

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

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IN RE,

**GULFMARK OFFSHORE, INC.,¹
DEBTOR**

Chapter 11

Case No.: 17-11125 (KG)

**Hearing Date: June 26, 2017 at
10:00 am ET**

**Obj. Deadline: June 19, 2017
at 4:00 pm ET**

**HEARING LOCATION:
824 MARKET ST N
6TH FL., COURTROOM #3
WILMINGTON, DE 19801**

**OBJECTION OF JEFFREY L. BOYD & MAGDALENA L. BOYD TO
ADEQUACY OF PROPOSED DISCLOSURE STATEMENT FOR THE CHAPTER
11 PLAN OF GULFMARK OFFSHORE, INC., DATED MAY 17, 2017**

Jeffrey L. and Magdalena L. Boyd as joint tenants (the "Retail Noteholders" or "Objectors"), holders of 6.375% senior notes due March 15, 2022 (See Exhibit A), are collectively referred to as the "Senior Notes") issued by Gulfmark Offshore, Inc. hereby file this objection (the

¹ The last four digits of the taxpayer identification number of Debtor is 6032

"Objection") to the Adequacy of Proposed Disclosure Statement for the Chapter 11 Plan of GulfMark Offshore Inc., Dated May 17, 2017.

ARGUMENT

1. The Disclosure statement fails to explain terms in fashion that is understandable to those Senior Noteholders not represented by sophisticated bankruptcy advisors and therefore does not meet the requirements of 11 U.S.C. 1125(a).

2. Objector does not object to Rights Offering Procedures or Backstop Agreement as stated in an e-mail exchange with Debtor's attorneys on June 14th, 2017. Objection is limited to Disclosure Statement terms and valuation issues. Objector did not understand that the opportunity to correct errors in the Disclosure Statement was not afforded by the agreement. Instead, it related to the procedures regarding exercise, notification procedures of rights owners via e-mail and need for hearing regarding those issues. Copy of e-mails and agreements exchanged are attached at Exhibit B.

3. Disparate treatment of the same class of Note Holders is clearly not allowed under 11 U.S.C. § 1123(a)(4) without the consent of the same class of creditors within a group. See *In re Washington Mutual, Inc.*, No. 08-12229 (MFW), (Bankr. D. Del Jan 7, 2011), *In re Combustion Eng'g, Inc.*, 391 F.3d 190, 241, 248 (3d Cir. 2004), *In Re Dana Cor.*, 412 B.R. 53 (S.D.N.Y. 2008). Objector accepts that disparate treatment is allowed provided rights owners are notified of rights under plan and bankruptcy law.

4. Objector states that he is a Certified Public Accountant (unlicensed) who spent well in excess of 50 hours reviewing plan documents before believing he had an adequate understanding of the plan to evaluate whether it met the requirements of Sections 11 U.S.C. 1123(a)(4) and 1125(a). Objector argues that this is an excessive amount of time and that many Note Holders do not possess sufficient background to understand terms of plan as currently drafted. See highlighted portions of Seeking Alpha article regarding potential misunderstandings with brokerage firm responsibilities at Exhibit C.

5. Debtor's Disclosure Statement for Chapter 11 Plan of Reorganization (D.I. 49, page 99 and 100 of 123) explains that two rights offerings will be made. One in which all investors can participate (\$1145 Plan) and the second, a "4(a)(2) Rights Plan" where only accredited investors can participate. A third group (**Ad-Hoc Group**), who are backstopping the rights offering and own the Senior Notes (and are believed to be accredited investors) will receive rights not exercised under the plan in addition to any rights they possess under the \$1145 and 4(a)(2) Rights Plans (D.I. 72, page 11 of 193).

6. Debtor's Disclosure Statement for Chapter 11 Plan of Reorganization (D.I. 49, page 15 of 123) indicates that investors participating in both rights offerings are recovering 44% of par as compared to 27% for those not participating in plan. Due to the acknowledged difference in recovery, a carefully drafted disclosure statement with summaries of terms is extremely important in order to assure that all investors understand their rights and participate to the extent that they view it to be in their best interests or exercise their right to object to disparate treatment under 11 U.S.C. 1123(a)(4).

7. Plaintiff alleges that Proposed Disclosure Statement dated May 17, 2017 (D.I. 49) does not provide non-accredited investors with the same recovery rights as accredited investors as they are not entitled to participate in the 4(a)(2) rights offering. The initial plan provided no recovery for the value derived from the 4(a)(2) rights offering.

8. Objector understands (and appreciates) that final Proposed Disclosure will include an additional recovery for non-accredited investors who participate in rights offering which Debtor argues will fully reimburse non-accredited investors for rights that they do not have under plan. Objector disputes that the additional recovery is sufficient to fully reimburse non-accredited investors who participate in the plan.

9. Proposed disclosure statement (D.I. 49) fails to provide enough information to all Note Holders regarding the rights offering discount to enterprise value and essentially requires a degree in finance to calculate from the language regarding what is being received. Objector estimates that the discount is 42% of equity value (using Debtor's proposed

equity value). See Exhibit D. Debtor has indicated in discussions with objector that the discount is 37%.

10. Objector also states that it is fairly easy to draft a reasonable summary of plan provisions so that investors typical of the holders of claims or interests of the relevant class under §1125(a) can understand its provisions.

11. Objector argues that the Disclosure Statement (D.I. 49) is inadequate due to information it does not provide as well as actually referencing and repeating erroneous statements made in Declaration of Brian Fox (D.I. 8) that will have practical effect of misleading Senior Noteholders, particularly non-accredited investors with regard to (1) recovery rights under bankruptcy law (2) the basic organizational structure of the Debtor's subsidiaries, specifically, it ignores the South-east Asia segment in multiple sections of the document and (3) misstates the causes of the debtor's bankruptcy.

12. Objector alleges that the Declaration of Brian Fox (D.I. 8) contains material inaccuracies and should not be

referenced in the Proposed Disclosure Statement (D.I. 49 at Page 19 of 123) without correction of errors.

13. Exhibit C of Brian J. Fox declaration (D.I. 8) lists 46 ships rather than the actual 66 owned by company. Said listing fails to include any ships operating in the South-East Asia segment as determined by Objector via review of documents filed with the Securities and Exchange Commission and other publicly available information. Objector's listing key entities of Debtor and of ships is attached at Exhibit E.

14. The Declaration of Mr. Fox (D.I. 8) would have one believe that the bankruptcy of the debtor is the result of events beyond debtor's control but the fact is that the debtor's management made the decision to overinvest in the operation of Offshore Support Vessels with significant debt rather than equity. Further they did so in a fashion that played a significant role in their having to file bankruptcy. World-wide, most OSV companies have successfully weathered the storm to date although most have had to work with lenders to do so. A list of competitors by Operating Segment and their status is at Exhibit F.

15. Debtor's enterprise value calculation prepared by Evercore Group LLC (D.I. 49, page 73-76 of 123) is vague and literally provides no information on vital assumptions necessary to calculate value of ships, discount rate used in calculating cash flows, comparable company valuations or even support the position that there is actually value to be derived from remaining as an on-going business rather than liquidating. Further it specifically mentions that it was directed by Debtor to not independently audit or verify such information, nor did it seek or perform an independent appraisal of the assets or liabilities of the Reorganized debtor.

16. In reviewing the work of Evercore Group LLC, as part of a Bankruptcy Examination Report for Ceasars Entertainment Operating Company (Caesars), Inc. the Hon. A. Benjamin Goldgar indicated its valuation for an intercompany transaction where values were critical in apportioning value were off by a minimum of 121% as a result several factors including (1) not using most recent projections for revenue, (2) using erroneous EBITDA figures, (3) not considering revenues associated with new projects but using the expenses despite having analysis indicating the results and (4)

reflecting management preferences in calculations despite evidence to the contrary. See Exhibit G.

17. Evercore used projections from Debtor created solely for the purpose of securing a fairness opinion. According to the Caesars Bankruptcy Examination Report (portions at Exhibit G) such a practice should generally speaking not be used.

18. Evercore incorrectly states that GAAP is based on historical costs and thus seems to be unfamiliar with basic accounting procedures for long-lived assets or alternatively is not aware that GulfMark Offshore has recorded hundreds of millions of dollars in asset impairments. See Exhibit H regarding asset impairments.

19. Plaintiff alleges that the firm of Evercore does not have the internal controls necessary to prepare an accurate enterprise value calculation and has not remedied the problems identified in Caesars bankruptcy examination report.

20. Plaintiff alleges that Evercore is being compensated in part based on the success in placing the rights offering that is designed to shift value from retail investors to wealthy accredited investors. Such a factor undermines the independence of Evercore as the likelihood of success increases the more the enterprise value is understated. Note that objector has given up right to object to backstop agreement but has not given up right to object to valuation.

21. Proposed Liquidation Analysis contained in disclosure statement (D.I. 49, page 118-123) believed to have been prepared by Brian J. Fox of Alvarez and Marsal rather than an independent party or an investment bank contains material factual errors and assumptions that result in a fatally flawed calculation.

22. Proposed liquidation analysis (D.I. 49, page 118-123) assumes that all vessels, including those currently operating under favorable charters and operated by entities not in bankruptcy or in financial distress with administrative support staff in place at various locations

around the world to support operations and compliance with laws would be taken out of service and put into storage.

23. Under the authority of 11 U.S.C. §721 the trustee would certainly request the court's permission to operate the businesses for a limited period of time until an orderly sale could take place in order to realize value from favorable contracts that are in place, avoid the need to pay severance to employees, pay costs associated with placing vessels in storage and allowing potential buyers to avoid incurring reactivation costs. Debtor has provided no information supporting the assumption that trustee would decide to "shut-the-fleet-down."

24. Proposed liquidation analysis provides no real detail on how estimated recoveries are determined but in order to arrive at the projected 1% recovery for Note Holders it is necessary to assume \$40 million in wind down costs and a sale of vessels at a 80% discount to appraised value provided contemporaneously with bankruptcy filing to the Securities and Exchange Commission and a figure approximating 10% of original cost of vessels, a figure far less than the

company has realized historically and realized in other transactions. See Exhibit I.

25. Plaintiff alleges that the assumption of shutting the fleet down was made in bad faith with the goal of supporting an unreasonable liquidation value to support the position that the plan provides a superior outcome for Note Holders not participating in the plan.

26. Objector cites the preeminent article studying fire sales of aircraft, another heavily cyclical industry subject to boom and busts such as the shipping industry which found that discounts to fair value during times of overall economic distress for a particular industry where potential buyers are capital constrained do exist. In such a situation, opportunistic value investors pay a discount of 30% to the average market price. See Do Asset Fire-Sales Exist?: An Empirical Investigation of Commercial Aircraft Transactions, Journal of Finance, Vol. 53, No. 3, June 1998, portions reproduced at Exhibit J. Exhibit J also contains information on recent vessel sales indicating that vessels are being repurposed for other purposes such as fishing vessels.

27. Objector cites potential buyers of assets in Exhibit K as support for the position that while capital is scarce in the OSV industry potential buyers do exist in the form of active industry participants and opportunistic investors.

28. Objector ran alternative scenarios more in keeping with past experience associated with forced sales associated with distressed assets. Three hypothetical scenarios are provided at Exhibit L. The scenarios provided are: (1) vessel value required to equal the 27% being distributed to Retail Noteholders under the plan (63% discount to Debtor's appraised value), (2) vessel value required to equal the 52% recovery offered by Debtor in November/December 2016 and rejected by Ad-Hoc group (49% discount to Debtor's appraised value) and (3) expected result of 30% discount to appraised value (referred to as Base Case) which results in 87% recovery to Senior Noteholders.

29. Plaintiff alleges that Debtor has provided no information that would indicate that it possesses going concern value (aside from favorable contracts) and that liquidation or selling company would not be a superior

alternative to injection of capital that would act to prevent consolidation of an industry and allow debtor to continue on in the hope of a recovery.

30. Debtor's CEO, Quintin V. Kneen has indicated that consolidation is necessary for the industry to clear. See video interview published February 8, 2017 by Riviera Maritime Media Ltd. on Youtube at the Annual Offshore Support Journal conference on the current state of the industry.

31. Debtor received a non-binding offer to purchase company from Seacor Holdings in October 2016 (see at Exhibit M) that had it been consummated on proposed terms would have provided a recovery superior to the 44% proposed as part of Debtor's Disclosure Statement for Chapter 11 Plan of Reorganization (D.I. 49, page 15 of 123).

32. Debtor announced on November 23, 2016 that it has secured a commitment for new debt/equity equal to \$250 million, the proceeds of which were to tender for up to \$300 million in Senior Notes for \$500 per \$1,000 par (subsequently increased to \$520) indicating Debtor believes fair value of Senior Notes is at least 52% which is nearly double the 27%

recovery proposed as part of Debtor's Disclosure Statement for Chapter 11 Plan of Reorganization (D.I. 49, page 15 of 123) for Note Holders not participating in rights offering and significantly higher than the 44% for those electing to participate. See Exhibit N for copies of press releases associated with tender offer.

33. Plaintiff alleges existing capital structure is fundamentally inefficient as it results in taxation of foreign earnings upon repatriation which would essentially be tax free if owned by entities located in jurisdictions such as the United Kingdom or Bermuda. Given 35% U.S. Federal tax rate, this is a significant competitive disadvantage relative to international competitors and plaintiff alleges that it is possible to restructure company in such a fashion that would eliminate this disadvantage.

CONCLUSION

34. Objector does not pretend to know what the best course of action is appropriate for debtors but a plan must be materially accurate in order for investors to properly evaluate whether to participate in the rights offering.

35. Objector requests that any doubts in interpretation of the agreement referenced in paragraph 2 between the Debtor's give the benefit of the doubt to Objector. This is based on his status as an accountant rather than attorney whose ownership is so small as to make hiring a bankruptcy attorney to be impractical.

36. Objector requests that court reject the proposed disclosure statement as it contains material errors that effectively make the plan misleading and therefore does not meet the requirements of the bankruptcy code.

37. Objector requests that court instruct Debtor that any new proposed Disclosure Statement shall contain summaries of provisions that are understandable without assistance of bankruptcy professionals so that Retail Noteholders can make informed decision as to whether they are willing to settle for disparate treatment under 11 U.S.C. § 1123(a)(4).

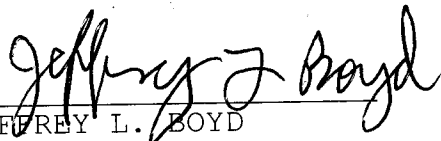
38. Objector requests that any Disclosure Statement identifying different classes of debt (D.I. 49, page 15 of 123) reference specific CUSIP number and maturity date so

that Note Holders will be able to identify that they are Class 5 creditors.

39. Objector requests that enterprise valuation be adjusted to 87% recovery to note holders participating in rights offering consistent with 30% discount to appraised value provided by Debtor.

40. Granting such other and further relief in favor of the Objector and other Retail Noteholders as the Court may deem appropriate or just.

Dated: June 18, 2017
Verona, Wisconsin



JEFFREY L. BOYD
Senior Noteholder
104 Edward St.
Verona, WI 53593
Telephone: (608) 239-9719

EXHIBITS LISTING

Objector's Proof of Ownership	Exhibit A
Agreement with Debtor's Attorneys	Exhibit B
Article on GulfMark Bankruptcy.....	Exhibit C
Rights Offering Discount Calculation	Exhibit D
Objector's List of Debtor's Vessels & Key Entities	Exhibit E
Competitors Status	Exhibit F
Caesars Examiner Report Pertaining to Evercore.....	Exhibit G
GAAP Impairment Article	Exhibit H
Analysis of 1% Recovery Scenario Presented by Debtor	Exhibit I
Fire Sale Analysis	Exhibit J
Potential Buyers of Assets	Exhibit K
Other Liquidation Scenarios	Exhibit L
Seacor Non-Binding Offer to Purchase	Exhibit M
GulfMark Offshore Tender Offer For Senior Notes	Exhibit N
Five Years of Financial Data for Debtor	Exhibit O

EXHIBIT A

OBJECTORS PROOF OF OWNERSHIP

Portion of Charles Schwab Statement Showing Ownership2



Schwab One® Account of
JEFFREY L BOYD &
MAGDALENA L BOYD JT TEN

Account Number

Statement Period
May 1-31, 2017

Investment Detail - Fixed Income

Corporate Bonds	Par Units Purchased	Market Price Cost Per Unit	Market Value Cost Basis
GULFMARK OFFSHO 6.375% 22*	100,000.0000	40.7500	40,750.00
DUE 03/15/22 CALLABLE 03/15/18 AT 102.12500	100,000.0000	41.1250	41,125.00
CUSIP: 402629AG4 MOODY'S: WR S&P: NR			

EXHIBIT B

AGREEMENT TO PROCEDURES

E-mail Exchange Between Objector & Debtor's Attorneys.....	2-3
4(a)(2) Rights Offering Procedures.....	4-16
1145 Rights Offering Procedures	17-30
Redline Version of Order	31-40



Jeff Boyd <jeffboyd61@gmail.com>

GulfMark: Resolution of Objections

6 messages

Funk, Brenda <brenda.funk@weil.com>

Wed, Jun 14, 2017 at 6:44 PM

To: Jeff Boyd <jeffboyd61@gmail.com>

Cc: "Guy, Ray" <Ray.Guy@weil.com>, "Berkovich, Ronit" <Ronit.Berkovich@weil.com>, "Hoehne, Debora" <Debora.Hoehne@weil.com>

Jeff,

Thank you for your time today working with Ray and me to resolve a few of your objections. This email is to summarize our resolutions so that we can represent to the Court that your objections to the Backstop Agreement and the Rights Offering Procedures set for hearing on Friday have been resolved and, accordingly, there is no need for a hearing. As we discussed, you have informed us of three objections to the Backstop Agreement and Rights Offering Procedures: first, the difference in the ability of accredited investors and non-accredited investors to participate in the Rights Offering; second, the amount of the proposed Backstop Commitment Fee; and third, the length of time for noteholders to subscribe to the Rights Offerings.

Please confirm that these are your only objections to the Backstop Agreement and the Rights Offerings Procedures and that you have agreed to withdraw these objections, with prejudice (meaning that you can't raise these again at a later stage in the process), and, in exchange, GulfMark will agree as follows:

1. When the Rights Offering commences, we will instruct Prime Clerk to work with Broadridge and other nominees to email the Rights Offering Procedures and forms to customers that have elected to receive communications via email.
2. As indicated in the revisions to the Plan of Reorganization we sent to you, GulfMark will make an additional distribution under the Plan to certain unaccredited investor noteholders that make certain certifications to GulfMark, including that they are unable to participate in the 4(a)(2) Rights Offering because they are not accredited investors and that they have fully subscribed to the 1145 Rights Offering. You, GulfMark and all other parties in the case reserve all rights with respect to the calculation of the value of the proposed additional distribution, and you have preserved and may raise your objection to the valuation issues at the hearing on the Disclosure Statement scheduled for June 26th.

We have attached a revised order approving the Backstop Agreement and Rights Offerings Procedures. We also have attached the revised procedures for your reference. As soon as we have your confirmation of the above, we will file a notice with the Court that your objections with respect to the matters set for hearing on Friday have been resolved and we will cancel the hearing.

Please let me know if we need to discuss further. Again, thank you for your time and your efforts.

