec.com

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 <http://securities.clarksons.com>, www.nordea.no/dof or www.paretosec.com which will redirect the subscriber to the VPS online subscription system). The VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares.

None of the Company or the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by one of the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by one of the Managers or, in the case of applications through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form or, in the case of applications through the VPS online subscription system, the online subscription registration. By signing and submitting a Subscription Form, or by registration of a subscription in the VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber

entitles the subscriber to be allocated) and subscription without subscription rights will be permitted. However, in each case, there can be no assurance that Offer Shares will be allocated for such subscriptions.

Multiple subscriptions (i.e. subscriptions on more than one Subscription Form) are allowed. Note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. 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.

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of which of the above Managers the subscriptions are placed with. Furthermore, all subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a Subscription Form to one of the Managers or through the VPS online subscription system.

17.2.10 Mandatory Anti-Money Laundering Procedures

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

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager in accordance with the 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. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the NFSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

17.2.11 Financial intermediaries

All persons or entities holding Shares, Convertible Bonds or Subscription Rights through financial intermediaries (i.e. brokers, custodians and nominees) should read this Section 17.2.11 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

17.2.11.1 Subscription Rights

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

Eligible Subscribers who hold their Shares and/or Convertible Bonds through a financial intermediary and who are Ineligible Subscribers will not be entitled to exercise their Subscription Rights.

17.2.11.2 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 deadlines will depend on the financial intermediary. Eligible Subscribers who hold their Shares and/or Convertible Bonds through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

17.2.11.3 Subscription

Any Eligible Subscriber who is not an Ineligible Subscriber and who holds its Subscription 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 Eligible Subscribers and for informing one of the Managers of their exercise instructions.

See Section 18 "Selling and transfer restrictions" below for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions.

17.2.11.4 Method of payment

Any Eligible Subscriber who holds its Subscription 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 to one of the Managers no later than the Payment Date. Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

17.2.12 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 15 February 2018 in accordance with the following criteria:

- (i) Allocation of Offer Shares to subscribers will first be made based on granted Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.
- (ii) If not all Subscription Rights are validly exercised during the Subscription Period, subscribers who were holders of Shares or Convertible Bonds as of 27 November 2017 (as registered in VPS as of 29 November 2017), will be allocated Offer Shares on a pro rata basis based on the shareholding in the Company on a fully diluted basis (which will be sought adjusted for number of Shares already allocated in the Private Placement or through Subscription Rights). To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- (iii) Offer Shares not allocated pursuant to (i) and (ii) above will be allocated to other subscribers. Allocation will be sought made on a pro rata basis based on the relevant subscription amounts.

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription 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.

The result of the Subsequent Offering is expected to be published on or about 15 February 2018 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange information system and at the Company's website (www.dof.no). Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 15 February 2018. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 14:00 hours (CET) on 15 February 2018. Subscribers who do not have access to investor services through their VPS account manager may contact one of the Managers (ABN AMRO Bank on telephone number +31 20 5357330, Clarksons Platou Securities on telephone number +47 22 01 63 00, Nordea on telephone number +47 22 48 88 99 or Pareto on telephone number +47 22 87 87 00) from 14:00 hours (CET) on 15 February 2018 to obtain information about the number of Offer Shares allocated to them.

17.2.13 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on 19 February 2018 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Sections 17.2.13.1 "Subscribers who have a Norwegian bank account" or 17.2.13.2 "Subscribers who do not have a Norwegian bank account".

17.2.13.1 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, or registering a subscription through the VPS online subscription system, provide Pareto (the "**Settlement Agent**"), or someone appointed by the Settlement Agent, with a one-time irrevocable authorisation to debit a specified Norwegian bank account 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 after the Payment Date. The Settlement Agent, or someone appointed by the Settlement Agent, is only authorised to debit such account once, but reserves the right (but has no obligation) 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 Settlement Agent, or someone appointed by the Settlement Agent, 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 subscriber's 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 subscriber's 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, or registering a subscription through the VPS online subscription system, provide the Settlement Agent, or someone appointed by the Settlement Agent, with a one-time irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

17.2.13.2 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 Settlement Agent (Pareto) on telephone number +47 22 87 87 00 for further details and instructions.

17.2.13.3 Overdue 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, currently 8.50 % per annum as of the date of this Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber.