Best regards,

Brenda




Weil

Brenda Funk

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3 attachments

-  **GulfMark - 4(a)(2) Rights Offering Procedures.docx (Approval Version)-96....doc**
135K
-  **GulfMark - 1145 Rights Offering Procedures.docx (Approval Version)-96147....docx**
58K
-  **Redline - 96171801-v1 and 96171801-v3.docx**
44K

Jeff Boyd <jeffboyd61@gmail.com>
To: "Funk, Brenda" <brenda.funk@weil.com>

Wed, Jun 14, 2017 at 7:27 PM

As this is consistent with our discussion I agree.

[Quoted text hidden]

Funk, Brenda <brenda.funk@weil.com>
To: Jeff Boyd <jeffboyd61@gmail.com>
Cc: "Guy, Ray" <Ray.Guy@weil.com>

Wed, Jun 14, 2017 at 7:34 PM

Jeff,
Thank you.

Brenda Funk
(713) 546-5165

[Quoted text hidden]

GULFMARK OFFSHORE, INC. (THE "COMPANY")

4(a)(2) RIGHTS OFFERING PROCEDURES

Each of the 4(a)(2) Rights Offering Securities (as defined below) is being distributed and issued by the Debtor without registration under the Securities Act of 1933, as amended (the "Securities Act")¹, in reliance upon the exemption provided by Section 4(a)(2) thereof and/or Regulation D promulgated thereunder. None of the 4(a)(2) Subscription Rights (as defined below) or the 4(a)(2) Rights Offering Securities issuable upon exercise of such rights distributed pursuant to these 4(a)(2) Rights Offering Procedures have been or will be registered under the Securities Act, nor any state or local law requiring registration for the offer and sale of a security.

The 4(a)(2) Subscription Rights are not detachable from the Notes or the allowed Unsecured Notes Claim(s) and may not be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the 4(a)(2) Subscription Rights, the 4(a)(2) Rights Offering Shares or the 4(a)(2) Rights Offering Warrants) (each of the above, a "Transfer"). If the Notes or any portion of an allowed Unsecured Notes Claim(s) is or has been Transferred after the Record Date by a 4(a)(2) Eligible Holder, the corresponding 4(a)(2) Subscription Rights will be cancelled automatically, and neither such 4(a)(2) Eligible Holder nor the transferee of such allowed Unsecured Notes Claim(s) will receive any 4(a)(2) Rights Offering Securities in connection with such transferred Notes or allowed Unsecured Notes Claim(s).

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtor's solicitation of votes to accept or reject the Plan (as defined below) and that document sets forth important information, including risk factors, that should be carefully read and considered by each 4(a)(2) Eligible Holder (as defined below) prior to making a decision to participate in the 4(a)(2) Rights Offering. Additional copies of the Disclosure Statement are available upon request from Prime Clerk LLC (the "Rights Offering Subscription Agent").

None of the 4(a)(2) Rights Offering Securities has been registered under the Securities Act, nor any state or local law requiring registration for the offer or sale of a security, and no 4(a)(2) Rights Offering Securities may be sold or Transferred absent registration under the Securities Act or pursuant to an exemption from registration under the Securities Act.

¹ Terms used and not defined herein shall have the meaning assigned to them in the *Chapter 11 Plan of Reorganization of GulfMark Offshore, Inc.* (as may be amended, modified, or supplemented from time to time, the "Plan").

Each of the 4(a)(2) Rights Offering Securities issued upon exercise of a 4(a)(2) Subscription Right, and each book entry position or certificate issued in exchange for or upon the Transfer, sale or assignment of any such 4(a)(2) Rights Offering Security, shall be deemed to contain or be stamped or otherwise imprinted with, as applicable, a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [ISSUANCE DATE], HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

Certain persons who are not Accredited Investors will have the option to receive Additional Non-Accredited Investor Consideration (as defined herein) as consideration for the value of the 4(a)(2) Subscription Rights that they cannot exercise and should carefully read Section 12 of these 4(a)(2) Rights Offering Procedures.

The 4(a)(2) Rights Offering is being conducted by the Company on behalf of the reorganized Company in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

4(a)(2) Eligible Holders should note the following times relating to the 4(a)(2) Rights Offering:

Date	Calendar Date	Event
Record Date	[●], 2017	The date fixed by the Company for the determination of the holders eligible to participate in the 4(a)(2) Rights Offering.
Subscription Commencement Date	[●], 2017	Commencement of the 4(a)(2) Rights Offering.
Subscription Expiration Deadline	[● p.m.] [New York City time] on [●], 2017 ²	<p>The deadline for 4(a)(2) Eligible Holders to subscribe for 4(a)(2) Rights Offering Securities. A 4(a)(2) Eligible Holder's applicable 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation (as defined below)) must be received by the 4(a)(2) Eligible Holder's Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master 4(a)(2) Subscription Form to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.</p> <p>4(a)(2) Eligible Holders who are not Commitment Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline.</p> <p>4(a)(2) Eligible Holders who are Commitment Parties must deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Backstop Commitment Agreement (the "<u>GulfMark Backstop Agreement</u>").</p>

² 15 BDs after the Subscription Commencement Date.

To 4(a)(2) Eligible Holders and Nominees of 4(a)(2) Eligible Holders:

On May 17, 2017, the Debtor filed the Plan with the United States Bankruptcy Court for the District of Delaware, and the *Disclosure Statement for the Chapter 11 Plan of Reorganization of GulfMark Offshore, Inc.* (as may be amended from time to time in accordance with its terms, the "Disclosure Statement"). Pursuant to the Plan, each holder of an allowed Unsecured Notes Claim as of the Record Date that is an "accredited investor" (as defined in Rule 501(a) promulgated under Regulation D under the Securities Act) (an "Accredited Investor") and that is acquiring the 4(a)(2) Rights Offering Securities for its own account (a "4(a)(2) Eligible Holder") has a right to participate in the 4(a)(2) Rights Offering in accordance with the terms and conditions of these 4(a)(2) Rights Offering Procedures. Only holders of allowed Unsecured Notes Claims that timely and validly complete and return the Accredited Investor Questionnaire included as Exhibit A to the 4(a)(2) Beneficial Holder Subscription Form may participate in the 4(a)(2) Rights Offering of the 4(a)(2) Rights Offering Securities.

Pursuant to the Plan, each 4(a)(2) Eligible Holder that has timely and validly completed and returned the Accredited Investor Questionnaire to its Nominee in advance of the Subscription Expiration Deadline is entitled to rights to subscribe for its *pro rata* portion of the 4(a)(2) Rights Offering of those certain shares of Class A common stock issued by the reorganized Company (the "4(a)(2) Rights Offering Shares"), or to ensure compliance with the Jones Act (as discussed below and in the Disclosure Statement and Plan), warrants in lieu of such 4(a)(2) Rights Offering Shares (the "4(a)(2) Rights Offering Warrants," together with the 4(a)(2) Rights Offering Shares, the "4(a)(2) Rights Offering Securities"), in an aggregate amount of \$[●], provided that it timely and properly executes and delivers its applicable 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) to its Nominee in advance of the Subscription Expiration Deadline. Each such Nominee will receive a Master 4(a)(2) Subscription Form which it shall use to summarize the 4(a)(2) Subscription Rights exercised by each 4(a)(2) Eligible Holder that timely returns the applicable properly filled out 4(a)(2) Beneficial Holder Subscription Form(s) to such Nominee. 4(a)(2) Beneficial Holder Subscription Forms should not be returned directly to the Rights Offering Subscription Agent because no beneficial holders hold their Unsecured Notes Claim directly on the books of the indenture trustee.

Please note that all 4(a)(2) Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, Requisite Documentation and Accredited Investor Questionnaire) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master 4(a)(2) Subscription Form and copies of all 4(a)(2) Beneficial Holder Subscription Forms, and the accompanying IRS Forms, Requisite Documentation and Accredited Investor Questionnaires prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master 4(a)(2) Subscription Form and the 4(a)(2) Beneficial Holder Subscription Form(s) regarding the 4(a)(2) Eligible Holder's principal amount, the Master 4(a)(2) Subscription Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master 4(a)(2) Subscription Form to the Rights Offering Subscription Agent will vary from Nominee to Nominee, 4(a)(2)

Eligible Holders are urged to consult with their Nominees to determine the necessary deadline to return their 4(a)(2) Beneficial Holder Subscription Forms. Failure to submit such 4(a)(2) Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of a 4(a)(2) Eligible Holder's rights to participate in the 4(a)(2) Rights Offering. None of the Company, the Rights Offering Subscription Agent or any of the Commitment Parties will have any liability for any such failure.

No 4(a)(2) Eligible Holder shall be entitled to participate in the 4(a)(2) Rights Offering unless the aggregate Purchase Price (as defined below) for the 4(a)(2) Rights Offering Securities it subscribes for is received by the Rights Offering Subscription Agent (i) in the case of a 4(a)(2) Eligible Holder that is not a Commitment Party, by the Subscription Expiration Deadline, and (ii) in the case of a 4(a)(2) Eligible Holder that is a Commitment Party, no later than the deadline specified in a written notice (a "Funding Notice") delivered by or on behalf of the Debtor to the Commitment Parties in accordance with Section 2.4 of the GulfMark Backstop Agreement (the "Backstop Funding Deadline"), provided that the Commitment Parties may deposit their aggregate Purchase Price in the Subscription Account (as defined below), in accordance with the terms of the GulfMark Backstop Agreement. No interest is payable on any advanced funding of the Purchase Price. If the 4(a)(2) Rights Offering is terminated for any reason, the aggregate Purchase Price previously received by the Rights Offering Subscription Agent will be returned to 4(a)(2) Eligible Holders as provided in Section 6 hereof. No interest will be paid on any returned Purchase Price. Any 4(a)(2) Eligible Holder who is not a Commitment Party submitting payment via its Nominee must coordinate such payment with its Nominee in sufficient time to allow the Nominee to forward such payment to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.

Jones Act Limitations

Certain of the Debtor's operations are conducted in the U.S. coastwise trade and are governed by the U.S. citizenship and cabotage laws principally contained in 46 U.S.C. § 50501(a), (b) and (d) and 46 U.S.C. Chapters 121 and 551 and known collectively as the "Jones Act" and any successor statutes thereto, together with the rules and regulations promulgated thereunder by the U.S. Coast Guard and the U.S. Maritime Administration and their practices enforcing, administering, and interpreting such laws, statutes, rules, and regulations, in each case as amended or supplemented from time to time. The Jones Act restricts waterborne transportation of goods and passengers between points in the United States to vessels owned and controlled by "citizens of the United States" within the meaning of the Jones Act (such a person, a "U.S. Citizen"). The Debtor could lose its privilege of owning and operating vessels in the Jones Act trade if non-U.S. Citizens were to own or control, in the aggregate, more than 25% of any class or series of the equity interests in the Company. Furthermore, to comply with the Jones Act, the Company's Certificate of Incorporation will provide that non-U.S. Citizens in the aggregate may not own more than 24% of the Common Shares to be issued and outstanding as of the Effective Date. Therefore, in order to ensure that at least 76% of the Company's equity interests will be owned by U.S. Citizens, the allocation of 4(a)(2) Rights Offering Shares and 4(a)(2) Rights Offering Warrants will be determined by the priority order set forth in the Plan such that 4(a)(2) Rights Offering Warrants will be issued in lieu of 4(a)(2) Rights Offering Shares to non-U.S. Citizens to ensure compliance with the Jones Act.

In all cases, an Eligible Holder (or its Nominee on behalf of such Eligible Holder or any designee, as applicable) that provides an Affidavit of United States Citizenship (the "Affidavit of Citizenship") in the form provided with these 4(a)(2) Rights Offering Procedures and any other documentation as the Company deems advisable to fulfill the purpose or implement the provisions of its Certificate of Incorporation in order to maintain compliance with the Jones Act (the "Requisite Documentation") and that is determined by the Company in its reasonable discretion to be a U.S. Citizen shall receive 4(a)(2) Rights Offering Shares as set forth in the Disclosure Statement and Plan; provided, that the Company may in its reasonable discretion, in consultation with the Requisite Commitment Parties, request a bring-down confirmation of an Affidavit of Citizenship from an Eligible Holder whose original Affidavit of Citizenship was not executed within the thirty (30) calendar days immediately preceding the request. The maximum aggregate percentage of 4(a)(2) Rights Offering Shares that will be issued to non-U.S. Citizens, and any Persons that fail to deliver the Requisite Documentation, pursuant to the allocation set forth in the Plan shall be 24%.

In order to participate in the 4(a)(2) Rights Offering, a 4(a)(2) Eligible Holder (or its Nominee) must complete all of the steps outlined below. If all of the steps outlined below are not completed by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, a 4(a)(2) Eligible Holder shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the 4(a)(2) Rights Offering.

1. 4(a)(2) Rights Offering

4(a)(2) Eligible Holders have the right, but not the obligation, to participate in the 4(a)(2) Rights Offering. 4(a)(2) Eligible Holders shall receive rights to subscribe for their *pro rata* portion of the 4(a)(2) Rights Offering Securities.

Subject to the terms and conditions set forth in the Plan and these 4(a)(2) Rights Offering Procedures, each 4(a)(2) Eligible Holder is entitled to subscribe for up to [●] 4(a)(2) Rights Offering Shares per \$1,000 of Principal Amount of the 6.375% Unsecured Notes due 2022. To ensure that the Company remains a U.S. Citizen in compliance with the Jones Act, as discussed above, 4(a)(2) Rights Offering Warrants may be issued in lieu of 4(a)(2) Rights Offering Shares, based on the priority order set forth in the Plan. Subscriptions will be made at a purchase price of \$[●] per 4(a)(2) Rights Offering Share (the "4(a)(2) Rights Offering Common Share Purchase Price") and a purchase price of \$[●] per 4(a)(2) Rights Offering Warrant (the "4(a)(2) Rights Offering Warrant Purchase Price," and together with the 4(a)(2) Rights Offering Common Share Purchase Price, the "Purchase Price"). Only holders of allowed Unsecured Notes Claims that are 4(a)(2) Eligible Holders that complete the Accredited Investor Questionnaire included as Exhibit A to the 4(a)(2) Beneficial Holder Subscription Form(s) may participate in the 4(a)(2) Rights Offering.

There will be no over-subscription privilege in the 4(a)(2) Rights Offering. Any 4(a)(2) Rights Offering Shares that are unsubscribed by the 4(a)(2) Eligible Holders entitled thereto will not be offered to other 4(a)(2) Eligible Holders but will be purchased by the applicable Commitment Parties in accordance with the GulfMark Backstop Agreement. Subject to the terms

and conditions of the GulfMark Backstop Agreement, each Commitment Party has agreed to purchase (on a several and not joint basis) a certain portion of the Unsubscribed Securities.

SUBJECT TO THE TERMS AND CONDITIONS OF THE 4(a)(2) RIGHTS OFFERING PROCEDURES AND THE GULFMARK BACKSTOP AGREEMENT IN THE CASE OF ANY COMMITMENT PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE 4(a)(2) BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The 4(a)(2) Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each 4(a)(2) Eligible Holder intending to purchase 4(a)(2) Rights Offering Securities in the 4(a)(2) Rights Offering must affirmatively elect to exercise its 4(a)(2) Subscription Rights in the manner set forth in the Subscription Form by the Subscription Expiration Deadline.

Any exercise of 4(a)(2) Subscription Rights by a 4(a)(2) Eligible Holder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Rights Offering Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Requisite Commitment Parties, to allow any exercise of 4(a)(2) Subscription Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law.

3. Delivery of Subscription Documents

Each 4(a)(2) Eligible Holder may exercise all or any portion of such 4(a)(2) Eligible Holder's 4(a)(2) Subscription Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the 4(a)(2) Subscription Rights, beginning on the Subscription Commencement Date, the 4(a)(2) Subscription Form and these 4(a)(2) Rights Offering Procedures will be sent to the Nominees of each 4(a)(2) Eligible Holder, with instructions for such Nominees to forward the 4(a)(2) Subscription Form and these 4(a)(2) Rights Offering Procedures to the 4(a)(2) Eligible Holder, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed 4(a)(2) Subscription Form and the payment of the applicable aggregate Purchase Price for its 4(a)(2) Rights Offering Securities.

4. Exercise of 4(a)(2) Subscription Rights

(a) In order to validly exercise its 4(a)(2) Subscription Rights, each 4(a)(2) Eligible Holder that is not a Commitment Party must:

- i. return duly completed and executed 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as

applicable, Requisite Documentation and Accredited Investor Questionnaire) to its Nominee so that such documents may be transmitted to the Rights Offering Subscription Agent by the Nominee, so that such documents are actually received by the Rights Offering Subscription Agent by the Subscription Expiration Deadline; and

- ii. at the same time it returns its 4(a)(2) Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Rights Offering Subscription Agent by wire transfer **ONLY** of immediately available funds in accordance with the instructions included in the 4(a)(2) Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its 4(a)(2) Subscription Rights, each 4(a)(2) Eligible Holder that is a Commitment Party must:

- i. return duly completed and executed applicable 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) to its Nominee so that such documents may be transmitted to the Rights Offering Subscription Agent by the Nominee, so that such documents are actually received by the Rights Offering Subscription Agent by the Subscription Expiration Deadline; and
- ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the account established and maintained by a third party satisfactory to the Commitment Parties, which account may be an escrow account pursuant to Section 2.4(b) of the GulfMark Backstop Agreement (the "Subscription Account"), by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

ALL COMMITMENT PARTIES MUST PAY THEIR APPLICABLE PURCHASE PRICE DIRECTLY TO THE SUBSCRIPTION ACCOUNT AND SHOULD NOT PAY THEIR NOMINEE(S).

- (c) With respect to 4(a) and (b) above, each 4(a)(2) Eligible Holder must duly complete, execute and return the applicable 4(a)(2) Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Rights Offering Subscription Agent the Master 4(a)(2) Subscription Form, its completed 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, Requisite Documentation and Accredited Investor Questionnaire), and, solely with respect to the 4(a)(2) Eligible Holders that are not Commitment Parties, payment of the applicable Purchase Price, payable for the 4(a)(2) Rights Offering Securities elected to be purchased by such 4(a)(2) Eligible Holder, by the Subscription Expiration Deadline. 4(a)(2) Eligible Holders that are Commitment Parties must deliver their payment of the applicable Purchase Price payable for the 4(a)(2)

Rights Offering Securities elected to be purchased by such Commitment Party directly to the Subscription Account no later than the Backstop Funding Deadline.

- (d) In the event that the funds received by the Rights Offering Subscription Agent or the Subscription Account, as applicable, from any 4(a)(2) Eligible Holder do not correspond to the Purchase Price payable for the 4(a)(2) Rights Offering Securities elected to be purchased by such 4(a)(2) Eligible Holder, the number of the 4(a)(2) Rights Offering Securities deemed to be purchased by such 4(a)(2) Eligible Holder will be the lesser of (a) the number of the 4(a)(2) Rights Offering Securities elected to be purchased by such 4(a)(2) Eligible Holder and (b) a number of the 4(a)(2) Rights Offering Securities determined by dividing the amount of the funds received by the Purchase Price, in each case up to such 4(a)(2) Eligible Holder's *pro rata* portion of 4(a)(2) Rights Offering Securities. If, as a result of an allocation of 4(a)(2) Rights Offering Warrants in lieu of 4(a)(2) Rights Offering Shares, the funds received from any 4(a)(2) Eligible Holder are greater than the Purchase Price payable for the 4(a)(2) Rights Offering Securities to be purchased by such 4(a)(2) Eligible Holder because of the \$0.01 pricing differential between the 4(a)(2) Rights Offering Shares and 4(a)(2) Rights Offering Warrants, then the excess funds will be repaid to such 4(a)(2) Eligible Holder, provided that such excess funds are greater than \$100 after accounting for all applicable transaction costs.
- (e) The cash paid to the Rights Offering Subscription Agent in accordance with these 4(a)(2) Rights Offering Procedures will be deposited and held by the Rights Offering Subscription Agent in a segregated account until released to the Debtor in connection with the settlement of the 4(a)(2) Rights Offering on the Effective Date. The Rights Offering Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Rights Offering Subscription Agent hereunder shall not be deemed part of the Debtor's bankruptcy estates.