In order to enable timely registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, the Company may, but will not necessarily, enter into a payment guarantee agreement with one or more payment guarantor(s) (the "**Payment Guarantors**") which may cover the entire, or a portion of, the amount subscribed in the Subsequent Offering. Pursuant to such payment guarantee agreement, if entered into, the Payment Guarantors will pay any subscription amounts not paid by the subscribers when due, limited upwards to the guaranteed amount. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Payment Guarantors. The Offer Shares allocated to such subscribers will be transferred to a VPS account operated by the Settlement Agent on behalf of the Payment Guarantors and will be transferred to the non-paying subscriber when payment of the subscription amount for the relevant Offer Shares is received. However, the Payment Guarantors reserve the right to sell or assume ownership of the Offer Shares from and including the fourth day after the Payment Date without further notice to the subscriber in question in accordance with section 10-12 (4) of the Norwegian Public Limited Liability Companies Act if payment has not been received within the third day after the Payment Date. If the Offer Shares are sold on behalf of the subscriber, the subscriber will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Payment Guarantors as a result of or in connection with such sales. The Company and/or the Payment Guarantors may enforce payment for any amount outstanding in accordance with Norwegian law.

To the extent a payment guarantee agreement is not entered into or the Payment Guarantors decide not to assume ownership to the unpaid Offer Shares, the Settlement Agent, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time from and including the fourth day after the Payment Date, cancel the subscription and to reallocate or otherwise dispose of allocated Offer Shares for which payment is overdue, on such terms and in such manner as the Settlement Agent may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Settlement Agent, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

17.2.14 Delivery of the Offer Shares

Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 21 February 2018 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the same day. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and hence for the subsequent delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period, i.e. on 14 May 2018.

17.2.15 Listing of the Offer Shares

The Shares are listed on the Oslo Stock Exchange under ISIN NO0010070063 and ticker code "DOF".

The Offer Shares will be listed on the Oslo Stock Exchange as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. The listing is expected to take place on or about 22 February 2018.

The Offer Shares may not be transferred or traded before they are fully paid and the registration of the Offer Shares with the Norwegian Register of Business Enterprises and the VPS has taken place.

17.2.16 The rights conferred by the Offer Shares

The Offer Shares issued in the Subsequent Offering will be ordinary Shares in the Company each having a nominal value of NOK 0.50. The Offer Shares will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank *pari passu* in all respects with the existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends that the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See Section 13 "Corporate information and description of the share capital" for a more detailed description of the Shares.

17.2.17 VPS registration

The Subscription Rights will be registered in the VPS under ISIN NO 001 0814809. The Offer Shares will be registered in the VPS with the same ISIN as the existing Shares, i.e. ISIN NO0010070063.

The Company's registrar with the VPS is Nordea Bank AB (publ), filial i Norge (the VPS Registrar), Essendrops gate 7, N-0368 Oslo, Norway, telephone number +47 24 01 34 27.

17.2.18 Dilution

The Subsequent Offering will result in an immediate dilution of the existing Shares (including the Private Placement Shares) of up to 11.7% (up to 10.6% on a fully diluted basis taking into account the Convertible Bonds).

17.2.19 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 7 million (including VAT) assuming that all the Offer Shares are issued, of which approximately NOK 6 million are fees to the Managers and approximately NOK 1 million are other fees, costs and expenses. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering.

Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 195 million, assuming that all the Offer Shares are issued. For a description of the use of such proceeds, see Section 17.2.2 "Use of proceeds".

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

The Managers or their affiliates have 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. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Subscribers) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do 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.

Further, the Managers will receive fees in connection with the Subsequent Offering, being a function of the subscribed volume, and, as such, have an interest in the Subsequent Offering. See Section 17.2.19 "Net proceeds and expenses related to the Subsequent Offering", for information on the fees to the Managers.

17.2.21 Participation of major existing 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.

17.2.22 Publication of information relating to the Subsequent Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange information system to publish information relating to the Subsequent Offering.

17.2.23 Governing law and jurisdiction

The Subscription Forms and the terms and conditions of the Subsequent Offering shall be governed by, and construed in accordance with, and the Offer Shares will be issued pursuant to, Norwegian law. Any dispute arising out of, or in connection with, the Subscription Forms or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

18 SELLING AND TRANSFER RESTRICTIONS

18.1 General

The grant of Subscription Rights and issue of the Offer Shares upon exercise of Subscription Rights and the offer of unsubscribed Offer Shares to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Company is not taking any action to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction other than Norway. 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 territory 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 Offer Shares and Subscription Rights, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares and Subscription Rights 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 the Offer Shares and Subscription Rights to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 18 "Selling and transfer restrictions".