5. Transfer Restriction; Revocation

The 4(a)(2) Subscription Rights are not detachable from the Notes or the allowed Unsecured Notes Claim(s) and may not be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the 4(a)(2) Subscription Rights, the 4(a)(2) Rights Offering Shares or the 4(a)(2) Rights Offering Warrants) (each of the above, a "Transfer"). If the Notes or any portion of allowed Unsecured Notes Claim(s) is or has been Transferred after the Record Date by an 4(a)(2) Eligible Holder, the corresponding 4(a)(2) Subscription Rights will be cancelled automatically, and neither such 4(a)(2) Eligible Holder nor the transferee of such allowed Unsecured Notes Claim(s) will receive any 4(a)(2) Rights Offering Securities in connection with such transferred Notes or allowed Unsecured Notes Claim(s).

Once a 4(a)(2) Eligible Holder has properly exercised its 4(a)(2) Subscription Rights, subject to the terms and conditions contained in these 4(a)(2) Rights Offering Procedures and the GulfMark Backstop Agreement in the case of any Commitment Party, such exercise will be irrevocable.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the 4(a)(2) Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of (i) termination of the Plan or rejection of the Plan by all classes entitled to vote, (ii) termination of the Restructuring Support Agreement in accordance with its terms, (iii) termination of the GulfMark Backstop Agreement in accordance with its terms and (iv) the Outside Date (as defined in the GulfMark Backstop Agreement) (as such date may be extended pursuant to the terms of the GulfMark Backstop Agreement). In the event the 4(a)(2) Rights Offering is terminated, any payments received pursuant to these 4(a)(2) Rights Offering Procedures will be returned, without interest, to the applicable 4(a)(2) Eligible Holder as soon as reasonably practicable, but in any event, within six (6) Business Days after the date of termination.

7. Settlement of the 4(a)(2) Rights Offering and Distribution of the 4(a)(2) Rights Offering Securities

The settlement of the 4(a)(2) Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtor with these 4(a)(2) Rights Offering Procedures, and the simultaneous occurrence of the Effective Date. The Debtor intends that the 4(a)(2) Rights Offering Securities will be issued to the 4(a)(2) Eligible Holders and/or to any party that a 4(a)(2) Eligible Holder so designates in the 4(a)(2) Beneficial Holder Subscription Form(s), in book-entry form, and that DTC, or its nominee, will be the holder of record of such 4(a)(2) Rights Offering Securities. To the extent DTC is unwilling or unable to make the 4(a)(2) Rights Offering Securities eligible on the DTC system, the 4(a)(2) Rights Offering Securities will be issued directly to the 4(a)(2) Eligible Holder or its designee. For the avoidance of doubt, any such 4(a)(2) Eligible Holder, and not a designee, shall remain responsible for the exercise and payment of its 4(a)(2) Subscription Rights.

8. Fractional Shares

No fractional rights or 4(a)(2) Rights Offering Securities will be issued in the 4(a)(2) Rights Offering. All share allocations (including each 4(a)(2) Eligible Holder's 4(a)(2) Rights Offering Securities) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of 4(a)(2) Subscription Rights and Delivery of 4(a)(2) Rights Offering Materials

All questions concerning the timeliness, viability, form and eligibility of any exercise of 4(a)(2) Subscription Rights will be determined in good faith by the Debtor in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination

by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any 4(a)(2) Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtor determines in good faith with the consent of the Requisite Commitment Parties.

Before exercising any 4(a)(2) Subscription Rights, 4(a)(2) Eligible Holders should read the Disclosure Statement and the Plan for information relating to the Debtor and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (i) the value of any 4(a)(2) Eligible Holder's allowed Unsecured Notes Claims for the purposes of the 4(a)(2) Rights Offering and (ii) any 4(a)(2) Eligible Holder's 4(a)(2) Rights Offering Securities, shall be made in good faith by the Company with the consent of the Requisite Commitment Parties and in each case in accordance with any Claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

Delivery by the Rights Offering Subscription Agent of the 4(a)(2) Subscription Form and these 4(a)(2) Rights Offering Procedures to the Nominees reflected on the securities position report provided by DTC as of the Record Date (with instructions to forward such documents to the Nominees' 4(a)(2) Eligible Holder clients) shall constitute valid and sufficient delivery of such documents, and satisfy the obligations of the Rights Offering Subscription Agent with respect thereto. Nominees may utilize an agent to distribute the 4(a)(2) Subscription Form and these 4(a)(2) Rights Offering Procedures to their client 4(a)(2) Eligible Holders and seek reasonable reimbursement of the costs associated therewith by submitting a timely invoice to the Rights Offering Subscription Agent.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtor reserves the right to modify these 4(a)(2) Rights Offering Procedures, or adopt additional procedures consistent with these 4(a)(2) Rights Offering Procedures to effectuate the 4(a)(2) Rights Offering and to issue the 4(a)(2) Rights Offering Securities, provided, however, that the Debtor shall provide prompt written notice to each 4(a)(2) Eligible Holder of any material modification to these 4(a)(2) Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the 4(a)(2) Rights Offerings are subject to the provisions of Section 10.7 of the GulfMark Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtor may execute and enter into agreements and take further action that the Debtor determines in good faith is necessary and appropriate to effectuate and implement the 4(a)(2) Rights Offering and the issuance of the 4(a)(2) Rights Offering Securities.

11. Inquiries And Transmittal of Documents; Rights Offering Subscription Agent

The 4(a)(2) Rights Offering Instructions for 4(a)(2) Eligible Holders attached hereto should be carefully read and strictly followed by the 4(a)(2) Eligible Holders.

Questions relating to the 4(a)(2) Rights Offering should be directed to the Rights Offering Subscription Agent via email to gulfmarksubscription@primeclerk.com (please reference "GulfMark 4(a)(2) Rights Offering" in the subject line) or at the following phone number: (844) 822-9230 (domestic) or (347) 338-6503 (international).

The risk of non-delivery of all documents and payments to the Rights Offering Subscription Agent, the Subscription Account and any Nominee is on the 4(a)(2) Eligible Holder electing to exercise its 4(a)(2) Subscription Rights and not the Debtor, the Rights Offering Subscription Agent, or the Commitment Parties.

12. Additional Non-Accredited Investor Consideration

Any holder of an allowed Unsecured Notes Claim that certifies in connection with these 4(a)(2) Rights Offering Procedures (i) that it is not an Accredited Investor, and (ii) that it has subscribed in full to the 1145 Rights Offering (a "Non-Accredited Investor Rights Offering Participant") will be eligible to receive the Additional Non-Accredited Investor Consideration upon settlement of the Rights Offerings. "Additional Non-Accredited Investor Consideration" means \$[●] per \$1,000 face amount of Notes to be paid through a combination, as determined in the sole discretion of the Debtor and the Requisite Noteholders, of cash, New Common Stock and New Noteholder Warrants. In order to receive Additional Non-Accredited Investor Consideration, such holder of an allowed Unsecured Notes Claim must contact the Rights Offering Subscription Agent no later than [●], 2017 to obtain the requisite forms that will be used to determine eligibility as a Non-Accredited Investor Rights Offering Participant, which such forms shall include the certifications described above (in lieu of representations as to accredited investor status) and otherwise shall be substantially similar to the forms required of 4(a)(2) Eligible Holders participating in the 4(a)(2) Rights Offering.

GULFMARK OFFSHORE, INC.

4(a)(2) RIGHTS OFFERING INSTRUCTIONS FOR 4(a)(2) ELIGIBLE HOLDERS

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the 4(a)(2) Rights Offering, you must follow the instructions set out below:

1. **Insert** the principal amount of the allowed Unsecured Notes Claims that you held as of the Record Date in Item 1 of your 4(a)(2) Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).
2. **Complete** the calculation in Item 2a of your 4(a)(2) Beneficial Holder Subscription Form(s), which calculates the maximum number of 4(a)(2) Rights Offering Securities available for you to purchase. Such amount must be rounded down to the nearest whole share.
3. **Complete** the calculation in Item 2b of your 4(a)(2) Beneficial Holder Subscription Form(s) to indicate the number of 4(a)(2) Rights Offering Securities that you elect to purchase and calculate the aggregate Purchase Price for the 4(a)(2) Rights Offering Securities that you elect to purchase.
4. **Read and complete** the certification in Item 2c of your 4(a)(2) Beneficial Holder Subscription Form(s) certifying whether you or any designee are a U.S. Citizen.
5. **Read and complete** the certification in Item 2d and Exhibit A of your 4(a)(2) Beneficial Holder Subscription Form(s) certifying that you are an Accredited Investor and you are acquiring the 4(a)(2) Rights Offering Securities for your own account.
6. **Confirm** whether you are a Commitment Party pursuant to the representation in Item 3 of your 4(a)(2) Beneficial Holder Subscription Form(s). *(This section is only for Commitment Parties, each of whom is aware of their status as a Commitment Party.)*
7. **Read, complete and sign** the certification in Item 5 of your 4(a)(2) Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these 4(a)(2) Rights Offering Procedures.
8. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.
9. **Read, complete and sign**, if you are a U.S. Citizen, the attached Affidavit of Citizenship. If you do not return an Affidavit of Citizenship, you will be treated as a non-U.S. Citizen for all purposes relevant to the Company's compliance with the Jones Act. An Affidavit of Citizenship must also be provided for any designee specified in the 1145 Beneficial

Holder Subscription Form that is a U.S. Citizen. Failure to provide an Affidavit of Citizenship for such designee will result in treatment of such designee as a non-U.S. Citizen for all purposes relevant to the Company's compliance with the Jones Act.

10. **Return** your signed 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Accredited Investor Questionnaire) and, if applicable, your Affidavit of Citizenship, to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master 4(a)(2) Subscription Form to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.
11. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your 4(a)(2) Beneficial Holder Subscription Form(s). For 4(a)(2) Eligible Holders that are not Commitment Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Rights Offering Subscription Agent by the Subscription Expiration Deadline. The Nominee of a 4(a)(2) Eligible Holder that is not a Commitment Party should follow the payment instructions as provided in the Master 4(a)(2) Subscription Form. Any Commitment Party should follow the payment instructions that will be provided in the Funding Notice.

The Subscription Expiration Deadline is [●] [p.m.] [New York City time] on [●], 2017.

Please note that the 4(a)(2) Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Accredited Investor Questionnaire) and, if applicable, your Affidavit of Citizenship, must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the "Nominee") in sufficient time to allow such Nominee to process and deliver the Master 4(a)(2) Subscription Form to the Rights Offering Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to 4(a)(2) Eligible Holders that are not Commitment Parties) or the subscription represented by your applicable 4(a)(2) Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the 4(a)(2) Rights Offering.

4(a)(2) Eligible Holders that are Commitment Parties must deliver the appropriate funding directly to the Subscription Account pursuant to the Funding Notice no later than the Backstop Funding Deadline.

GULFMARK OFFSHORE, INC. (THE "COMPANY")

1145 RIGHTS OFFERING PROCEDURES

Each of the 1145 Rights Offering Securities (as defined below) is being distributed and issued by the Debtor without registration under the Securities Act of 1933, as amended (the "Securities Act")¹, in reliance upon the exemption provided in Section 1145 of the Bankruptcy Code. None of the 1145 Subscription Rights (as defined below) or the 1145 Rights Offering Securities issuable upon exercise of such rights distributed pursuant to these 1145 Rights Offering Procedures have been or will be registered under the Securities Act, nor any state or local law requiring registration for the offer and sale of a security.

The 1145 Subscription Rights are not detachable from the Notes or the allowed Unsecured Notes Claim(s) and may not be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the 1145 Subscription Rights, the 1145 Rights Offering Shares or the 1145 Rights Offering Warrants) (each of the above, a "Transfer"). If the Notes or any portion of allowed Unsecured Notes Claim(s) is or has been Transferred after the Record Date by an 1145 Eligible Holder, the corresponding 1145 Subscription Rights will be cancelled automatically, and neither such 1145 Eligible Holder nor the transferee of such allowed Unsecured Notes Claim(s) will receive any 1145 Rights Offering Securities in connection with such transferred Notes or allowed Unsecured Notes Claim(s).

The Disclosure Statement (as defined below) has previously been distributed in connection with the Debtor's solicitation of votes to accept or reject the Plan (as defined below) and that document sets forth important information, including risk factors, that should be carefully read and considered by each 1145 Eligible Holder (as defined below) prior to making a decision to participate in the 1145 Rights Offering. Additional copies of the Disclosure Statement are available upon request from Prime Clerk LLC (the "Rights Offering Subscription Agent").

The 1145 Rights Offering is being conducted by the Company on behalf of the reorganized Company in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participate, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan of the debtor, of an affiliate participating in a joint plan with the

¹ Terms used and not defined herein shall have the meaning assigned to them in the *Chapter 11 Plan of Reorganization of GulfMark Offshore, Inc.* (as may be amended, modified, or supplemented from time to time, the "Plan").

debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale or purchase of securities.

1145 Eligible Holders should note the following times relating to the 1145 Rights Offering:

Date	Calendar Date	Event
Record Date	[•], 2017	The date fixed by the Company for the determination of the holders eligible to participate in the 1145 Rights Offering.
Subscription Commencement Date	[•], 2017	Commencement of the 1145 Rights Offering.
Subscription Expiration Deadline	[• p.m.] [New York City time] on [•], 2017 ²	<p>The deadline for 1145 Eligible Holders to subscribe for 1145 Rights Offering Securities. An 1145 Eligible Holder's applicable 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation (as defined below)) must be received by the 1145 Eligible Holder's Nominee (as defined below) in sufficient time to allow such Nominee to deliver the Master 1145 Subscription Form to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.</p> <p>1145 Eligible Holders who are not Commitment Parties must deliver the aggregate Purchase Price (as defined below) by the Subscription Expiration Deadline.</p> <p>1145 Eligible Holders who are Commitment Parties must deliver the aggregate Purchase Price no later than the deadline specified in the Funding Notice (as defined below) in accordance with the terms of the Backstop Commitment Agreement (the "<u>GulfMark Backstop Agreement</u>").</p>

² 15 BDs after the Subscription Commencement Date.

To 1145 Eligible Holders and Nominees of 1145 Eligible Holders:

On May 17, 2017, the Debtor filed the Plan with the United States Bankruptcy Court for the District of Delaware, and the *Disclosure Statement for the Chapter 11 Plan of Reorganization of GulfMark Offshore, Inc.* (as may be amended from time to time in accordance with its terms, the "Disclosure Statement"). Pursuant to the Plan, each holder of an allowed Unsecured Notes Claim as of the Record Date (each such holder, an "1145 Eligible Holder") has a right to participate in the 1145 Rights Offering in accordance with the terms and conditions of these 1145 Rights Offering Procedures.

Pursuant to the Plan, each 1145 Eligible Holder is entitled to rights to subscribe for its *pro rata* portion of the 1145 Rights Offering of those certain shares of Class A common stock issued by the reorganized Company (the "1145 Rights Offering Shares"), or to ensure compliance with the Jones Act (as discussed below and in the Disclosure Statement and Plan), warrants in lieu of such 1145 Rights Offering Shares (the "1145 Rights Offering Warrants," together with the 1145 Rights Offering Shares, the "1145 Rights Offering Securities"), in an aggregate amount of \$[●], provided that it timely and properly executes and delivers its applicable 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) to its Nominee in advance of the Subscription Expiration Deadline. Each such Nominee will receive a Master 1145 Subscription Form which it shall use to summarize the 1145 Subscription Rights exercised by each 1145 Eligible Holder that timely returns the applicable properly filled out 1145 Beneficial Holder Subscription Form(s) to such Nominee. 1145 Beneficial Holder Subscription Forms should not be returned directly to the Rights Offering Subscription Agent because no beneficial holders hold their Unsecured Notes Claim directly on the books of the indenture trustee.

Please note that all 1145 Beneficial Holder Subscription Forms (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) must be returned to the applicable Nominee in sufficient time to allow such Nominee to process and deliver the Master 1145 Subscription Form and copies of all 1145 Beneficial Holder Subscription Forms, and the accompanying IRS Forms and Requisite Documentation prior to the Subscription Expiration Deadline. To the extent of any discrepancy between the Master 1145 Subscription Form and the 1145 Beneficial Holder Subscription Form(s) regarding the 1145 Eligible Holder's principal amount, the Master 1145 Subscription Form shall govern. While the amount of time necessary for a Nominee to process and deliver the Master 1145 Subscription Form to the Rights Offering Subscription Agent will vary from Nominee to Nominee, 1145 Eligible Holders are urged to consult with their Nominees to determine the necessary deadline to return their 1145 Beneficial Holder Subscription Forms. Failure to submit such 1145 Beneficial Holder Subscription Forms on a timely basis will result in forfeiture of an 1145 Eligible Holder's rights to participate in the 1145 Rights Offering. None of the Company, the Rights Offering Subscription Agent or any of the Commitment Parties will have any liability for any such failure.

No 1145 Eligible Holder shall be entitled to participate in the 1145 Rights Offering unless the aggregate Purchase Price (as defined below) for the 1145 Rights Offering Securities

it subscribes for is received by the Rights Offering Subscription Agent (i) in the case of an 1145 Eligible Holder that is not a Commitment Party, by the Subscription Expiration Deadline, and (ii) in the case of an 1145 Eligible Holder that is a Commitment Party, no later than the deadline specified in a written notice (a "Funding Notice") delivered by or on behalf of the Debtor to the Commitment Parties in accordance with Section 2.4 of the GulfMark Backstop Agreement (the "Backstop Funding Deadline"), provided that the Commitment Parties may deposit their aggregate Purchase Price in the Subscription Account (as defined below), in accordance with the terms of the GulfMark Backstop Agreement. No interest is payable on any advanced funding of the Purchase Price. If the 1145 Rights Offering is terminated for any reason, the aggregate Purchase Price previously received by the Rights Offering Subscription Agent will be returned to 1145 Eligible Holders as provided in Section 6 hereof. No interest will be paid on any returned Purchase Price. Any 1145 Eligible Holder who is not a Commitment Party submitting payment via its Nominee must coordinate such payment with its Nominee in sufficient time to allow the Nominee to forward such payment to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.