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, member states of the EEA that have not implemented the Prospectus Directive, the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan or any other jurisdictions in which it would not be permissible to grant the Subscription Rights and/or offer the Offer Shares (the "**Ineligible Jurisdictions**"); (ii) this Prospectus may not be sent to any person in any Ineligible Jurisdiction; and (iii) the crediting of Subscription Rights to an account of an Ineligible Subscriber or other person in an Ineligible Jurisdiction or a citizen of an Ineligible Jurisdiction does not constitute an offer to such persons of the Subscription Rights or the Offer Shares. Ineligible Subscribers or a person to whom the Subsequent Offering cannot be lawfully made (collectively, "**Ineligible Persons**") may not exercise Subscription Rights.

If an investor takes up Subscription Rights, exercises Subscription Rights to obtain Offer Shares or trades or otherwise deals in the Offer Shares, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- the investor is not an Ineligible Person;
- the investor is not acting, and has not acted, for the account or benefit of an Ineligible Person;
- unless the investor is a QIB, the investor is located outside the United States and any person for whose account or benefit it is acting on a non-discretionary basis is located outside the United States and, upon acquiring Offer Shares, the investor and any such person will be located outside the United States;
- the investor understands that the Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act; and
- the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company and any persons acting on behalf of the Company, including the Managers, will rely upon the investor's representations and warranties. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorise the allocation of any of the Subscription Rights and Offer Shares to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is outside Norway and wishes to exercise Subscription Rights and/or deal in the Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights or subscribe for the Offer Shares, that investor should consult its professional adviser without delay.

Subscription Rights will initially be credited to financial intermediaries for the accounts of all shareholders who hold Shares registered through a financial intermediary on the Record Date. Subject to certain exceptions, financial intermediaries, which include brokers, custodians and nominees, may not exercise any Subscription Rights on behalf of any person in the Ineligible Jurisdictions or any Ineligible Person and may be required in connection with any exercise of Subscription Rights to provide certifications to that effect.

Subject to certain exceptions, financial intermediaries are not permitted to send this Prospectus or any other information about the Subsequent Offering into any Ineligible Jurisdiction or to any Ineligible Person. Subject to certain exceptions, exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and Offer Shares will not be delivered to an addressee in any Ineligible Jurisdiction. The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Subscription Rights and Offer Shares, who is unable to represent or warrant that such person is not in an Ineligible Jurisdiction and is not an Ineligible Person, who is acting on a non-discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

No action has been or will be taken by the Company or the Managers to permit the possession of this Prospectus (or any other offering or publicity materials or application form(s) relating to the Subsequent Offering) in any jurisdiction where such distribution may lead to a breach of any law or regulatory requirement.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Offer Shares and/or holder of Subscription Rights regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisers before subscribing for or purchasing Subscription Rights and/or Offer Shares. Investors are required to make their independent assessment of the legal, tax, business, financial and other consequences of a subscription for or purchase of Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

18.2 United States

The Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not and will not be offered, sold, taken up, exercised, pledged, resold, granted, delivered, allocated, transferred or delivered, directly

or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above may be deemed to be invalid.

The Subscription Rights and Offer Shares are being offered and sold outside the United States in reliance on Regulation S. Any offering of the Subscription Rights and Offer Shares by the Company to be made in the United States will be made only to a limited number of QIBs pursuant to an exemption from registration under the U.S. Securities Act, each of whom have executed and returned an investor letter to the Company prior to exercising their Subscription Rights. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Accordingly, subject to certain limited exceptions, this Prospectus will not be sent to any shareholder with a registered address in the United States. In addition, the Company and the Managers reserve the right to reject any instruction sent by or on behalf of any account holder with a registered address in the United States in respect of the Subscription Rights and/or the Offer Shares.

Any recipient of this Prospectus in the United States is hereby notified that this Prospectus has been furnished to it on a confidential basis and is not to be reproduced, retransmitted or otherwise redistributed, in whole or in part, under any circumstances. Furthermore, recipients are authorised to use it solely for the purpose of considering an investment in the Offer Shares in the Subsequent Offering and may not disclose any of the contents of this document or use any information herein for any other purpose. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, Offer Shares. Any recipient of this document agrees to the foregoing by accepting delivery of this Prospectus.

Until 40 days after the commencement of the Subsequent Offering, any offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Subsequent Offering) may violate the registration requirements of the U.S. Securities Act.

The Subscription Rights and the Offer Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Subscription Rights and Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Each person to which Subscription Rights and/or Offer Shares are distributed, offered or sold in the United States, by accepting delivery of this Prospectus or by its subscription for Offer Shares, will be deemed to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares that:

- (i) it is a "qualified institutional buyer" as defined in Rule 144A of the U.S. Securities Act, and that it has executed and returned an investor letter to the Company prior to exercising their Subscription Rights;
- (ii) it understands that such Offer Shares are "restricted securities" for purposes of the U.S. securities laws and may not be offered, sold, pledged or otherwise transferred except (i)(A) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (B) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (C) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (D) pursuant to any other available exemption from registration under the U.S. Securities Act or (E) pursuant to an effective registration statement under the U.S. Securities Act, and (ii) in accordance with all applicable federal and state securities laws of the United States; and
- (iii) the Subscription Rights and Offer Shares have not been offered to it by the Company by means of any form of "general solicitation" or "general advertising" (within the meaning of Regulation D under the U.S. Securities Act).

Each person to which Subscription Rights and/or Offer Shares are distributed, offered or sold outside the United States will be deemed, by accepting delivery of the Prospectus or by its subscription for Offer Shares or purchase of Offer

Shares, will be deemed to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing for Offer Shares or purchasing Offer Shares, as the case may be, that:

- (i) it is acquiring the Subscription Rights and/or the Offer Shares from the Company or the Managers in an "offshore transaction" as defined in Regulation S; and
- (ii) the Subscription Rights and/or the Offer Shares have not been offered to it by the Company or the Managers by means of any "directed selling efforts" as defined in Regulation S.

Nordea is not a SEC registered broker/dealer and will only participate in the Subsequent Offering outside the U.S.

18.3 United Kingdom

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

18.4 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the Subsequent 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 Offer 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 Managers 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 Offer Shares shall require the Company or any 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 Offer 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 Offer 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 restrictions is in addition to any other selling restrictions set out in this Prospectus.

19 ADDITIONAL INFORMATION

19.1 Auditor and advisors

The Company's independent auditor is PricewaterhouseCoopers AS (PwC) with registration number 987 009 713, and business address Dronning Eufemias gate 8, N-0191 Oslo, Norway. PwC is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants).

ABN AMRO Bank N.V. (Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands), Clarksons Platou Securities AS (Munkedamsveien 62C, N-0270 Oslo, Norway), Nordea Bank AB (publ), filial i Norge (Essendrops gate 7, N-0107 Oslo, Norway) and Pareto Securities AS (Dronning Mauds gate 3, N-0250 Oslo, Norway) are acting as Joint Bookrunners in connection with the Private Placement and the Subsequent Offering.

Advokatfirmaet Thommessen AS (Haakon VII's gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

19.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at N-5392 Storebø, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the three years preceding the publication of this Prospectus; and
- This Prospectus.

19.3 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross reference table set out below. Except as provided in this Section, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Group's unaudited consolidated interim financial statements as of and for the three and nine month periods ended 30 September 2017 and 2016 (the Interim Financial Statements) and the Group's audited consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014 (the Financial Statements), as well as certain other documents set out below.

Section in the Prospectus	Disclosure requirement	Reference document and link	Page (P) in reference document
Section 10 and 11	Audited historical financial information (Annex XXIII, Section 15.1 and 15.3)	Financial Statements 2016: http://www.newsweb.no/newsweb/search.do?messageId=425467	P 64 – 107
Section 10 and 11	Audited historical financial information (Annex XXIII, Section 15.1 and 15.3)	Financial Statements 2015: http://www.newsweb.no/newsweb/search.do?messageId=400580	P 78 – 121
Section 10 and 11	Audited historical financial information (Annex XXIII, Section 15.1 and 15.3)	Financial Statements 2014: http://www.newsweb.no/newsweb/search.do?messageId=376882	P 92 – 137