Jones Act Limitations

Certain of the Debtor's operations are conducted in the U.S. coastwise trade and are governed by the U.S. citizenship and cabotage laws principally contained in 46 U.S.C. § 50501(a), (b) and (d) and 46 U.S.C. Chapters 121 and 551 and known collectively as the "Jones Act" and any successor statutes thereto, together with the rules and regulations promulgated thereunder by the U.S. Coast Guard and the U.S. Maritime Administration and their practices enforcing, administering, and interpreting such laws, statutes, rules, and regulations, in each case as amended or supplemented from time to time. The Jones Act restricts waterborne transportation of goods and passengers between points in the United States to vessels owned and controlled by "citizens of the United States" within the meaning of the Jones Act (such a person, a "U.S. Citizen"). The Debtor could lose its privilege of owning and operating vessels in the Jones Act trade if non-U.S. Citizens were to own or control, in the aggregate, more than 25% of any class or series of the equity interests in the Company. Furthermore, to comply with the Jones Act, the Company's Certificate of Incorporation will provide that non-U.S. Citizens in the aggregate may not own more than 24% of the Common Shares to be issued and outstanding as of the Effective Date. Therefore, in order to ensure that at least 76% of the Company's equity interests will be owned by U.S. Citizens, the allocation of 1145 Rights Offering Shares and 1145 Rights Offering Warrants will be determined by the priority order set forth in the Plan such that 1145 Rights Offering Warrants will be issued in lieu of 1145 Rights Offering Shares to non-U.S. Citizens to ensure compliance with the Jones Act.

In all cases, an Eligible Holder (or its Nominee on behalf of such Eligible Holder or any designee, as applicable) that provides an Affidavit of United States Citizenship (the "Affidavit of Citizenship") in the form provided with these 1145 Rights Offering Procedures and any other documentation as the Company deems advisable to fulfill the purpose or implement the provisions of its Certificate of Incorporation in order to maintain compliance with the Jones Act (the "Requisite Documentation") and that is determined by the Company in its reasonable discretion to be a U.S. Citizen shall receive 1145 Rights Offering Shares as set forth in the Disclosure Statement and Plan; provided, that the Company may in its reasonable discretion, in

consultation with the Requisite Commitment Parties, request a bring-down confirmation of an Affidavit of Citizenship from an Eligible Holder whose original Affidavit of Citizenship was not executed within the thirty (30) calendar days immediately preceding the request. The maximum aggregate percentage of 1145 Rights Offering Shares that will be issued to non-U.S. Citizens and any Persons that fail to deliver the Requisite Documentation, pursuant to the allocation set forth in the Plan shall be 24%.

In order to participate in the 1145 Rights Offering, an 1145 Eligible Holder (or its Nominee) must complete all of the steps outlined below. If all of the steps outlined below are not completed by the Subscription Expiration Deadline or the Backstop Funding Deadline, as applicable, an 1145 Eligible Holder shall be deemed to have forever and irrevocably relinquished and waived its right to participate in the 1145 Rights Offering.

1. 1145 Rights Offering

1145 Eligible Holders have the right, but not the obligation, to participate in the 1145 Rights Offering. 1145 Eligible Holders shall receive rights to subscribe for their *pro rata* portion of the 1145 Rights Offering Securities.

Subject to the terms and conditions set forth in the Plan and these 1145 Rights Offering Procedures, each 1145 Eligible Holder is entitled to subscribe for up to [●] 1145 Rights Offering Shares per \$1,000 of Principal Amount of the 6.375% Unsecured Notes due 2022. To ensure that the Company remains a U.S. Citizen in compliance with the Jones Act, as discussed above, 1145 Rights Offering Warrants may be issued in lieu of 1145 Rights Offering Shares, based on the priority order set forth in the Plan. Subscriptions will be made at a purchase price of \$[●] per 1145 Rights Offering Share (the “1145 Rights Offering Common Share Purchase Price”) and a purchase price of \$[●] per 1145 Rights Offering Warrant (the “1145 Rights Offering Warrant Purchase Price,” and together with the 1145 Rights Offering Common Share Purchase Price, the “Purchase Price”).

There will be no over-subscription privilege in the 1145 Rights Offering. Any 1145 Rights Offering Shares that are unsubscribed by the 1145 Eligible Holders entitled thereto will not be offered to other 1145 Eligible Holders but will be purchased by the applicable Commitment Parties in accordance with the GulfMark Backstop Agreement. Subject to the terms and conditions of the GulfMark Backstop Agreement, each Commitment Party has agreed to purchase (on a several and not joint basis) a certain portion of the Unsubscribed Securities.

Any 1145 Eligible Holder that subscribes for 1145 Rights Offering Securities and is deemed to be an “underwriter” under Section 1145(b) of the Bankruptcy Code will be subject to restrictions under the Securities Act on its ability to resell those securities. Resale restrictions are discussed in more detail in Article [●] of the Disclosure Statement, entitled “[●].”

SUBJECT TO THE TERMS AND CONDITIONS OF THE 1145 RIGHTS OFFERING PROCEDURES AND THE GULFMARK BACKSTOP AGREEMENT IN THE CASE OF ANY COMMITMENT PARTY, ALL SUBSCRIPTIONS SET FORTH IN THE 1145 BENEFICIAL HOLDER SUBSCRIPTION FORM(S) ARE IRREVOCABLE.

2. Subscription Period

The 1145 Rights Offering will commence on the Subscription Commencement Date and will expire at the Subscription Expiration Deadline. Each 1145 Eligible Holder intending to purchase 1145 Rights Offering Securities in the 1145 Rights Offering must affirmatively elect to exercise its 1145 Subscription Rights in the manner set forth in the Subscription Form by the Subscription Expiration Deadline.

Any exercise of 1145 Subscription Rights by an 1145 Eligible Holder after the Subscription Expiration Deadline will not be allowed and any purported exercise received by the Rights Offering Subscription Agent after the Subscription Expiration Deadline, regardless of when the documents or payment relating to such exercise were sent, will not be honored, except that the Company shall have the discretion, with the consent of the Requisite Commitment Parties, to allow any exercise of 1145 Subscription Rights after the Subscription Expiration Deadline.

The Subscription Expiration Deadline may be extended with the consent of the Requisite Commitment Parties, or as required by law.

3. Delivery of Subscription Documents

Each 1145 Eligible Holder may exercise all or any portion of such 1145 Eligible Holder's 1145 Subscription Rights, but subject to the terms and conditions contained herein. In order to facilitate the exercise of the 1145 Subscription Rights, beginning on the Subscription Commencement Date, the 1145 Subscription Form and these 1145 Rights Offering Procedures will be sent to the Nominees of each 1145 Eligible Holder, with instructions for such Nominees to forward the 1145 Subscription Form and these 1145 Rights Offering Procedures to the 1145 Eligible Holder, together with appropriate instructions for the proper completion, due execution and timely delivery of the executed 1145 Subscription Form and the payment of the applicable aggregate Purchase Price for its 1145 Rights Offering Securities.

4. Exercise of 1145 Subscription Rights

(a) In order to validly exercise its 1145 Subscription Rights, each 1145 Eligible Holder that is not a Commitment Party must:

- i. return duly completed and executed 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) to its Nominee so that such documents may be transmitted to the Rights Offering Subscription Agent by the Nominee, so that such documents are actually received by the Rights Offering Subscription Agent by the Subscription Expiration Deadline; and
- ii. at the same time it returns its 1145 Beneficial Holder Subscription Form(s) to its Nominee, but in no event later than the Subscription Expiration Deadline, pay, or arrange for the payment by its Nominee of, the applicable Purchase Price to the Rights Offering Subscription Agent by wire transfer **ONLY** of immediately available

funds in accordance with the instructions included in the 1145 Beneficial Holder Subscription Form(s).

(b) In order to validly exercise its 1145 Subscription Rights, each 1145 Eligible Holder that is a Commitment Party must:

- i. return duly completed and executed applicable 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable, and Requisite Documentation) to its Nominee so that such documents may be transmitted to the Rights Offering Subscription Agent by the Nominee, so that such documents are actually received by the Rights Offering Subscription Agent by the Subscription Expiration Deadline; and
- ii. no later than the Backstop Funding Deadline, pay the applicable Purchase Price to the account established and maintained by a third party satisfactory to the Commitment Parties, which account may be an escrow account pursuant to Section 2.4(b) of the GulfMark Backstop Agreement (the "Subscription Account"), by wire transfer **ONLY** of immediately available funds in accordance with the wire instructions included in the Funding Notice.

ALL COMMITMENT PARTIES MUST PAY THEIR APPLICABLE PURCHASE PRICE DIRECTLY TO THE SUBSCRIPTION ACCOUNT AND SHOULD NOT PAY THEIR NOMINEE(S).

- (c) With respect to 4(a) and (b) above, each 1145 Eligible Holder must duly complete, execute and return the applicable 1145 Beneficial Holder Subscription Form(s) in accordance with the instructions herein to its Nominee in sufficient time to allow its Nominee to process its instructions and deliver to the Rights Offering Subscription Agent the Master 1145 Subscription Form, its completed 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable), and, solely with respect to the 1145 Eligible Holders that are not Commitment Parties, payment of the applicable Purchase Price, payable for the 1145 Rights Offering Securities elected to be purchased by such 1145 Eligible Holder, by the Subscription Expiration Deadline. 1145 Eligible Holders that are Commitment Parties must deliver their payment of the applicable Purchase Price payable for the 1145 Rights Offering Securities elected to be purchased by such Commitment Party directly to the Subscription Account no later than the Backstop Funding Deadline.
- (d) In the event that the funds received by the Rights Offering Subscription Agent or the Subscription Account, as applicable, from any 1145 Eligible Holder do not correspond to the Purchase Price payable for the 1145 Rights Offering Securities elected to be purchased by such 1145 Eligible Holder, the number of the 1145 Rights Offering Securities deemed to be purchased by such 1145 Eligible Holder will be the lesser of (a) the number of the 1145 Rights Offering Securities elected to be purchased by such 1145 Eligible Holder and (b) a number of the 1145 Rights Offering Securities determined by dividing the amount of the funds

received by the Purchase Price, in each case up to such 1145 Eligible Holder's *pro rata* portion of 1145 Rights Offering Securities. If, as a result of an allocation of 1145 Rights Offering Warrants in lieu of 1145 Rights Offering Shares, the funds received from any 1145 Eligible Holder are greater than the Purchase Price payable for the 1145 Rights Offering Securities to be purchased by such 1145 Eligible Holder because of the \$0.01 pricing differential between the 1145 Rights Offering Shares and 1145 Rights Offering Warrants, then the excess funds will be repaid to such 1145 Eligible Holder, provided that such excess funds are greater than \$100 after accounting for all applicable transaction costs.

- (e) The cash paid to the Rights Offering Subscription Agent in accordance with these 1145 Rights Offering Procedures will be deposited and held by the Rights Offering Subscription Agent in a segregated account until released to the Debtor in connection with the settlement of the 1145 Rights Offering on the Effective Date. The Rights Offering Subscription Agent may not use such cash for any other purpose prior to the Effective Date and may not encumber or permit such cash to be encumbered with any lien or similar encumbrance. The cash held by the Rights Offering Subscription Agent hereunder shall not be deemed part of the Debtor's bankruptcy estates.

5. Transfer Restriction; Revocation

The 1145 Subscription Rights are not detachable from the Notes or the allowed Unsecured Notes Claim(s) and may not be sold, transferred, assigned, pledged, hypothecated, participated, donated or otherwise encumbered or disposed of, directly or indirectly (including through derivatives, options, swaps, forward sales or other transactions in which any person receives the right to own or acquire any current or future interest in the 1145 Subscription Rights, the 1145 Rights Offering Shares or the 1145 Rights Offering Warrants) (each of the above, a "Transfer"). If the Notes or any portion of allowed Unsecured Notes Claim(s) is or has been Transferred after the Record Date by an 1145 Eligible Holder, the corresponding 1145 Subscription Rights will be cancelled automatically, and neither such 1145 Eligible Holder nor the transferee of such allowed Unsecured Notes Claim(s) will receive any 1145 Rights Offering Securities in connection with such transferred Notes or allowed Unsecured Notes Claim(s).

Once an 1145 Eligible Holder has properly exercised its 1145 Subscription Rights, subject to the terms and conditions contained in these 1145 Rights Offering Procedures and the GulfMark Backstop Agreement in the case of any Commitment Party, such exercise will be irrevocable.

6. Termination/Return of Payment

Unless the Effective Date has occurred, the 1145 Rights Offering will be deemed automatically terminated without any action of any party upon the earlier of (i) termination of the Plan or rejection of the Plan by all classes entitled to vote, (ii) termination of the Restructuring Support Agreement in accordance with its terms, (iii) termination of the GulfMark Backstop Agreement in accordance with its terms and (iv) the Outside Date (as defined in the GulfMark

Backstop Agreement) (as such date may be extended pursuant to the terms of the GulfMark Backstop Agreement). In the event the 1145 Rights Offering is terminated, any payments received pursuant to these 1145 Rights Offering Procedures will be returned, without interest, to the applicable 1145 Eligible Holder as soon as reasonably practicable, but in any event, within six (6) Business Days after the date of termination.

7. Settlement of the 1145 Rights Offering and Distribution of the 1145 Rights Offering Securities

The settlement of the 1145 Rights Offering is conditioned on confirmation of the Plan by the Bankruptcy Court, compliance by the Debtor with these 1145 Rights Offering Procedures, and the simultaneous occurrence of the Effective Date. The Debtor intends that the 1145 Rights Offering Securities will be issued to the 1145 Eligible Holders and/or to any party that an 1145 Eligible Holder so designates in the 1145 Beneficial Holder Subscription Form(s), in book-entry form, and that DTC, or its nominee, will be the holder of record of such 1145 Rights Offering Securities. To the extent DTC is unwilling or unable to make the 1145 Rights Offering Securities eligible on the DTC system, the 1145 Rights Offering Securities will be issued directly to the 1145 Eligible Holder or its designee. For the avoidance of doubt, any such 1145 Eligible Holder, and not a designee, shall remain responsible for the exercise and payment of its 1145 Subscription Rights.

8. Fractional Shares

No fractional rights or 1145 Rights Offering Securities will be issued in the 1145 Rights Offering. All share allocations (including each 1145 Eligible Holder's 1145 Rights Offering Securities) will be calculated and rounded down to the nearest whole share.

9. Validity of Exercise of 1145 Subscription Rights and Delivery of 1145 Rights Offering Materials

All questions concerning the timeliness, viability, form and eligibility of any exercise of 1145 Subscription Rights will be determined in good faith by the Debtor in consultation with the Requisite Commitment Parties, and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtor, with the consent of the Requisite Commitment Parties, may waive or reject any defect or irregularity in, or permit such defect or irregularity to be corrected within such time as they may determine in good faith, the purported exercise of any 1145 Subscription Rights. Subscription Forms will be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtor determines in good faith with the consent of the Requisite Commitment Parties.

Before exercising any 1145 Subscription Rights, 1145 Eligible Holders should read the Disclosure Statement and the Plan for information relating to the Debtor and the risk factors to be considered.

All calculations, including, to the extent applicable, the calculation of (a)(i) the value of any 1145 Eligible Holder's allowed Unsecured Notes Claims for the purposes of the 1145 Rights

Offering and (ii) any 1145 Eligible Holder's 1145 Rights Offering Securities, shall be made in good faith by the Company with the consent of the Requisite Commitment Parties and in each case in accordance with any Claim amounts included in the Plan, and any disputes regarding such calculations shall be subject to a final and binding determination by the Bankruptcy Court.

Delivery by the Rights Offering Subscription Agent of the 1145 Subscription Form and these 1145 Rights Offering Procedures to the Nominees reflected on the securities position report provided by DTC as of the Record Date (with instructions to forward such documents to the Nominees' 1145 Eligible Holder clients) shall constitute valid and sufficient delivery of such documents, and satisfy the obligations of the Rights Offering Subscription Agent with respect thereto. Nominees may utilize an agent to distribute the 1145 Subscription Form and these 1145 Rights Offering Procedures to their client 1145 Eligible Holders and seek reasonable reimbursement of the costs associated therewith by submitting a timely invoice to the Rights Offering Subscription Agent.

10. Modification of Procedures

With the prior written consent of the Requisite Commitment Parties, the Debtor reserves the right to modify these 1145 Rights Offering Procedures, or adopt additional procedures consistent with these 1145 Rights Offering Procedures to effectuate the 1145 Rights Offering and to issue the 1145 Rights Offering Securities, provided, however, that the Debtor shall provide prompt written notice to each 1145 Eligible Holder of any material modification to these 1145 Rights Offering Procedures made after the Subscription Commencement Date, provided further that any amendments or modifications to the terms of the 1145 Rights Offerings are subject to the provisions of Section 10.7 of the GulfMark Backstop Agreement. In so doing, and subject to the consent of the Requisite Commitment Parties, the Debtor may execute and enter into agreements and take further action that the Debtor determines in good faith is necessary and appropriate to effectuate and implement the 1145 Rights Offering and the issuance of the 1145 Rights Offering Securities.

11. Inquiries And Transmittal of Documents; Rights Offering Subscription Agent

The 1145 Rights Offering Instructions for 1145 Eligible Holders attached hereto should be carefully read and strictly followed by the 1145 Eligible Holders.

Questions relating to the 1145 Rights Offering should be directed to the Rights Offering Subscription Agent via email to gulfmarksubscription@primeclerk.com (please reference "GulfMark 1145 Rights Offering" in the subject line) or at the following applicable phone number: (844) 822-9230 (domestic) or (347) 338-6503 (international).

The risk of non-delivery of all documents and payments to the Rights Offering Subscription Agent, the Subscription Account and any Nominee is on the 1145 Eligible Holder electing to exercise its 1145 Subscription Rights and not the Debtor, the Rights Offering Subscription Agent, or the Commitment Parties.

GULFMARK OFFSHORE, INC.

1145 RIGHTS OFFERING INSTRUCTIONS FOR 1145 ELIGIBLE HOLDERS

Terms used and not defined herein shall have the meaning assigned to them in the Plan.

To elect to participate in the 1145 Rights Offering, you must follow the instructions set out below:

1. **Insert** the principal amount of the allowed Unsecured Notes Claims that you held as of the Record Date in Item 1 of your 1145 Beneficial Holder Subscription Form(s) (if you do not know such amount, please contact your Nominee immediately).
2. **Complete** the calculation in Item 2a of your 1145 Beneficial Holder Subscription Form(s), which calculates the maximum number of 1145 Rights Offering Securities available for you to purchase. Such amount must be rounded down to the nearest whole share.
3. **Complete** the calculation in Item 2b of your 1145 Beneficial Holder Subscription Form(s) to indicate the number of 1145 Rights Offering Securities that you elect to purchase and calculate the aggregate Purchase Price for the 1145 Rights Offering Securities that you elect to purchase.
4. **Read and complete** the certification in Item 2c of your 1145 Beneficial Holder Subscription Form(s) certifying whether you or any designee are a U.S. Citizen.
5. **Confirm** whether you are a Commitment Party pursuant to the representation in Item 3 of your 1145 Beneficial Holder Subscription Form(s). *(This section is only for Commitment Parties, each of whom is aware of their status as a Commitment Party).*
6. **Read, complete and sign** the certification in Item 5 of your 1145 Beneficial Holder Subscription Form(s). Such execution shall indicate your acceptance and approval of the terms and conditions set forth in these 1145 Rights Offering Procedures.
7. **Read, complete and sign** an IRS Form W-9 if you are a U.S. person. If you are a non-U.S. person, read, complete and sign an appropriate IRS Form W-8. These forms may be obtained from the IRS at its website: www.irs.gov.
8. **Read, complete and sign**, if you are a U.S. Citizen, the attached Affidavit of Citizenship. If you do not return an Affidavit of Citizenship, you will be treated as a non-U.S. Citizen for all purposes relevant to the Company's compliance with the Jones Act. An Affidavit of Citizenship must also be provided for any designee specified in the 1145 Beneficial Holder Subscription Form that is a U.S. Citizen. Failure to provide an Affidavit of Citizenship for such designee will result in treatment of such designee as a non-U.S. Citizen for all purposes relevant to the Company's compliance with the Jones Act.