Section 10.9	Audit report (Annex XXIII, Section 15.4)	Auditor's report 2016: http://www.newsweb.no/newsweb/search.do?messageId=425467	P 126 - 130
Section 10.9	Audit report (Annex XXIII, Section 15.4)	Auditor's report 2015: http://www.newsweb.no/newsweb/search.do?messageId=400580	P 140 - 141
Section 10.9	Audit report (Annex XXIII, Section 15.4)	Auditor's report 2014: http://www.newsweb.no/newsweb/search.do?messageId=376882	P 156 - 157
Section 10.2	Accounting policies (Annex I, Section 20.1)	Accounting principles: http://www.newsweb.no/newsweb/search.do?messageId=425467	P 71 - 77
Section 10 and 11	Interim financial information (Annex XXIII, section 15.6)	Interim Financial Statements Q3 2017: http://www.newsweb.no/newsweb/search.do?messageId=438702	P 10 - 23
		Interim Financial Statements Q3 2016: http://www.newsweb.no/newsweb/search.do?messageId=413755	P 10 - 22

20 DEFINITIONS AND GLOSSARY

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
ABN AMRO	ABN AMRO Bank N.V.
AHTS	Anchor handling tug supply vessel.
Anti-Money Laundering Legislation ..	Norwegian Money Laundering Act of 6 March 2009 No. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 No. 302, collectively.
APMs.....	Alternative performance measures.
Articles of Association.....	The Company's articles of association attached as Appendix A of this Prospectus.
AUV	Autonomous underwater vehicles.
BHP	Break horse power.
Board of Directors.....	The Board of Directors of the Company.
Board Members	The members of the Company's Board of Directors.
Bond Amendment Agreement.....	The amendment agreement to the DOFSUB07 bond agreement entered into on 19 December 2017 between DOF Subsea and Nordic Trustee AS, as bond trustee on behalf of the bondholders.
CEO	Chief executive officer.
CET.....	Central European Time.
CGU	Cash generating unit.
Clarksons Platou Securities	Clarksons Platou Securities AS.
Company	DOF ASA.
Convertible Bond Issue.....	The DOF ASA 16/21 0% SUB CONV (DOF12) bond loan.
Convertible Bonds.....	The subordinated mandatorily convertible bonds in the Convertible Bond Issue.
DOF	The Company.
DOFCON	DOFCON Navegacao Ltda.
DOF Subsea	DOF Subsea AS.
DOF Subsea Bonds	DOF Subsea's NOK-denominated senior unsecured debt obligation and USD-denominated senior unsecured debt obligation.
DOF Subsea Group	DOF Subsea and its subsidiaries.
DOF Supply Group	The Company, including its subsidiaries Norskan Offshore AS, DOF Rederi AS, DOF Deepwater AS and DOF Management AS.
dwt.....	Dead weight tons.
EEA.....	The European Economic Area.
Eligible Subscribers	The shareholders of the Company and owners of the subordinated mandatorily convertible bonds in the Convertible Bond as of 27 November 2017 (and being registered as such in VPS on the Record Date), except for shareholders and convertible bondholders (i) who were invited to apply for Private Placement Shares in the "pre-sounding" of the Private Placement or (ii) were allocated Private Placement Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.
E&P.....	Exploration and production.
EU	The European Union.
EUR	The lawful currency of the participating member states in the European Union.
EU Prospectus Directive.....	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
Financial Statements.....	The Company's audited consolidated financial statements as of and for the years ended 31 December 2016, 2015 and 2014.
Financial Information	The Financial Statements and the Interim Financial Statements.
FPSO.....	Floating Production, Storage and Offloading units
FSMA	The UK Financial Services and Markets Act 2000.
GBP	British pound, the lawful currency of the United Kingdom.
General Meeting	The Company's general meeting of shareholders.
Group.....	The Company taken together with its consolidated subsidiaries (at the relevant point in time).
IAS 34.....	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards as adopted by the EU.

IMF	International Monetary Fund.
Ineligible Jurisdictions	Member states of the EEA that have not implemented the Prospectus Directive or any other jurisdiction in which it would not be permissible to offer the Subscription Rights and/or the Offer Shares.
Ineligible Persons	Ineligible Subscribers or a person to whom the Subsequent Offering cannot be lawfully made.
Ineligible Subscribers	Any (i) Eligible Subscribers resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or (ii) Eligible Subscribers located in the United States who is not a QIB.
Interim Financial Statements.....	The Company's unaudited consolidated interim financial statements as of and for the three month periods ended 30 September 2017 and 2016.
IRM.....	Inspection, repair and maintenance.
IT	Information technology.
Joint Bookrunners or Managers.....	ABN AMRO Bank, Clarksons Platou Securities, Nordea and Pareto.
LTI.....	Lost time incidents.
Management	The senior management team of the Company.
MiFID II.....	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements.....	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOM-Account	A nominee account.
Non-Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....	Shareholders who are individuals not resident in Norway for tax purposes.
Nordea	Nordea Bank AB (publ), filial i Norge.
Norskan.....	Norskan AS.
Norwegian Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, last updated 30 October 2014.
Norwegian Corporate Shareholders ..	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA.....	The Financial Supervisory Authority of Norway (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholders ...	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	Norwegian Public Limited Companies Act of 13 June 1997 No 45 (<i>Nw.: allmennaksjeloven</i>).
Norwegian Securities Trading Act....	The Norwegian Securities Trading Act of 28 June 2007 No 75 (<i>Nw.: verdipapirhandelloven</i>).
Offer Shares	Up to 336,700,000 new shares in the Company to be issued in connection with the Subsequent Offering.
OPEC	Organisation of Petroleum Exporting Countries.
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Pareto	Pareto Securities AS.
Payment Date	19 February 2018.
Payment Guarantors	One or more payment guarantors who may enter into a payment guarantor agreement with the Company.
Petrobras.....	Petróleo Brasileiro S/A.
Private Placement.....	The private placement of 833,333,333 Private Placement Shares completed on 21 December 2017.
Prospectus	This Prospectus dated 31 January 2018.
PSV.....	Platform supply vessel.
PwC	PricewaterhouseCoopers AS.
QIBs	Qualified institutional buyers as defined in Rule 144A.
Record Date	29 November 2017.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	The date on which the EU Prospectus Directive is implemented in that Relevant Member State.

Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
ROV	Remotely operated vehicle.
Rule 144A	Rule 144A under the U.S. Securities Act.
Settlement Agent.....	Pareto, acting as settlement agent in the Subsequent Offering.
Share(s)	Means the shares of the Company, each with a nominal value of NOK 0.50, or any one of them, including the Private Placement Shares and the Offer Shares.
spot market	Market for short-term contracts.
Subscription Form.....	The form for subscription of Offer Shares attached hereto as Appendix B.
Subscription Period	From 09:00 hours (CET) on 1 February 2018 to 16:30 hours (CET) on 14 February 2018.
Subscription Price	The subscription price for the Offer Shares, being NOK 0.60.
Subscription Rights	Subscription rights that, subject to applicable law, provide preferential rights to subscribe for and to be allocated Offer Shares at the Subscription Price.
Subsequent Offering	The offering of up to 336,700,000 Offer Shares at the terms and conditions set out in this Prospectus.
Subsea/CSV	Subsea vessel/construction support vessel.
TLP	Tri-legged Platforms.
UK	The United Kingdom.
U.S. or United States	The United States of America.
U.S. Exchange Act	The United States Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
USD	United States Dollars, the lawful currency of the United States of America.
VPS.....	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS Registrar	Nordea Bank AB (publ), filial i Norge, Nordea Issuer Services.
WEO	World Economic Outlook.

APPENDIX A:
ARTICLES OF ASSOCIATION OF DOF ASA

**ARTICLES OF ASSOCIATION
OF
DOF ASA**
Last amended 19.12.2017

§ 1

The company's name is DOF ASA. The company is a public limited liability company.

§ 2

The object of the company is to engage in trading and shipping business and other offshore related activity, including participation in other companies with the same or similar objects.

The company's shares shall be registered in the Norwegian Central Securities Depository.

§ 3

The company's registered office is in the municipality of Austevoll.

§ 4

The company's share capital is NOK 1,276,156,256 divided between 2,552,312,512 shares, each with a nominal value of NOK 0.50, fully paid up and registered.

§ 5

The company's board of directors consists of 4 – 7 members, the precise number to be decided by the general meeting. The chairman of the board of directors is elected by the general meeting.

The chairman of the board of directors alone or two directors jointly may sign for the company. The board of directors may appoint a general manager and grant him/her power of procuration.

The Company shall have an election committee which shall make proposals for election of board members to the general meeting of shareholders. The election committee shall consist of 3 members, who shall be elected by the general meeting of shareholders with a service period of 2 years.

§ 6

The following is the business of the ordinary general meeting:

1. Adoption of the annual accounts and balance sheet, including the distribution of dividend.
2. Election of the board of directors and auditor.
3. Other matters which, pursuant to statutory provisions, are the business of the general meeting.