9. **Return** your signed 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) and, if applicable, your Affidavit of Citizenship, to your Nominee in sufficient time to allow your Nominee to process your instructions and prepare and deliver the Master 1145 Subscription Form to the Rights Offering Subscription Agent by the Subscription Expiration Deadline.
10. **Arrange for full payment** of the aggregate Purchase Price by wire transfer of immediately available funds, calculated in accordance with Item 2b of your 1145 Beneficial Holder Subscription Form(s). For 1145 Eligible Holders that are not Commitment Parties, please instruct your Nominee to coordinate payment of the Purchase Price and transmit and deliver such payment to the Rights Offering Subscription Agent by the Subscription Expiration Deadline. The Nominee of an 1145 Eligible Holder that is not a Commitment Party should follow the payment instructions as provided in the Master 1145 Subscription Form. Any Commitment Party should follow the payment instructions that will be provided in the Funding Notice.

The Subscription Expiration Deadline is [●] [p.m.] [New York City time] on [●], 2017.

Please note that the 1145 Beneficial Holder Subscription Form(s) (with accompanying IRS Form W-9 or appropriate IRS Form W-8, as applicable) and, if applicable, your Affidavit of Citizenship, must be received by your broker, bank, commercial bank, transfer agent, trust company, dealer, or other agent or nominee (as applicable, the “Nominee”) in sufficient time to allow such Nominee to process and deliver the Master 1145 Subscription Form to the Rights Offering Subscription Agent, by the Subscription Expiration Deadline, along with the appropriate funding (with respect to 1145 Eligible Holders that are not Commitment Parties) or the subscription represented by your applicable 1145 Beneficial Holder Subscription Form(s) will not be counted and you will be deemed forever to have relinquished and waived your right to participate in the 1145 Rights Offering.

1145 Eligible Holders that are Commitment Parties must deliver the appropriate funding directly to the Subscription Account pursuant to the Funding Notice no later than the Backstop Funding Deadline.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

----- X	:	
<i>In re:</i>	:	Chapter 11
	:	
GULFMARK OFFSHORE, INC.,	:	Case No. 17-11125 (KG)
	:	
Debtor. ¹	:	Re: Docket No. <u>172</u>
----- X		

ORDER (I) APPROVING THE RIGHTS OFFERINGS PROCEDURES AND RELATED FORMS, (II) AUTHORIZING THE DEBTOR TO CONDUCT THE RIGHTS OFFERING IN CONNECTION WITH THE DEBTOR'S PLAN OF REORGANIZATION, (III) APPROVING THE FORM OF MATERIALS NECESSARY FOR THE CONSUMMATION OF THE RIGHTS OFFERINGS, (IV) AUTHORIZING THE DEBTOR TO ASSUME THE BACKSTOP COMMITMENT AGREEMENT AND PAY THE BACKSTOP OBLIGATIONS AND (V) GRANTING RELATED RELIEF

Upon the motion, dated May 20, 2017 (the "**Motion**"),² of GulfMark Offshore, Inc. ("~~GulfMark Parent~~"), as debtor and debtor in possession (the "**Debtor**"), pursuant to sections 105(a), 362, and 365(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 4001 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), for entry of an order order (I) approving procedures and instructions for exercising Subscription Rights (the "**Rights Offerings Procedures**"), substantially in the forms attached hereto as Exhibits A-1A and A-2Exhibit B, (II) authorizing the Debtor to conduct the 1145 Rights Offering and the 4(a)(2) Rights Offering (collectively, the "**Rights Offerings**"), (III) approving the form of materials necessary for the consummation of the Rights Offerings under the terms of the Rights Offerings Procedures, including (A) the 1145 Beneficial Holder Subscription Form and the Master 1145 Subscription Form (the "**1145 Subscription Forms**")

¹ The last four digits of the Debtor's federal tax identification number are 6032. The Debtor's principal mailing address is 842 West Sam Houston Parkway North, Suite 400, Houston, Texas 77024.

² All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

and (B) the 4(a)(2) Beneficial Holder Subscription Form and 4(a)(2) Master Subscription Form (the “**4(a)(2) Subscription Forms**”) (each as defined in the Rights Offerings Procedures and, collectively, the “**Rights Offerings Materials**”), substantially in the forms attached as **Exhibits A-3C** and **A-4Exhibit D** hereto, respectively, (IV) authorizing the Debtor to assume the Backstop Commitment Agreement, a copy of which is attached hereto as **Exhibit B** to the Motion, and pay the Backstop Obligations, and (V) granting related relief, all as more fully set forth in the Motion; ~~and upon consideration of the Fox Declaration;~~ and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtor and its estate and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted to the extent set forth herein.
2. The Rights Offerings Procedures attached to the Motion ~~hereto~~ as **Exhibit A-1A** and **Exhibit A-2B** are hereby approved.

3. The Debtor is authorized to commence and conduct the Rights Offerings upon the Court's entry of an order approving the Disclosure Statement in accordance with the terms and conditions of the Backstop Commitment Agreement and the Rights Offerings Procedures.

4. The 1145 Subscription Forms attached to the ~~Motion hereto~~ as Exhibit A-3C are hereby approved.

5. The 4(a)(2) Subscription Forms attached to the ~~Motion hereto~~ as Exhibit A-4D are approved.

6. The Rights Offerings Materials provide sufficient information to enable each Eligible Holder to duly participate in the Rights Offerings and are hereby approved.

7. The Debtor is authorized to distribute the Rights Offerings Procedures and the Rights Offerings Materials to each Eligible Holder as of the Rights Offerings Record Date (as defined in the Rights Offerings Procedures).

8. The Debtor shall instruct each applicable nominee and Broadridge Financial Solutions to email the applicable Rights Offering Materials, upon commencement of the Rights Offerings, to each beneficial holder who has agreed to receive notifications via email.

9. ~~8-~~The Subscription Period is a reasonable period of time for the Rights Offerings Participants to make an informed decision regarding whether to exercise their Subscription Rights and such Subscription Period is hereby approved.

10. ~~9-~~Each Eligible Holder (other than the Backstop Parties) intending to participate in the Rights Offerings must affirmatively make a binding election to exercise its Subscription Rights on or prior to the applicable Rights Offerings Expiration Date and must otherwise timely satisfy each of the terms and conditions set forth in the Rights Offerings

Procedures and the Rights Offerings Materials, and will be deemed to have relinquished and waived all rights to participate in the Rights Offerings to the extent such Eligible Holder fails to timely satisfy each of the terms and conditions set forth in the Rights Offerings Procedures and Rights Offerings Materials.

11. ~~10.~~ The Debtor is hereby authorized to modify, supplement, or waive the Rights Offerings Procedures or adopt any additional detailed procedures, consistent with the provisions of the Rights Offerings Procedures, the Restructuring Support Agreement, and this Order, to effectuate the Rights Offerings and to issue the Rights Offerings Securities.

12. ~~11.~~ The Debtor's designation of Prime Clerk, LLC as the Subscription Agent for the Rights Offerings is hereby approved.

13. ~~12.~~ The Backstop Commitment Agreement attached to the Motion as **Exhibit B** is approved in its entirety, the Debtor's entry into the Backstop Commitment Agreement is approved, and the Debtor is authorized and directed (and is hereby deemed) to assume the Backstop Commitment Agreement and to fully perform any and all obligations thereunder pursuant to section 365(a) of the Bankruptcy Code.

14. ~~13.~~ The Backstop Commitment Agreement shall be binding and enforceable against the parties thereto in accordance with its terms.

15. ~~14.~~ Any cure amount or other requirements of section 365 of the Bankruptcy Code are hereby deemed satisfied.

16. ~~15.~~ The Debtor is authorized to pay the Backstop Obligations, including the Commitment Premium, the Termination Fee, and the Expense Reimbursement on the terms and conditions set forth in the Backstop Commitment Agreement and the Debtor's obligations to

pay such fees and expenses shall constitute allowed administrative expenses of the Debtor pursuant to sections 503(b) and 507(a) of the Bankruptcy Code.

17. ~~16.~~ The distribution of the Subscription Rights in connection with the 1145 Rights Offering and the issuance of the Rights Offerings Securities to Eligible Holders upon exercise of such Subscription Rights qualify for the exemption from registration under applicable U.S. securities laws to the extent provided by section 1145 of the Bankruptcy Code.

18. ~~17.~~ To the extent the automatic stay provisions of section 362 of the Bankruptcy Code would otherwise apply, such provisions are vacated and modified to effectuate all of the terms and provisions of the Backstop Commitment Agreement and this Order, including, without limitation, permitting the Backstop Parties to exercise all rights and remedies under the Backstop Commitment Agreement in accordance with its terms, terminate the Backstop Commitment Agreement in accordance with its terms, and deliver any notice contemplated thereunder, in each case, without further order of the Court.

19. ~~18.~~ The Debtor is authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

20. ~~19.~~ Notwithstanding the possible application of Fed. R. Bankr. P. 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

21. ~~20.~~ This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2017
Wilmington, Delaware

THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Form of 1145 Rights Offering Procedures

Exhibit B

Form of 4(a)(2) Rights Offering Procedures

WEIL\96171801\3\51067.0003

Exhibit C

1145 Subscription Forms

WEIL:196171801\3\51067.0003

Exhibit D

4(a)(2) Subscription Forms

WEIL\96171801\3\51067.0003

Summary report:	
Litéra® Change-Pro TDC 10.0.0.21 Document comparison done on	
6/14/2017 5:34:46 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://WEILDMS/WEIL/96171801/1	
Modified DMS: iw://WEILDMS/WEIL/96171801/3	
Changes:	
Add	43
Delete	33
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	76

EXHIBIT C

SEEKING ALPHA ARTICLE ON GULFMARK BANKRUPTCY

Article 2-7

Seeking Alpha^α

GulfMark Offshore - Another Bankrupt Energy-Related Company

Jun. 13, 2017 10:09 AM ET11 comments
by: WYCO Researcher

Summary

- Shareholders are getting a recovery and noteholders are most of the new equity.
- The financial projections are bleak and do not indicate any significant earnings until 2020.
- Confirmation hearing is set for August 4 and they should exit bankruptcy by the middle of August.
- GulfMark notes and stock are effectively out-of-the-money calls on energy prices.

GulfMark Offshore Inc. (OTCPK:GLFMQ) (NYSE:GLF) recently joined the long list of energy companies filing for Ch.11 bankruptcy. The marine transportation company serving offshore energy operators filed a pre-packaged bankruptcy plan (docket 48) that gives almost all the new equity to noteholders, but shareholders are getting 0.75% of the new equity and 7-year warrants. The financial projections contained in the disclosure statement (docket 49) seem overly optimistic and the current price of their notes reflects that skepticism.

Background Prior To Filing

For investors that have not been following GulfMark, the last 8 months have had a number dramatic events. Last October, SEACOR Holdings Inc. (NYSE:CKH) sent a letter to GulfMark suggesting a prepackaged restructuring and a combination with their subsidiary, SEACOR Marine Inc. (NYSE:SMHI).

Under the informal offer, GulfMark shareholders would have received CKH warrants and noteholders would have received \$215 million of new debt plus \$30 million in CKH stock for \$430 million of GulfMark notes. SEACOR already was an owner of \$54 million of GulfMark's notes, but the deal never got support from GulfMark stakeholders. (Note: SMHI was just recently spun off from CKH.)

A few days later, GulfMark announced a tender offer for the 6.375% notes due 3/15/2022 (CUSIP 402629AG4) at \$500 (including \$20 early tender fee) The offer was blocked by an Ad Hoc Noteholder Committee, which holds almost 50% of the notes. This tender offer did have the support of the largest shareholder, Raging Capital Management, which owns 18.9% of the stock and \$85.2 million of the notes.

It seems that the hedge funds associated with this noteholder committee are your typical "loan to own" investors. They do not want cash. They want equity in a newly restructured company that offers the potential to earn many multiples on their investment if the industry turns around. This noteholder group is led by Houlihan Lokey Capital.

On March 3, William Martin, head of Raging Capital, resigned from the board, and later in March, they decided to use the 30-day grace period instead of paying the interest payment on the notes.

Reorganization Plan

Under the reorganization plan, the notes and the shares will be cancelled. Noteholders will receive new stock and rights. Shareholders will receive new stock and warrants. The rights are not transferable, but both the new shares and warrants will be tradable. The new shares are expected to be listed.

New Shares Distribution According To The Disclosure Statement

Rights Offer

The rights offer will raise \$125 million and will be used to pay off the DIP, restructuring expenses, and for additional working capital.

The rights offer is causing some confusion because there are two rights offers, but noteholders can only participate in one. Without getting into a long legal dissertation, the reason for having two offers, based on my interpretation of the documents, is to allow for the various types of investors to receive new stock that is exempt from registration.

The "1145 Rights" are for retail and other small holder of notes. The "4(a)(2) Rights" are for large holders of notes that would otherwise have to have their shares registered if they purchased their shares via the 1145 Rights Offer. (Note: even if a retail holder is an "accredited" investor and could participate in the 4(a)(2) Rights Offer, it is much easier to participate in the 1145 Rights Offer.)

Unlike some other reorganization plans, the rights are not priced as percent discount from a set plan equity value. The rights will raise \$125 million for 60% of the new equity. Using the new equity value estimates of \$279 million-\$379 million made by their financial advisor, Evercore Group, the discount ranges from 25%-45%. The mid-point equity value is \$329 million and implies a discount of approximately 37%. Therefore, the value of the discount is an important component of the recovery for noteholders and **if a noteholder is not planning to participate in the rights offer, they should sell their notes.**

As usual, the rights have a backstop and the backstop fee is 3.6% of the new equity. Using that same equity range, the cost of the backstop is \$10 million-\$13.6 million in new stock.

Financial Projections

The plan enterprise value was estimated by Evercore to be \$300 million-\$400 million. After factoring in \$10 million cash and expected \$31 million debt at emergence, the equity value is estimated at \$279 million-\$379 million. Using \$350 enterprise value, the multiple is 4.9x 2020 projected EBITDA of \$71.728 million. (There are no significant earnings forecasted until 2020.)

Tidewater Inc. (NYSE:TDW), which recently filed for bankruptcy, is also not expecting meaningful profit until 2020 according to their disclosure statement. Some investors are asking if this is a realistic forecast or just wishful thinking. Despite some recent M&A activity in the offshore industry, the near-term forecast remains weak as the industry tries to strengthen their balance sheets instead of initiating new projects.

EBITDA is estimated to get worse next year and not become positive until 2019. These estimates are based on 66 vessels (31 in Americas, 25 in North Sea, 10 in Southeast Asia). The plan states that "asset sales are contemplated, these are not included in the

projection." It is also troublesome that they are estimating that they will draw on the credit exit facility for \$15 million in 2018 and an additional \$1.97 million in 2019.

Financial Projections From The Disclosure Statement

Recovery Valuations

Using the high \$379 million equity estimate, the value of the discount of the rights would be: \$227.4 million ($0.60 \times \379 million) less the \$125 million paid = \$102.4 million. The value of the 35.65% of stock received directly, prior to a potential dilution from the management incentive plan, would be \$135.1 million ($0.3565 \times \379 million). The combined total value would be \$237.5 million or a recovery of approximately 55% on the \$430 million of notes.

Using the same approach for the low equity estimate of \$279 million, the total recovery would be \$141.9 million or 33% recovery. The projected recovery of 33%-55% compares to recent note prices of 35 (\$350).

Unlike many bankruptcies, shareholders are actually getting a recovery. The shares will be cancelled and new shares and warrants will be distributed. Current shareholders will get 0.75% of the new stock, prior to a potential dilution from the management incentive plan. Using the high \$379 million equity estimate and the low \$279 million, the value of the new stock would be \$0.105-\$0.077 per current share.

Shareholders are also receiving 7-year warrants to purchase 7.5% of the new stock with an exercise price based on a \$1.0 billion equity value. Using the mid-point equity value of \$329 million, equity would have to increase 17.3% annually to reach the exercise price within 7 years. An investor would have to be very bullish on energy to justify that annual growth.

Others, however, would point out that GulfMark's market capitalization was substantially over \$1.3 billion less than three years ago. From my own experience, warrants usually trade much higher than a theoretical model would justify because of high expectations by investors. (Note: TDW is also going to distribute warrants to shareholders and it will be interesting to compare them over the life of the warrants.)

Timetable

June 26 Hearing to approve adequacy of disclosure statement

July 28 Plan objection deadline

August 4 Plan confirmation hearing

Mid August Exit bankruptcy

Voting on the Plan

I was not able to find documentation to confirm if Mr. Martin of Raging Capital supports the plan. Their \$85.2 million holding of notes represents 20% and would make it difficult to get the required two-thirds dollar amount of a claim class to accept the plan. (A majority of holders within a class are also needed for acceptance.) Shareholders are not voting and have been deemed to reject the plan, but you only need one claim class to accept the plan for it to be confirmed by the bankruptcy court.

Broker's Back Office Issues

It is critical for holders of the notes to maintain communication with their broker's back office to make sure that their participation in the rights offer proceeds smoothly. In prior rights offers of other bankrupt energy companies, many retail investors lost thousands of dollars because they just assumed that their broker would handle the details. It was a very costly mistaken assumption.

Conclusion

Instead of feeling lucky that they are getting any recovery under the reorganization plan, most shareholders are thinking how can a company go from an equity capitalization of over \$1.5 billion to 'pocket change" in less than 3 years. While GulfMark is deleveraging their balance sheet under the reorganization plan, their operations may get even worse before it gets better.

While neither GulfMark notes and stock are bargains, investors who are very bullish on the energy industry may want to consider the notes and stock as effectively out-of-the-money call options on energy prices. They are extremely risky investments.

Disclosure: I/we have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours.

I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Editor's Note: This article covers one or more stocks trading at less than \$1 per share and/or with less than a \$100 million market cap. Please be aware of the risks associated with these stocks.

EXHIBIT D

RIGHTS OFFERED TO RETAIL INVESTORS RELATIVE TO OTHERS

RIGHTS OFFERING DISCOUNT CALCULATION**Analyzing a Rights Offering**

Number of shares outstanding prior to rights issue =
 Price per share before rights issue =
 Number of rights for every share owned =
 Number of rights needed to buy a share =
 Price per share with rights =

	(A)
10,000,000	
\$	(B)
20.40	
1.784	(C)
1.00	
7.01	(D)

Output

Value of Equity in firm before rights issue =
 Value of Equity after rights issue =
 Value per share before rights issue =
 Value per share after rights issue =
 Value of a right =

\$	204,000,000
\$	329,000,001
\$	20.40
\$	11.82
\$	8.58

Value of Rights
 Price Per Share Before Rights

\$	8.58
\$	20.40

DISCOUNT TO EQUITY VALUE

42% Debtor indicated discount is 37% in subsequent correspondence.

(A) Actual number of shares was not stated in bankruptcy documents. Used 10 million but it could have been one or a billion and the calculated discount would be the same.

(B) Price per share before rights offering is equity value per bankruptcy filing of \$329 million less \$125 million proceeds from rights offering divided by assumed number of shares outstanding.

(C) This is a calculated constant. Essentially 178.4% of shares outstanding prior to rights offering results are being sold to those participating in rights offering. This is the amount necessary to agree to the bankruptcy filing post-rights ownership percentages.