§ 7

Shareholders who wish to attend the company's general meeting shall notify the company in writing or verbally within the deadline stipulated in the notice of meeting, which deadline may not expire earlier than 5 days prior to the general meeting. If a shareholder has not given notice of attendance within the deadline, he/she may be denied access to the meeting. Notice of the general meeting must be sent at the latest two weeks prior to the general meeting being held.

§ 8

The legislation concerning public limited liability companies in force from time to time shall otherwise be applicable.

§ 9

Electronic publication of documents.

It is not necessary to send documents which apply to items to be discussed by the general meeting by post to the shareholders provided the documents are made available on the company's web site. The same applies to documents which legally are to be included in or enclosed with the notice of the general meeting. However, shareholders have the right to demand receipt by post of documents relating to issues to be discussed during the general meeting.

* * * * *

APPENDIX B:
SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING

SUBSCRIPTION FORM
Securities no. ISIN NO0010070063

Subscription procedures: The subscription period will commence at 09:00 hours (CET) on 1 February 2018 and end at 16:30 hours (CET) on 14 February 2018 (the "Subscription Period"). Correctly completed subscription forms must be received by one of the Managers set out below, or, in the case of online subscriptions, be registered by no later than 16:30 hours (CET) on 14 February 2018:

- ABN AMRO Bank, Gustav Mahlerlaan 10, 1082 PP, Amsterdam, the Netherlands, e-mail: mail_syndicate@nl.abnamro.com;
- Clarksons Platou Securities AS, Munkedamsveien 62C, N-0270 Oslo, Norway, e-mail: ecm.oslo@clarksons.com;
- Nordea Bank AB (publ), filial i Norge, Essendsgate 7, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, e-mail: nis@nordea.com; and
- Pareto Securities AS, Dronning Mauds gate 3, P.O. Box 1411 Viken, N-0115 Oslo, Norway, e-mail: subscription@paretosec.com.

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 <http://securities.clarksons.com>, www.nordea.no/dof or www.paretosec.com which will redirect the subscriber to the VPS online subscription system).


Subscription Price: The subscription price in the Subsequent Offering is NOK 0.60 per Offer Share (the "Subscription Price").

Subscription Rights: The shareholders of the Company and owners of the Convertible Bond in the Convertible Bond Issue as of 27 November 2017 (and being registered as such in the VPS on 29 November 2017 pursuant to the two days' settlement procedure (the "Record Date")), except for shareholders and convertible bondholders (i) who were invited to apply for Private Placement Shares in the "pre-sounding" of the Private Placement or (ii) where allocated Private Placement Shares in the Private Placement, and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "Eligible Subscribers"), will be granted non-transferable subscription rights (the "Subscription Rights"). Each Eligible Shareholder will be granted 0.526276 Subscription Right for every existing Share and/or Convertible Bond registered as held by such Eligible Subscriber on the Record Date. The number of Subscription Rights granted to each Eligible Subscriber will be rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to certain limitations based on applicable laws and regulations, give the right to subscribe for, and be allocated, one Offer Share in the Subsequent Offering. Over-subscription and subscription without subscription rights is permitted. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.**

Payment: The payment for the Offer Shares allocated to a subscriber falls due on 19 February 2018. Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, or registering a subscription through the VPS online subscription system, provide the Settlement Agent, or someone appointed by the Settlement Agent, with a one-time irrevocable authorisation to debit a specified Norwegian bank account 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 after the Payment Date. The Settlement Agent, or someone appointed by the Settlement Agent, is only authorised to debit such account once, but reserves the right (but has no obligation) to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. 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 Settlement Agent for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account of 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.

SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account:	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: consecutive no.):
SUBSCRIPTION RIGHT'S SECURITIES NUMBER: ISIN NO0010814809			Subscription Price per Offer Share:
			Subscription amount to be paid:
			NOK _____

IRREVOCABLE AUTHORISATION 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 0.60).											
	(Norwegian bank account no.)										

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) authorise and instruct each of the Managers (or someone appointed by them) acting jointly or severally to on my/our behalf take all actions required to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorise the Settlement Agent 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.

Place and date

Must be dated in the Subscription Period.

Binding signature

The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must be enclosed.

INFORMATION ON THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name:	
Surname/company:	
Street address:	
Post code/district/ Country:	
Personal ID number/ organisation number:	
Nationality:	
E-mail address:	
Daytime telephone number:	

THE DISTRIBUTION OF THIS SUBSCRIPTION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.