(D) Price per rights offering required to result in \$329 million equity value. IF ACTUAL EQUITY VALUE IS HIGHER THE DISCOUNT IS SUBSTANTIALLY HIGHER.

Note: Believe impact of fee paid to those with the privilege of participating in rights offering may have some immaterial effect on

Calculation of Constant & Proof

Shares Before Rights Offering
 Rights Offering Shares Shares
 Received by Note Holders
 Attributable to Common Stock
 Total Percentage Received.

Number of Shares	Allocation Among Noteholders	Impact of Common Stockholders Allocation	Amt Per Bankruptcy Disclosure Statement *
10,000,000	35.92%	99.25%	35.65%
17,840,000	64.08%	99.25%	63.60%
27,840,000	100.00%		99.25%
			0.75%
			100.00%

* See page 17 of 123 of Disclosure Statement (Docket # 49)

EXHIBIT E

VESSELS & SUBSIDIARIES OF DEBTOR

List of Key Subsidiaries	2
List of All Subsidiaries.....	3
List of America's Vessels	4
List of Unencumbered Vessels (includes Southeast Asia).....	5
List of North Seas Vessels	6

LIST OF KEY SUBSIDIARIES

# of Ships	Subsidiary Name	Tier	Directly Guarantee or are Subsidiaries Guarantors
25	GulfMark Management, Inc. (Delaware)	1st Tier	GUARANTEED MULTICURRENCY DIRECTLY OR INDIRECTLY
	GulfMark Americas, Inc. (Delaware)	2nd Tier	GUARANTEED MULTICURRENCY DIRECTLY OR INDIRECTLY
4 or 5	GM Offshore, Inc. (Delaware)	3rd Tier	NO GUARANTEES (one ship might be exception)
	GulfMark Oceans, LP (Cayman)	4th Tier	NO GUARANTEES
9	GulfMark Asia Pte. Ltd. (Singapore)	5th Tier	NO GUARANTEES
1	GulfMark Servicios Maritimos do Brasil Ltda. (Brazil) - Parent Not Clear		NO GUARANTEES
2	GulfMark Malta Limited (Malta)		NO GUARANTEES
	GulfMark North Sea Ltd. (UK)		NO GUARANTEES
17	GulfMark UK Ltd.		GUARANTEED NORWEGIAN DIRECTLY OR INDIRECTLY
	GulfMark Norge AS (UK)		GUARANTEED NORWEGIAN DIRECTLY OR INDIRECTLY
7	GulfMark Rederi AS (Norway)		GUARANTEED NORWEGIAN DIRECTLY OR INDIRECTLY

Organization structure data accumulated from organizational chart in bankruptcy documents. There are some minor cross-ownership structures that are not noted on this sheet. Also, sometimes ownership was not 100% clear in company organizational structure but the basic structure is accurate.

Ship ownership accumulated from publicly available records.

There are four key groups:

America's segment owned by GulfMark America's, Inc. subject to Multicurrency facility.

- 25 Ships Subject to Multicurrency Facility
 16 Ships Not Subject to Liens Either Directly or Indirectly
 24 Ships Subject to Norwegian Facility
 1 Ship whose status is unclear

66

LIST OF SUBSIDIARIES OF GULFMARK OFFSHORE, INC. & NUMBER OF VESSELS OWNED

# of Ships	Subsidiary Name	Directly Guaranteee or are Subsidiaries Guarantors				
		1st Tier	2nd Tier	3rd Tier	4th Tier	5th Tier
25	GulfMark Management, Inc. (Delaware)					
	GulfMark Americas, Inc. (Delaware)					
	GulfMark Marine Trinidad Limited					
	GulfMark Thailand, LLC					
4 or 5	GOMI Holdings Inc. (Delaware)					
	GulfMark Capital, LLC (Delaware)					
	GM Offshore, Inc. (Delaware)					
	GulfMark Servicios de Mexico S. de R.L. de C.V. (Mexico) - 49% owned					
	GulfMark Maritime, S. de R.L. de C.V. (Mexico)					
	GulfMark Maritime, S. de R.L. de C.V. (Mexico)					
	GulfMark Foreign Investments LLC (Delaware)					
9	GulfMark Oceans, LP (Cayman)					
	GulfMark Asia Pte. Ltd. (Singapore)					
	GulfMark Malaysia Sdn Bhd (Malaysia)					
	GulfMark Resources LLC (Delaware)					
	GulfMark Guernsey International Ltd. (Guernsey)					
	GulfMark Guernsey, Ltd. (Guernsey)					
1	GulfMark Servicios Maritimos do Brasil Ltda. (Brazil) - Parent Not Clear					
	Semaring Logistics (M) Sdn Bhd - Parent Not Clear					
	Chaivoyage (M) Sdn Bhd (Malaysia) - 49% - Parent Not Clear					
2	GulfMark Malta Limited (Malta)					
	GulfMark Malaysia Inc. (Labuan)					
	Gulf Offshore Marine International S. de R.L. (Panama)					
	GulfMark Shipping, LLC (Delaware)					
	GulfMark North Sea Ltd. (UK)					
17	GulfMark Personnel UK Ltd.					
	GulfMark UK Ltd.					
	Gulf Channel Offshore Services 1DA (Antigua) - 49% owned					
	GulfMark Norge AS (Norway)					
	GulfMark UK International Ltd.					
	GulfMark Norge AS (UK)					
	GulfMark AS (Norway)					
7	GulfMark Federates (Norway)					

25 Ships Subject to Multicurrency Facility

16 Ships Not Subject to Liens Either Directly or Indirectly

24 Ships Subject to Norwegian Facility

1 Ship whose status is unclear

66

Organization structure data accumulated from organizational chart in bankruptcy documents. There are some minor cross-ownership structures that are not noted on this sheet. Also, sometimes ownership was not 100% clear in company organizational structure but the basic structure is accurate.

Ship ownership accumulated from publicly available records.

GULFMARK AMERICAS, INC. VESSELS - SECURE MULTICURRENCY FACILITY

Vessel Name	Region	Type	Year Built	Length	Brake Horse	Deadweight	Owned By	Collateral	Vessel Class	Status	Owner
1 ORLEANS	Americas	PSV	2004	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	Active	GulfMark Americas, Inc.
2 BOURBON	Americas	PSV	2004	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	Warm Stack	GulfMark Americas, Inc.
3 ROYAL	Americas	PSV	2004	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	Active	GulfMark Americas, Inc.
4 IBERVILLE	Americas	PSV	2004	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	Active	GulfMark Americas, Inc.
5 BIENVILLE	Americas	PSV	2005	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	Active	GulfMark Americas, Inc.
6 CONTI	Americas	PSV	2005	252	6,342	2,929	GulfMark Americas	Multicurrency	GM5000	laid up but e	GulfMark Americas, Inc.
7 ST LOUIS	Americas	PSV	2005	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	laid up statu	GulfMark Americas, Inc.
8 TOULOUSE	Americas	PSV	2005	252	6,342	2,929	GulfMark Americas	Multicurrency	GM8500	laid up statu	GulfMark Americas, Inc.
9 ESPLANADE	Americas	PSV	2005	252	2,929	2,929	GulfMark Americas	Multicurrency	GM8500	laid up statu	GulfMark Americas, Inc.
10 FIRST AND TEN	Americas	PSV	2007	190	3,894	1,686	GulfMark Americas	Multicurrency	GM4000	Warm Stack	GulfMark Americas, Inc.
11 DOUBLE EAGLE	Americas	PSV	2007	190	3,894	1,686	GulfMark Americas	Multicurrency	GM4000	laid up statu	GulfMark Americas, Inc.
12 TRIPLE PLAY	Americas	PSV	2007	190	3,894	1,686	GulfMark Americas	Multicurrency	GM4000	laid up statu	GulfMark Americas, Inc.
13 GRAND SLAM	Americas	PSV	2007	225	3,894	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
14 SLAM DUNK	Americas	PSV	2007	225	3,894	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
15 TOUCHDOWN	Americas	PSV	2008	225	3,894	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
16 HAT TRICK	Americas	PSV	2008	190	3,894	1,686	GulfMark Americas	Multicurrency	GM4000	laid up statu	GulfMark Americas, Inc.
17 JERMAINE GIBSON	Americas	PSV	2008	225	3,894	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
18 HOMERUN	Americas	PSV	2008	225	3,894	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
19 KNOCKOUT	Americas	PSV	2008	225	2,151	2,151	GulfMark Americas	Multicurrency	GM6000	laid up statu	GulfMark Americas, Inc.
20 HAMMERHEAD	Americas	FSV	2008	552	2,151	552	GulfMark Americas	Multicurrency	GM4000	laid up statu	GulfMark Americas, Inc.
21 THOMAS WAINWRIGHT	Americas	PSV	2010	242	7,200	4,200	GulfMark Americas	Multicurrency	Thoma-Sea 250	laid up statu	GulfMark Americas, Inc.
22 POLARIS	Americas	PSV	2014	272	10,245	3,580	GulfMark Americas	Multicurrency	Thoma-Sea 280	Active	GulfMark Americas, Inc.
23 REGULUS	Americas	PSV	2015	272	9,601	3,580	GulfMark Americas	Multicurrency	Thoma-Sea 280	Active	GulfMark Americas, Inc.
24 HERCULES	Americas	OSV	2016	288	8,065	5,165	GulfMark Americas	Multicurrency	MMC 887 300	Active	GulfMark Americas, Inc.
25 CHARTRES	Americas	PSV	2004	252	6,342	2,929	Not listed	Not listed	Not listed	Active	GulfMark Americas, Inc.

GulfMark America's is not the same as the America's section referred to in GulfMark financial filings. There are operations in Mexico, and South America that are essentially free and clear of the multicurrency facility that are not listed here. Instead they are listed on unencumbered ship listing.

The ships listed above are either directly encumbered by the Multicurrency facility or are owned by entities that have guaranteed the multicurrency facility. Of the four business groups, this is far and away the most highly leveraged and bankruptcy documents indicate it is low on cash. It seems very possible that GulfMark America's might ultimately have to join its parent in bankruptcy. This likely would trigger a filing by GulfMark Management, Inc. as well as it has guaranteed the Multicurrency facility. It would also have the potential to greatly ease liquidity concerns as it should be possible to obtain DIP financing on the basis of these assets.

SHIPS NOT LISTED IN BANKRUPTCY BUSINESS EXPLANATION ALL APPEAR UNENCUMBERED

Source - Bankruptcy Documents							Source - Public Records Search				
Vessel Name	Region	Type	Year Built	Length	Brake Horse	Deadweight	Owned By	Collateral	Vessel Class	Status	Owner
1 AUSTRAL ABRILHOS	Americas	SpV	2004	215	7,100	2,000	Not listed	Not listed	Not listed	Vessel out on B	GulfMark Servicios Maritimos Do Brasil LTDA
2 COLOSO	Americas	AHTS	2006	199	5,916	1,674	Not listed	Not listed	Not listed	Active	GM Offshore**
3 HIGHLAND COURAGE	North Sea	AHTS	2002	260	16,320	2,750	Not listed	Not listed	Not listed	Laid up class st	Gulfmark Malta Ltd
4 HIGHLAND SCOUT	Americas	PSV	1999	218	4,640	2,800	Not listed	Not listed	Not listed	Laid up class st	GM Offshore**
5 HIGHLAND VALOUR	North Sea	AHTS	2003	261	16,320	2,750	Not listed	Not listed	Not listed	Active	Gulfmark Malta Ltd
6 SEA APACHE	SEA	AHTS	2008	250	10,700	2,700	Not listed	Not listed	Not listed	laid up status	GulfMark Asia Pte Ltd. *
7 SEA CHEROKEE	SEA	AHTS	2009	250	10,700	2,700	Not listed	Not listed	Not listed	Cold Stacked o	GulfMark Asia Pte Ltd. *
8 SEA CHEYENNE	SEA	AHTS	2007	250	10,700	2,700	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
9 SEA CHOCTAW	SEA	AHTS	2008	250	10,700	2,700	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
10 SEA COMANCHE	SEA	AHTS	2006	250	10,700	2,700	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
11 SEA KIOWA	SEA	AHTS	2008	250	10,700	2,700	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
12 SEA SOVEREIGN	SEA	AHTS	2006	230	5,500	1,800	Not listed	Not listed	Not listed	Active	GM Offshore**
13 SEA SUPPORTER	SEA	AHTS	2007	225	7,954	2,630	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
14 TITAN	Americas	AHTS	2005	199	5,916	1,674	Not listed	Not listed	Not listed	Active	GulfMark Asia Pte Ltd. *
15 SEA VALIANT	SEA	AHTS	2010	213	10,188	2,301	Not listed	Not listed	Not listed	Laid up status	GM Offshore**
16 SEA VICTOR	SEA	AHTS	2010	230	10,188	2,058	Not listed	Not listed	Not listed	Cold Stacked o	GulfMark Asia Pte Ltd. *

SHIPS NOT LISTED IN BUSINESS DESCRIPTION - ALL APPEAR TO BE UNENCUMBERED AND REPRESENT A POTENTIAL SOURCE OF FINANCE

*Gulf Marine Far East Pte Ltd. Is a Singapore entity that is not listed in GulfMark Offshore's organizational chart. It was listed in 2012 10-K as the companies only Singapore subsidiary. In the public records, Gulf Marine Far East Pte Ltd. is the owner of these unencumbered ships. GulfMark Asia Pte Ltd. Is the only Singapore subsidiary currently in the group and it is reasonable to assume it is the current owner of the ships.

*GulfMark Offshore Inc. in public records is assumed to be the GM Offshore (Delaware) entity listed in organizational chart.

There were two errors in portions of the Bankruptcy disclosure discussion of the business:

- Ignored Southeast Asia assets which are completely unencumbered and have an appraised value of \$117 million according to documents filed contemporaneously with bankruptcy notice with SEC. Assuming a sale took place yielding 25% of appraised value this would yield over \$25 million.
- Ignored America's segment outside the U.S. These are ships operating in Mexico and South America. There are six or seven ships in this category but it would present an opportunity to forward cash to parent if these were sold or mortgaged.

Highland Chieftan's status is not 100% clear so it was left off this list.

GULFMARK UK LTD. and GULFMARK REDERI AS VESSEL LISTING

Source - Bankruptcy Documents

Source - Public Records Search

Vessel Name	Region	Type	Year Built	Length	Brake Horse	Deadweight	Owned By	Collateral	Vessel Class	Status	Owner
1 HIGHLAND DEFENDER	North Sea	PSV	2013	286	9,598	4,975	GulfMark UK	Norwegian Facility	MMC 887	Active	GulfMark UK Ltd
2 HIGHLAND GUARDIAN	North Sea	PSV	2013	286	9,601	5,096	GulfMark UK	Norwegian Facility	MMC 887	Active	GulfMark UK Ltd
3 HIGHLAND KNIGHT	North Sea	PSV	2013	246	7,482	3,116	GulfMark UK	Norwegian Facility	UT 755XL	Active	GulfMark UK Ltd
4 HIGHLAND PRINCE	North Sea	LgSPV	2009	284	10,738	4,850	GulfMark UK	Norwegian Facility	AKER 09	Active	GulfMark UK Ltd
5 HIGHLAND PRINCESS	North Sea	PSV	2014	246	7,482	3,116	GulfMark UK	Norwegian Facility	UT 755XL	Active	GulfMark UK Ltd
6 NORTH CRUYS	North Sea	PSV	2014	304	12,000	5,000	GulfMark Rederi	Norwegian Facility	ST-216	Active	GulfMark Rederi AS
7 NORTH PROMISE	North Sea	PSV	2007	284	10,767	4,993	GulfMark UK	Norwegian Facility	AKER 09	Active	GulfMark Rederi AS
8 NORTH POMOR	North Sea	PSV	2013	304	11,465	5,000	GulfMark Rederi	Norwegian Facility	ST-216	Active	GulfMark Rederi AS
9 NORTH PURPOSE	North Sea	PSV	2010	284	10,738	4,850	GulfMark Rederi	Norwegian Facility	AKER 09	Active	GulfMark Rederi AS
10 NORTH BARENTS	North Sea	PSV	2017	304	11,465	5,000	GulfMark Rederi	Norwegian Facility	ST-216	Active	GulfMark Rederi AS
11 HIGHLAND CHIEFTAIN	North Sea	PSV	2013	260	9,598	4,000	GulfMark UK	Norwegian Facility	AKER 09	Active	GM Offshore, Inc.
12 HIGHLAND FORTRESS	North Sea	LgSPV	2001	236	5,450	3,200	Not listed	Not listed	Not listed	Laid up class st	GulfMark UK Ltd
13 HIGHLAND NAVIGATOR	North Sea	LgSPV	2002	275	9,600	4,250	Not listed	Not listed	Not listed	Active	GulfMark UK Ltd
14 HIGHLAND ROVER	North Sea	PSV	1998	236	5,450	3,200	Not listed	Not listed	Not listed	Laid up class st	GulfMark UK Ltd
15 HIGHLAND BUGLER	North Sea	LgSPV	2002	221	54,550	3,115	GulfMark UK	Unencumbered	UT 755	Laid up class st	GulfMark UK Ltd
16 HIGHLAND CHALLENGER	North Sea	LgSPV	1997	221	5,450	1,850	GulfMark UK	Unencumbered	UT 755	Laid up class st	GulfMark UK Ltd
17 HIGHLAND CITADEL	North Sea	LgSPV	2003	236	5,450	3,200	GulfMark UK	Unencumbered	UT 755 L	Active	GulfMark UK Ltd
18 HIGHLAND DUKE	North Sea	PSV	2012	246	7,482	3,133	GulfMark UK	Unencumbered	UT 755 L	Laid up class st	GulfMark UK Ltd
19 HIGHLAND EAGLE	North Sea	PSV	2003	236	5,450	3,200	GulfMark UK	Unencumbered	UT 755 L	Active	GulfMark UK Ltd
20 HIGHLAND ENDURANCE	North Sea	AHTS	2003	260	16,320	2,750	GulfMark UK	Unencumbered	UT 722 L	Active	GulfMark UK Ltd
21 HIGHLAND LAIRD	North Sea	PSV	2006	236	7,482	3,184	GulfMark UK	Unencumbered	UT 755 L	Laid up class st	GulfMark UK Ltd
22 HIGHLAND MONARCH	North Sea	LgSPV	2003	221	5,450	3,115	GulfMark UK	Unencumbered	UT 755	Active	GulfMark UK Ltd
23 HIGHLAND PRESTIGE	North Sea	LgSPV	2007	284	10,767	4,993	GulfMark UK	Unencumbered	AKER 09	Active	GulfMark UK Ltd
24 NORTH MARINER	North Sea	PSV	2002	276	9,600	4,400	GulfMark Rederi	Unencumbered	UT 745	Active	GulfMark Rederi AS
25 NORTH STREAM	North Sea	PSV	1998	276	9,600	4,585	GulfMark Rederi	Unencumbered	UT 745	laid up status,	GulfMark Rederi AS

There are some material differences between the list here and what was in the Bankruptcy Business presentation. The Business Presentation did not associate a number of ships with a business group and five of them appear to be in this group.

Depending on terms of Norwegian facility and given the fact that 11 out of 25 ships are mortgaged, it would seem that it should be possible for this group to obtain cash by either selling or mortgaging vessels. This assumption seems to be confirmed by the fact that the DIP facility is coming from this group.