Regulatory issues: In accordance with the Markets in Financial Instruments Directive ("MiFID") of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Managers must categorize all new clients in one of three categories: eligible counterparties, professional clients and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of one of the Managers will be categorized as non-professional clients. Subscribers can, by written request to a Manager, ask to be categorized as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorization, the subscriber may contact one of the Managers. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of a decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

Selling restrictions: Investors who wish to subscribe for Offer Shares should carefully review Section 18 "Selling and transfer restrictions" of the Prospectus. The Company is not taking any action to permit a public offering of the Subscription Rights and the Offer Shares in any jurisdiction other than Norway. Receipt of the Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, the Prospectus is for information only and should not be copied or redistributed. Investors should consult their professional advisors as to whether they require any governmental or other consent or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself or herself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not and will not be offered, sold, taken up, exercised, pledged, resold, granted, delivered, allocated, transferred or delivered, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the applicable securities laws of any state or other jurisdiction of the United States. The Subscription Rights and Offer Shares are being offered and sold outside the United States in reliance on Regulation S. Any offering of the Subscription Rights and Offer Shares by the Company to be made in the United States will be made only to a limited number of "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to an exemption from registration under the U.S. Securities Act, each of whom have executed and returned an investor letter to the Company prior to exercising their Subscription Rights. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Except as otherwise noted in the Prospectus and subject to certain exceptions: (i) The Subscription Rights and the Offer Shares being granted or offered, respectively, in the Subsequent Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, member states of the EEA that have not implemented the Prospectus Directive, the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan or any other jurisdiction in which it would not be permissible to grant the Subscription Rights and/or the Offer Shares. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions. Persons effecting subscriptions on behalf of any person located in the United States will be responsible for confirming that such person, or anyone acting on its behalf, has executed an investor letter in the form to be provided by a Manager upon request.

Execution only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of each of the Managers, as well as between Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information barriers: The Managers are securities firms that offer a broad range of investment services. In order to ensure that assignments undertaken in the Managers' respective corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the respective Managers' corporate finance department by information walls. Consequently, the subscriber acknowledges that the Managers' analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares.

VPS account and mandatory 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 Regulations of 13 March 2009 no. 302 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers of the Managers must verify their identity to the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is applicable. 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 Managers. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period may 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 on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of a VPS account requires verification of identification by the relevant VPS registrar in accordance with the Anti-Money Laundering Legislation.

Terms and conditions for payment by direct debiting – securities trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

- a) 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.
- b) 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 given in another appropriate manner. The bank will charge the indicated account for costs incurred.
- c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank that in turn will charge the payer's bank account.
- d) In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- e) The payer cannot authorise payment of a higher amount than the funds available on 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 immediately be covered by the payer.
- f) 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.
- g) 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 Norwegian 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, currently 8.50% per annum as at the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber.

In order to enable timely registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, the Company may, but will not necessarily, enter into a payment guarantee agreement with one or more payment guarantor(s) (the "Payment Guarantors") which may cover the entire, or a portion of, the amount subscribed in the Subsequent Offering. Pursuant to such payment guarantee agreement, if entered into, the Payment Guarantors will pay any subscription amounts not paid by the subscribers when due, limited upwards to the guaranteed amount. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Payment Guarantors. The Offer Shares allocated to such subscribers will be transferred to a VPS account operated by the Settlement Agent on behalf of the Payment Guarantors and will be transferred to the non-paying subscriber when payment of the subscription amount for the relevant Offer Shares is received. However, the Payment Guarantors reserve the right to sell or assume ownership of the Offer Shares from and including the fourth day after the Payment Date without further notice to the subscriber in question in accordance with section 10-12 (4) of the Norwegian Public Limited Liability Companies Act if payment has not been received within the third day after the Payment Date. If the Offer Shares are sold on behalf of the subscriber, the subscriber will be liable for any loss, costs, charges and expenses suffered or incurred by the Company and/or the Payment Guarantors as a result of or in connection with such sales. The Company and/or the Payment Guarantors may enforce payment for any amount outstanding in accordance with Norwegian law.

To the extent a payment guarantee agreement is not entered into or the Payment Guarantors decides not to assume ownership to the unpaid Offer Shares, the Settlement Agent, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time from and including the fourth day after the Payment Date, cancel the subscription and to reallocate or otherwise dispose of allocated Offer Shares for which payment is overdue, on such terms and in such manner as the Settlement Agent may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Settlement Agent, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.



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