Additional reasons for optimism include:

- Feb. 8, 2017 statement by CEO that Norwegian banks are being patient where U.S. banks are not.
- Appraised values of unencumbered assets is \$155 million per financial disclosure made with the SEC with bankruptcy filing.

EXHIBIT F

COMPETITOR STATUS

COMPETITOR STATUS

Bankruptcy or Restructuring?

Gulf of Mexico

Edison Chouest Offshore
Hornbeck (US Public Co)
Tidewater (US Public Co)
Seacor Marine (US Public Co)
Adriatic Marine
Odyssea Marine

Unknown but believe no.
No
Yes
No
Unknown but believe no.
Unknown but believe no.

North Sea

Island Offshore
Simon Mokster Shipping
Havilla
Solstad Shipping (Public Co)
Farstad (Public Co)
Deep Sea Supply (Public Co)
Nordic American Offshore (US Public Co)
Maersk Supply Service (part of Public Co)

Restructured outside bankruptcy
Unknown but believe no.
Restructured outside bankruptcy
Restructured outside bankruptcy
Restructured outside bankruptcy
Restructured outside bankruptcy
Raised additional capital
No

Southeast Asia

Bourbon Offshore (Public Co)
Tidewater (US Public Co)
Alam Maritim (Public Co)
Vroon
Jasa Merin
Swire Pacific (part of Public Co)
PTSC
Pacific Richfield

In-Process of restructuring
Yes
No
Unknown but believe no.
Unknown but believe no.
No
Unknown but believe no.
Went through fire sale

EXHIBIT G

CAESARS EXAMINATION REPORT – COMMENTS ON EVERCORE

Comments from Bankruptcy Examiner Regarding Evercore Work..... 2-6

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:

**CAESARS ENTERTAINMENT
OPERATING COMPANY, INC. *et al.*,**

Debtors.

) Chapter 11

) Case No. 15-01145 (ABG)
) (Jointly Administered)

) Hon. A. Benjamin Goldgar

FINAL REPORT OF EXAMINER, RICHARD J. DAVIS

March 15, 2016

VOLUME 1

(Introduction and Executive Summary)

at the request of lenders, to the CEOC Board. Such opinions were sought in recognition of the fact that if CEOC was insolvent, such an opinion would be important in avoiding fraudulent transfer claims and, in some cases, to comply with credit agreement requirements for related party transactions. In certain of these cases the retained financial advisor actively participated in the negotiation of the price on which it was opining. While issues involving particular transactions are described in the context of the discussions of specific transactions, some general observations relating to the financial advisors and the valuations used in connection with those transactions are:

- While disagreeing with certain of the analyses underlying various of these opinions, there does not appear to be any basis for a claim against the financial advisors providing the opinions. There is no evidence that any of them acted in bad faith or with improper motives or undisclosed conflicts of interest.

- The opinions rendered by the advisors relied heavily on the accuracy of information and assumptions provided by management. While in some cases meaningful due diligence was undertaken before relying on the assumptions and information, that was not always the case, particularly as to opinions provided by non-investment banks. Moreover, even when due diligence was performed the opinions explicitly disclaimed responsibility for the reliability of information central to the opinions. These disclaimers (which reflect regular practice by those providing opinions), and the lack of meaningful due diligence by the non-investment banks, undermine the value of these types of opinions when being considered by a neutral fact finder seeking to determine the value of an asset.
- In certain instances a portion of the fee for a financial advisor's opinion was contingent on the consummation of the transaction. While such fee arrangements are not unusual for investment banks, Delaware law recognizes that the existence of such a contingency may undermine the independence of the entity providing the opinion. Lack of independence is particularly clear where, as here, the contingency is not linked to obtaining a higher price for the seller.

- While the persuasiveness to a neutral fact finder of the valuation contained in an opinion by an investment bank opining that the price it itself negotiated was fair is subject to question, it does appear that such a bank would be considered independent under Delaware law. Thus, an independent Board committee could rely on such an opinion in fulfilling its responsibilities even if a neutral trying to actually determine the value of an asset might not place great weight on that opinion.
- An argument has been advanced by CAC and CEC that the properties sold to Growth in late 2013 and mid-2014 and to CERP in late 2013 have not performed

cases the language chosen was dictated by the requirements of CEOC's indentures; in others, the language chosen was the product of negotiations with CEC and the Sponsor or a function of a particular advisor's internal policies.

as well as expected, and that how they have performed should be considered in analyzing whether adequate consideration was paid at the time of the transactions. First, it is too early to assess the long-term performance of these properties as the value of a long-lived asset is not predicated on one or two years' financial performance. Indeed, the performance of some of them has improved in 2015. Others involve the type of new investments (e.g., the Wheel and LINQ retail) which may well require a trial and error period before their success can be evaluated. More importantly, while there may be some limited exceptions in special circumstances, the general rule is that in performing a retrospective valuation and in assessing prior valuations, one looks at what was "known or knowable" at the time. Later performance may have some value as an equitable argument; it is not the legal test. This issue is discussed in more detail in Section V, Solvency, *infra*, and in Appendix 7, Valuation at Section I.B.

- Generally speaking, the projections that should be used in valuations are the most recently available ordinary course company projections, and not projections created solely for the purpose of securing a fairness opinion.¹⁸ That was not always the case in the transactions investigated. In one instance the financial advisor did not use the most recent projections because the company did not provide them despite being requested to do so (*see* Section VIII.B, *infra*). In a 2014 transaction, the financial advisors were told to rely on revised projections created solely for their use because the company's budget numbers were considered too optimistic (*see* Section VIII.D, *infra*). The company's ordinary course numbers, however, continued to be used for all other purposes, including with lenders, with auditors for impairment analyses and in ongoing presentations to the CEC Board. In addition, in 2013 management made a concerted effort to reduce long-term projections and make them more reasonable and achievable. Thus, while Caesars' auditors had in earlier years raised some questions about the company's projection process, at the time of this transaction the auditors had endorsed the quality of the process by which projections were developed.

- CEC has offered the opinion of Professor Lehn that rather than undervaluing the casinos transferred in these various transactions, the relevant financial advisors overvalued them by almost \$700 million.¹⁹ The Examiner has reviewed this analysis and it is not persuasive. For example, Professor Lehn's conclusion is largely based on his view that the terminal values estimated by the financial advisors retained by CEC and the Valuation and Special Committees of the CEC Board were artificially inflated because they assumed that capital expenditures would equal depreciation in perpetuity. Not only does Professor Lehn's view contradict (and thus undermine) the very analyses that were performed by CEC's own financial advisors – on which CEC and the Sponsors rely to support their argument that CEOC received fair or reasonably equivalent value for the assets transferred – it is inconsistent with widely accepted business valuation theory and

¹⁸ See Section VI, *infra*, for a detailed discussion concerning projections.

¹⁹ They offered his opinion initially in a July 2015 meeting and in a February 2016 submission.

practice. Moreover, his underlying assumption seems to be that matching anticipated capital expenditures to depreciation means no new investment will be made. That does not appear to be accurate. Rather, it means that the level of new investment going forward will be at the same level as in the past. In any event, in performing his own valuations, the Examiner increased the capital expenditure projections used by CEC's original financial advisors as appropriate. Deloitte, CEC's auditors, also has explicitly stated that CEC's use of the depreciation amount as the amount for projected capital expenses in its own valuations was appropriate. Professor Lehn also advocates reliance on only one method of valuation – the discounted cash flow (DCF) method – while customary valuation methodology considers three valuation methodologies, including the DCF method. If that approach was followed by the financial advisors retained by CEC in connection with the valuations they performed, in a number of the challenged transactions the advisors would not have been able to opine that the consideration met the applicable "fairness" or "reasonably equivalent value" standard since the DCF calculations yielded the highest valuation numbers among the three methods.

transaction. This weakness was partially mitigated when it was made explicit that the Board would not approve a transaction that the Committee rejected.

The Valuation Committee hired its own professional advisors, Evercore (as financial advisor) and Morrison & Foerster (as legal advisor). Evercore was the primary negotiator with the Sponsors, reporting back to the Valuation Committee. One of the most contentious aspects of the negotiation was over how to value CIE. Negotiating from the perspective of a desire to minimize CEC's interest in the new entity and maximize CAC's interest, the Sponsors argued for a very low valuation for CIE. Its initial proposal valued CIE at \$400 million while at the same time PwC valued it at \$[REDACTED] billion.⁵⁸ In the end, CIE's value was placed at \$525 million plus an earnout of up to another \$225 million of incremental value. The notes contributed (having a face value of \$1.146 billion) were valued at \$749 million.

Ultimately, the price paid to CEOC for Planet Hollywood, the CEOC interest in the Baltimore joint venture and 50% of the management fees for these properties was \$360 million. Based on the Examiner's analysis, that amount is between \$437 million and \$593 million less than what would have been reasonably equivalent value. The principal reasons for this difference are:

Jeff Boyd - Understated valuation by 121% at low end

- Evercore did not use the most recent projections for Planet Hollywood revenue. It had asked to be provided with them, but management did not do so.
- Evercore treated Planet Hollywood as a regional property. While it may not be the equivalent of the most valuable Las Vegas properties, it was a highly profitable Las Vegas hotel-casino, and should have been valued as such.
- Evercore used an erroneous latest twelve month EBITDA number.
- Evercore did not consider the projected EBITDA increases from Project Songbird, the new Britney Spears-Planet Hollywood contract and the renovation of the Planet Hollywood theatre, although it did deduct the related capital costs. They did so even though they had analyses indicating that the positive impact on the value of Planet Hollywood from Project Songbird could range from \$[REDACTED] million to \$[REDACTED] million. As discussed in Section VIII.B, *infra*, TPG had stressed how important it was that this agreement, which was reached after the price for Planet Hollywood was agreed but before closing, not cause the purchase price to increase. Caesars' management understood this concern and, while the evidence is not wholly consistent on this point, spoke to Evercore and convinced them that Project Songbird would not have a material effect on EBITDA or their value. Contemporaneous company analyses, however, projected an annual EBITDA uplift of \$[REDACTED] million per year from Project Songbird.

⁵⁸ The Examiner has not adopted this valuation and, as discussed above, this valuation may have included unrealistically high values for real money online poker. The social gaming business was valued at \$[REDACTED] million. The PwC valuation was used to calculate the value of stock used to compensate and incentivize top CIE management.

EXHIBIT H

ARTICLE ON IMPAIRMENT LOSS CALCULATIONS

Article on Impairment Loss Calculations	2-5
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EXHIBIT K

ARTICLE ON IMPAIRMENT LOSS CALCULATIONS

Article on Impairment Loss Calculations	2-5
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THE POWER OF BEING UNDERSTOOD

U.S. GAAP VS. IFRS: IMPAIRMENT OF LONG-LIVED ASSETS AT-A-GLANCE

Increasing globalization coupled with related regulations continues to put pressure on moving towards a common global accounting framework – International Financial Reporting Standards (IFRS). Currently, more than 100 countries use IFRS, so if your business goals include global expansion, it is critical to educate yourself about the impact of IFRS on your financial reporting processes and business now. To gain a better understanding of what IFRS means for your organization, we have prepared a series of comparisons dedicated to highlighting significant differences between IFRS and U.S. generally accepted accounting principles (GAAP). This particular comparison focuses on the significant differences between U.S. GAAP and IFRS when accounting for the impairment of long-lived assets. For other comparisons available in this series, refer to our [U.S. GAAP vs. IFRS comparisons at-a-glance series](#).

A discussion about U.S. GAAP and IFRS would not be complete without mentioning the status of the Securities and Exchange Commission's (SEC) activities focused on determining whether the application of IFRS by U.S. registrants should be required or allowed. While the SEC has not made any final decisions with respect to use of IFRS by U.S. registrants, its activities are ongoing. For more information, refer to our [IFRS Resource Center](#).

The guidance related to accounting for the impairment of goodwill and indefinite-lived intangible assets in U.S. GAAP is included in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 350, *Intangibles—Goodwill and Other*, and the guidance related to accounting for the impairment or disposal of other long-lived assets in U.S. GAAP is included in FASB ASC Topic 360, *Property, Plant, and Equipment*. In IFRS, the guidance related to accounting for the impairment of long-lived assets is included in International Accounting Standard (IAS) 36, *Impairment of Assets*.

The guidance for when to test long-lived assets for impairment is similar under both U.S. GAAP and IFRS. Long-lived assets to be held and used (which exclude goodwill and other indefinite-lived intangible assets) are required to be tested for impairment when an indicator of impairment exists. Furthermore, the indicators of impairment are similar under both U.S. GAAP and IFRS. With respect to goodwill and other indefinite-lived intangible assets, both U.S. GAAP and IFRS require such assets be subjected to impairment tests at least annually, and more frequently when impairment indicators exist.

While there are some similarities between U.S. GAAP and IFRS with respect to accounting for the impairment of long-lived assets, there are also a number of differences. The significant differences between U.S. GAAP and IFRS related to accounting for the impairment of goodwill, indefinite-lived intangible assets and long-lived assets to be held and used are summarized in the following tables.

IMPAIRMENT OF GOODWILL

	U.S. GAAP	IFRS
Relevant guidance Goodwill allocation	ASC 350 Goodwill is allocated to a reporting unit. Depending on the facts and circumstances, a reporting unit is either an operating segment or one level below an operating segment (which is also referred to as a "component").	IAS 36 Goodwill is allocated to a cash-generating unit (CGU). A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups of assets. A CGU cannot be larger than an operating segment.
Recognition of impairment loss	<p>An impairment loss is recognized when the carrying amount of the reporting unit (unless the carrying amount is zero or negative) is greater than its fair value (Step 1) and the carrying amount of goodwill is greater than its implied fair value (Step 2). When the carrying amount of a reporting unit is zero or negative, an impairment loss is recognized when a qualitative assessment indicates that it is more likely than not that a goodwill impairment exists and the carrying amount of goodwill is greater than its implied fair value.</p> <p>Prior to performing Step 1, entities may elect to perform a qualitative assessment of whether it is more likely than not that the carrying amount of a reporting unit exceeds its fair value. If the qualitative assessment indicates that it is more likely than not that the carrying amount of a reporting unit exceeds its fair value, then Step 1 must be performed. If the opposite is true, the impairment test is complete.</p>	<p>A one-step approach compares the carrying amount of a CGU (including goodwill) to its recoverable amount. When the carrying amount of a CGU is greater than its recoverable amount, an impairment loss is recognized. The "recoverable amount" is the greater of: (a) the fair value less costs to sell and (b) the value in use (i.e., the present value of future cash flows expected to be derived from the CGU).</p>
Measurement of impairment loss	<p>The impairment loss is the amount by which the carrying amount of goodwill exceeds its implied fair value in the reporting unit.</p>	<p>The impairment loss is the amount by which the carrying amount of the CGU (including goodwill) exceeds its recoverable amount. That loss is then allocated first to goodwill, until goodwill is reduced to zero. The carrying amounts of other assets in the CGU are then reduced, on a pro-rata basis (subject to certain exceptions).</p>
Reversal of impairment loss	Prohibited	Prohibited

IMPAIRMENT OF INDEFINITE-LIVED INTANGIBLE ASSETS

	U.S. GAAP	IFRS
Relevant guidance	ASC 350	IAS 36
Unit of account	In general, the unit of account is an individual asset. However, in rare cases, the unit of account may be a combined group of separately-recorded indefinite-lived intangible assets that are essentially inseparable from one another.	When possible, the impairment test should be carried out at the individual asset level. If the test cannot be performed at the individual asset level, it should be performed at the CGU level.
Recognition and measurement of impairment loss	<p>An impairment loss is recognized for the amount by which the carrying amount of the intangible asset exceeds its fair value.</p> <p>An entity has the option to first assess qualitative factors to determine whether it is necessary to estimate the fair value of an indefinite-lived intangible asset. An entity electing this option only has to estimate the fair value of an indefinite-lived intangible asset if its qualitative assessment indicates it is "more likely than not" that the asset is impaired.</p>	An impairment loss is recognized for the amount by which the carrying value of the intangible asset exceeds its recoverable amount. The "recoverable amount" is the greater of: (a) the fair value less costs to sell and (b) the value in use (i.e., the present value of future cash flows expected to be derived from the asset[s].)
Reversal of impairment loss	Prohibited.	For indefinite-lived intangible assets on which an impairment loss has been recognized in the past, an entity must perform an annual review for indicators of reversal. If such an indicator exists, the entity estimates the recoverable amount of the asset(s) in question and previously recognized impairment losses are reversed up to the new recoverable amount, subject to a ceiling of the initial carrying amount.

IMPAIRMENT OF LONG-LIVED ASSETS TO BE HELD AND USED

	U.S. GAAP	IFRS
Relevant guidance	ASC 360	IAS 36
Unit of account	The unit of account is an asset group, which is defined under U.S. GAAP as "the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities." An asset group almost always includes multiple assets. In other words, an asset group is rarely a single asset.	When possible, the impairment test should be carried out at the individual asset level. If the test cannot be performed at the individual asset level, it should be performed at the CGU level.
Recognition of impairment loss	An impairment loss is recognized when the carrying amount is greater than both the undiscounted cash flows (recoverability test) and fair value.	An impairment loss is recognized when the carrying amount is greater than the recoverable amount. The "recoverable amount" is the greater of: (a) the fair value less costs to sell and (b) the value in use (i.e., the present value of future cash flows expected to be derived from the asset[s].)
Measurement of impairment loss	The impairment loss is the excess of the carrying amount of an asset group over its fair value.	The impairment loss is the excess of the carrying amount of the asset over its recoverable amount.
Reversal of impairment loss	Prohibited.	For long-lived assets to be held and used on which an impairment loss has been recognized in the past, an entity must perform an annual review for indicators of reversal. If such an indicator exists, the entity estimates the recoverable amount of the asset(s) in question and previously recognized impairment losses are reversed up to the new recoverable amount, subject to a ceiling of the initial carrying amount adjusted for depreciation.

These are the significant differences between U.S. GAAP and IFRS with respect to accounting for the impairment of long-lived assets. Refer to ASC 350 and 360 and IAS 36 for all of the specific requirements applicable to accounting for the impairment of long-lived assets. Refer to our [Snapshot: Accounting for the impairment of goodwill and other long-lived assets](#) for additional discussion of U.S. GAAP. Refer to our [U.S. GAAP vs. IFRS comparisons at-a-glance series](#) for more comparisons highlighting other significant differences between U.S. GAAP and IFRS.

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IS: AS: 09/15: IFRS impairment of Long Lived Assets

EXHIBIT I

ANALYSIS OF 1% RECOVERY PRESENTED BY DEBTOR

1% Recovery-Requires 80% Discount to Debtor's Appraised Value	2
Debtor's Appraisal Information Presented Contemporaneously With Bankruptcy Filing to Securities & Exchange Commission	3
Debtor Schedule of Previous Sales of Vessels	4

DEBTORS LIQUIDATION ANALYSIS (A)

Consolidated Balance Sheets - USD (\$ in Thousands)

	Mar. 31, 2017	Adj to Appraised Value	Other Adjustments	Pro-Forma
Current assets:				
Cash and cash equivalents	28,141			28,141
Trade accounts receivable, net of allowance for doubtful accounts	18,916		(3,783)	15,133
Other accounts receivable	8,828			Assumed 80% value
Inventory	7,442		(1,766)	Assumed 80% value
Prepaid expenses	6,189		(5,954)	Assumed 20% value
Other current assets	1,837			Assumed zero value
Total current assets	71,353		(1,837)	0
Vessels, equipment, and other fixed assets at cost, net of accumulated depreciation and impairments	1,001,788	0	(13,340)	58,013
Construction in progress	1,367	(219,788)	(625,600)	156,400
Goodwill	0			
Intangibles	0		(1,367)	0
Cash held in escrow	0			0
Deferred costs and other assets	0			0
Total assets	2,063		(2,063)	0
	1,076,571	(219,788)	(642,370)	214,413
Current liabilities:				
Current maturities of long-term debt	546,044		(429,600)	116,444
Accounts payable	10,204		40,000	50,204
Income and other taxes payable	2,991			2,991
Accrued personnel costs	10,224			Assumed \$40 million in wind down costs.
Accrued interest expense	15,367		(4,600)	Assumed deferred comp is rejected.
Other accrued liabilities	6,313		(15,367)	Interest on outstanding Senior Notes would not be paid.
Total current liabilities	591,143	0		6,313
Long-term debt	0		(409,567)	181,576
Long-term income taxes:				
Deferred income tax liabilities	124,300			0
Other income taxes payable	18,680		(124,300)	0
Other liabilities	3,008			18,680
Stockholders' equity:				3,008
Preferred Stock	0			0
Common Stock	287			287
Additional paid-in capital	409,346			409,346
Retained earnings	122,322	(219,788)	(108,503)	(205,969)
Accumulated other comprehensive income (loss)	(141,836)			(141,836)
Treasury stock, at cost	(59,874)			(59,874)
Deferred compensation	9,195		(9,195)	0
Total stockholders' equity	339,440	(219,788)	(117,698)	1,954
Total liabilities and stockholders' equity	1,076,571	(219,788)	(651,565)	205,218

0.5% Recovery

(A) As Debtor provided no information on liquidation of subsidiary assets it was necessary to construct a reasonable approximation what had to be assumed. Using \$40 million in wind-down costs, the vessels would have to be sold at a 80% discount to appraised value and roughly 10% of original cost in order to arrive at such a figure.

(B) Appraised value at 12/31/2016 was \$766 million. Adjusted upward by \$16 million for new vessel costing \$23 million.

Link to 8-K filed contemporaneously with notification of bankruptcy filing to Securities & Exchange Commission
<https://www.sec.gov/Archives/edgar/data/1030749/000143774917009587/ex99-3.htm>

Assumptions Necessary to Agree With Debtor's Bankruptcy Liquidation Analysis

Despite Downturn, GulfMark's Assets Still Offer Significant Collateral Value



(\$ in millions)

	Total Appraised Values*	North Sea Appraised Values*	Americas Appraised Values*	Southeast Asia Appraised Values*
Total	\$766	\$367	\$282	\$117
Encumbered	\$467	\$212	\$255	\$0
Unencumbered	\$299	\$155	\$27	\$117

* Appraisals as of 12/31/16. Values represent average appraised values as obtained from Fearnley & Clackson. Note: Highland Value and Highland Endurance included within North Sea appraised values. North Barents excluded from appraisal due to January 2017 delivery. Make, Tiger & Hammerhead removed from chart due to Q1 2017 sale.

22 Jeff Boyd: Add \$17 million to North Sea appraised values for delivery of North Barents.
Total appraised value of \$782 million used in analyses.

Vessel Dispositions Demonstrate Long-Term Value



Vessel Name	Year of Sale	Year Built	Age at Disposal	Sales Price	Original Cost	Sales Price as a Percentage of Original Cost
Highland Star	2015	1991	24	665,000	15,065,779	4%
Highland Trader	2015	1996	19	7,500,000	16,019,458	47%
North Truck	2015	1983	32	840,000	11,000,000	8%
Highland Vanguard	2014	1990	24	6,000,000	17,400,000	34%
Highland Guide	2014	1999	15	10,900,000	13,800,000	79%
Highland Legend	2014	1986	28	900,000	3,583,160	25%
Highland Piper	2014	1996	18	14,450,000	17,116,549	84%
Highland Warrior	2013	1981	32	2,050,000	9,697,192	21%
Highland Pride	2013	1992	21	10,000,000	13,371,772	75%
Highland Champion	2013	1979	34	825,000	6,297,638	13%
Clwyd Supporter	2013	1984	28	750,000	8,492,794	9%
Blacktip	2012	2009	3	10,300,000	9,432,361	109%
Albacore	2012	2008	4	7,000,000	5,983,952	117%
Swordfish	2012	2009	3	8,775,000	8,328,295	105%
Sailfish	2012	2007	5	8,350,000	6,900,000	121%
Bluefin	2012	2008	3	6,350,000	6,019,100	105%
Highland Pioneer	2011	1983	28	2,850,000	4,699,301	61%
North Traveller	2010	1998	12	18,692,000	17,775,436	105%
Seapower	2010	1974	36	380,000	1,355,389	28%
Sea Searcher	2009	1976	33	2,000,000	1,298,096	154%
Highland Sprite	2009	1986	23	5,075,000	6,935,050	73%
Sefton Supporter	2009	1971	38	1,029,000	909,535	113%
North Fortune	2008	1983	25	19,000,000	9,955,746	191%
Sea Eagle	2008	1976	32	2,000,000	985,754	203%
Sem Valiant	2008	1981	27	2,600,000	2,798,898	93%
North Crusader	2008	1984	24	19,000,000	12,380,504	153%
Sea Diligent	2008	1981	27	3,950,000	2,805,178	141%
Sea Endeavor	2007	1981	26	2,500,000	2,573,100	97%
Sea Explorer	2007	1981	26	5,125,000	2,821,841	182%
Sem Courageous	2007	1981	26	2,500,000	2,132,069	117%
North Prince	2007	1978	29	5,650,000	7,212,539	78%
Sentinel	2006	1979	27	7,400,000	4,733,578	156%
Highland Patriot	2006	1982	24	10,800,000	7,289,049	148%
Average Age				206,206,000	257,169,113	80%

As of Nov 30, 2015

EXHIBIT J

FIRE SALE DISCOUNTS

Article on Asset Fire Sale Discounts	2-4
Article on Repurposing PSV for New Use	5-6

Do Asset Fire Sales Exist? An Empirical Investigation of Commercial Aircraft Transactions

TODD C. PULVINO*

ABSTRACT

This paper uses commercial aircraft transactions to determine whether capital constraints cause firms to liquidate assets at discounts to fundamental values. Results indicate that financially constrained airlines receive lower prices than their unconstrained rivals when selling used narrow-body aircraft. Capital constrained airlines are also more likely to sell used aircraft to industry outsiders, especially during market downturns. Further evidence that capital constraints affect liquidation prices is provided by airlines' asset acquisition activity. Unconstrained airlines significantly increase buying activity when aircraft prices are depressed; this pattern is not observed for financially constrained airlines.

Eastern needs substantial liquidity to implement its business plan and expects that it will continue to sell assets to provide such liquidity.

—Texas Air, 1989 Annual Report

OPTIMAL CAPITAL STRUCTURE THEORIES suggest that firms choose debt levels such that tax and agency benefits of debt are balanced with expected costs of financial distress. Although direct costs of financial distress (e.g., legal and administrative costs of bankruptcy) are well documented, comparatively little evidence exists on indirect costs.¹ This paper presents evidence on a specific

* Assistant Professor of Finance, Kellogg Graduate School of Management, Northwestern University. This research has benefited substantially from the comments of an anonymous referee, Chris Avery, George Baker, Richard Caves, Tim Conley, Tony Davila, Robert Kennedy, Kentaro Koga, Josh Lerner, Tim Opler, Megan Partch, Andrei Shleifer, René Stulz, and seminar participants at the University of Chicago, Dartmouth University, Duke University, Harvard University, the University of Illinois, M.I.T., the University of North Carolina, Northwestern University, the University of Oregon, the University of Rochester, the Wharton School, and the University of Wisconsin. I would like to thank Howard Chickering and Steve O'Neil of R.V.I. Services, Mort Beyer of Mort Beyer Associates, Ken Raff of American Airlines, Carl Rings of Northwest Airlines, and Steven Gibbs of the FAA for useful discussions, and Chris Allen for assistance with data collection. Financial support from the Harvard Business School Division of Research is gratefully acknowledged.

¹ For estimates of direct costs of bankruptcy, see Warner (1977), Altman (1984), and Weiss (1990). Each of these studies finds that direct bankruptcy costs amount to less than 5 percent of firms' prebankruptcy market values. Maksimovic and Phillips (1996), Chevalier (1995), Opler and Titman (1994), Brown, James, and Ryngaert (1992), Kim and Maksimovic (1990), and Altman (1984), examine indirect costs of financial distress.

indirect cost, namely, price discounts associated with distressed asset sales. Using a large sample of commercial aircraft transactions, I estimate the magnitude of the discount at which distressed airlines liquidate assets.

Empirical efforts to measure discounts at which assets are liquidated are complicated by the inability to measure fundamental values.² As a result, previous studies have focused on stock price reactions to liquidation announcements; they generally interpret positive reactions to mean that assets are not being liquidated at discounts to fundamental values, but instead are being reallocated to higher-value users. However, these studies find conflicting results (e.g., see Brown, James, and Mooradian (1994) and Lang, Poulsen, and Stulz (1995)).³ Lang et al. (1995) argue that a possible cause of the conflict is that announcements of decisions to sell assets convey information not only about the value of the asset sold, but also about the intended use of proceeds and the financial health of the firm. They conclude that disentangling these effects may require analysis of a larger sample of less significant asset sales than has been used in previous empirical studies.

Unlike prior research, I estimate liquidation discounts by examining *prices* at which assets are liquidated. I motivate this empirical work by applying the Shleifer and Vishny (1992) industry-equilibrium model of liquidation to the commercial aircraft market. According to their model, discounts at which assets are sold will be particularly large in depressed markets where assets are industry-specific. The reason is that companies in distressed firms may be facing financial constraints of their own and will be unable to pay fundamental values for assets. The result is that during industry recessions, the market for industry-specific assets will be illiquid. Rather than selling to the highest-value user, distressed firms may be forced to sell to well-financed, low-value users.

Will use 15% discount to base case in optimistic liquidation scenario.

Empirical results presented in this paper show that airlines' financial conditions are key determinants of prices they receive for aircraft. Airlines with low spare debt capacities (defined to be airlines with above-industry-median leverage ratios and below-industry-median current ratios) sell aircraft at a 14 percent discount to the average market price. This discount exists when the airline industry is depressed but not when it is booming. An examination of the effect of the quantity of sales provides some evidence that this is driven in part by thinness in the market for used aircraft. Especially during industry recessions, an increase in the number of aircraft sold by an airline in a given calendar-quarter results in a reduction in the price that the seller receives.

Examination of aircraft buyers provides additional evidence that financially constrained airlines receive lower prices than unconstrained rivals. Because financial institutions (e.g., banks and leasing companies) are lower-

² I define "fundamental value" to be the net present value of cash flows generated by an asset.

³ Also see Hite, Owers, and Rogers (1987), Alexander, Benson, and Kampmeyer (1984), and Jain (1985).

Do Asset Fire Sales Exist?

941

value users of commercial aircraft than airlines, they tend to pay lower prices. This is the case particularly during industry recessions when competition for used aircraft is weak and the risk associated with finding a lessee for the aircraft is high. During market recessions, financial institutions pay a discount of 30 percent to the average market price. Furthermore, as sellers' financial constraints become more severe, the likelihood of selling to financial institutions increases, but only during market recessions.

Finally, the pattern of airlines' used aircraft purchases supports the hypothesis that financially constrained airlines liquidate aircraft at discounts to fundamental value. Airlines with high spare debt capacity use more used aircraft than airlines with low spare debt capacity when aircraft prices are depressed.

Use 30% discount in
base case liquidation
scenario.

These results have important implications for firms' capital structure decisions. They suggest benefits to limiting financial leverage; rather than being forced to sell assets at discounts, maintaining spare debt capacity allows firms to be on the "buy-side" of industry fire sales. Results presented in this paper also have implications for investment theories. They confirm that investment abandonment is costly, and consistent with previously published empirical findings, they imply higher costs of capital stock adjustment than standard neoclassical theories of investment assume (Hubbard (1995) and Cummins, Hassett, and Hubbard (1994)).

Finally, results presented in this paper have implications for the debate over bankruptcy law reform. Some authors argue that insolvent firms should be forced into immediate cash liquidation via Chapter 7 of the U.S. bankruptcy code (e.g., Baird (1986)), but opponents object to this solution on the grounds that it may fail to maximize proceeds to liquidating firms' claimholders (e.g., Aghion, Hart, and Moore (1992)). They argue that problems associated with raising capital and lack of competition for distressed firms' assets will cause liquidating firms to sell assets at discounts to fundamental value. According to the Shleifer and Vishny (1992) model, assets will be transferred to well-financed industry outsiders who, because of the industry-specific nature of assets, are less productive users. Results presented in this paper imply that immediate cash liquidation of distressed firms' assets via Chapter 7 of the U.S. bankruptcy code could result in suboptimal outcomes; claimholders may get only a fraction of the value of their assets and assets may be distributed to financially unconstrained buyers rather than high-value users.

Section I presents a brief summary of the Shleifer and Vishny (1992) model as well as an application of their model to the used aircraft market. Testable hypotheses are also identified in this section. Section II describes the sample of aircraft transactions used in the paper's empirical analyses. Section III presents the empirical methodology and results, and also discusses implications of these results for the hypotheses presented in Section I. Section IV discusses an alternative explanation and Section V summarizes the main results and conclusions.

Rem lands firm price on PSV sale to fishing industry

Rem Offshore secures a strong price — but it should not be taken as a firming of overall asset values

December 1st, 2016 18:00 GMT by Darrin Griggs Oslo

Rem Offshore appears to have landed a relatively firm price in the offshore downturn for a modern platform supply vessel (PSV), which it sold into the fishing industry this week.

The price being reported by brokers is low, given the crash in offshore asset values, but still strong in relation to other PSV transactions. The brokers also point out that the sale underscores how the motivation of sellers and buyers greatly affects prices in the depressed sector.

Hugely overcrowded

Oslo-listed Rem offers no hint on the actual sales figure for the 3,150-dwt Rem Star (built 2009), which will leave the hugely overcrowded offshore sector after being sold from layup to an unidentified company outside Norway.

Several offshore shipbrokers tell TradeWinds that the ship was sold for about \$10m, although others believe the price is around \$9m.

VesselsValue calculates the Rem Star's value at \$8.62m as of this week, which means a sale at \$10m would beat that estimated market value by about 16%.

According to VesselsValue's historical figures, the Simek-built PSV was worth about \$34m in 2009, the year of its delivery, a figure that had fallen to about \$19.8m by the start of 2015 and then to \$13m by the start of this year.

If this week's \$10m price is correct, the sale would also surpass recent transactions by 66% for comparable Norwegian-built PSVs that are said to have been sold for about \$6m, as TradeWinds recently reported. Those involved the 3,200-dwt ER Stavanger and ER Aalesund (both built 2008), which were said to have been sold to an owner in Azerbaijan for employment in the Caspian Sea. Both are UT 755 designs.

Handwritten note: \$5.5m for 3,200 dwt ER Stavanger

Offshore shipbrokers say they believe the Rem Star's larger accommodation played an important role in the stronger price. The vessel is certified to carry 45 personnel and has 41 beds, while comparable PSVs of this size and age tend to have accommodation for a maximum of 22 passengers, they say.

Although accommodation probably pushed up the price on the ship, which is a UT 755 LC design, another major factor is that it was not a fire sale, as has been the case in other recent examples.

"This shows what sort of price pressure you get during a forced sale," one broker said this week. "For this same ship, I would say a fire sale would have attracted maybe \$2.5m to \$3m and then a normal sale would may be \$5m to \$6m.

"For this Rem ship, you have a willing buyer and a willing seller, but this was also a special case because it is a younger ship and it has about double accommodation.

"In a way, it is one of a kind. Then you see the price going up to around \$9m or \$10m."

EXHIBIT K

POTENTIAL BUYERS OF ASSETS

POTENTIAL BUYERS OF ASSETS

Gulf of Mexico
Seacor Marine

Comment

Former parent offered to purchase GulfMark. Seacor Marine has been a world-wide buyer of distressed assets including those of Pacific Richfield in Southeast Asia market.

Has in excess of \$200 million in liquidity.

Has no debts coming due until 2022.

North Sea

Seacor Marine
Solstad Shipping
Nordic American Offshore
Standard Drilling

Seacor Marine would be interested in purchasing vessels.

Solstad Offshore is acquiring the stock of Deep Sea Supply and Farstad Shipping ASA with the merger expected to be completed soon.

Solstad would likely be open to acquiring vessels of GulfMark but it would likely require capital infusions from its shareholders who have been willing to do so.

Nordic American Offshore has indicated that it would like to acquire assets but it would likely require capital infusion from its largest shareholder, Nordic American Tankers to do so.

Standard Drilling is an example of an opportunistic buyer. It has been acquiring vessels that are in layup and with the assistance of its largest shareholder, Saga Tankers ASA and others it could acquire assets as well.

Southeast Asia

Seacor Marine
Alam Maritim Resources
Swire Pacific

Seacor Marine would be interested in purchasing vessels and has done so in Southeast Asia in 2016.

Swire Pacific is extremely well capitalized and could easily acquire all of the assets of GulfMark in Southeast Asia.

Alam Maritim Resources is not as well capitalized as Seacor Marine and Swire Pacific but it would be a potential buyer as well.

EXHIBIT L

ANALYSIS OF POSSIBLE RECOVERIES

27% Recovery-Requires 63% Discount to Debtor's Appraised Value	2
52% Recovery-Requires 49% Discount to Debtor's Appraised Value	3
87% Recovery-Requires 30% Discount to Debtor's Appraised Value	4

OBJECTOR'S VALUATION - VALUATION NECESSARY FOR 27% RECOVERY

Consolidated Balance Sheets - USD (\$) in Thousands

	Mar. 31, 2017	Adj to Appraised Value	Other Adjustments	Pro-Forma
Current assets:				
Cash and cash equivalents	28,141			28,141
Trade accounts receivable, net of allowance for doubtful accounts	18,916	(15,133)		3,783
Other accounts receivable	8,828			
Inventory	7,442	(7,062)		1,766
Prepaid expenses	6,189	(5,954)		1,488
Other current assets	1,837	(1,837)		6,189
Total current assets	71,353	0	(29,986)	41,367
Vessels, equipment, and other fixed assets at cost, net of accumulated depreciation and impairments	1,001,788	(219,788)	(492,660)	289,340
Construction in progress	1,367		(1,367)	0
Goodwill	0			0
Intangibles	0			0
Cash held in escrow	0			0
Deferred costs and other assets	2,063		(2,063)	0
Total assets	1,076,571	(219,788)	(526,076)	330,707
Current liabilities:				
Current maturities of long-term debt	546,044		(429,600)	116,444
Accounts payable	10,204		40,000	50,204
Income and other taxes payable	2,991			2,991
Accrued personnel costs	10,224		0	10,224
Accrued interest expense	15,367		(15,367)	0
Other accrued liabilities	6,313			6,313
Total current liabilities	591,143	0	(404,967)	186,176
Long-term debt	0			0
Long-term income taxes:				
Deferred income tax liabilities	124,300		(124,300)	0
Other income taxes payable	18,680			18,680
Other liabilities	3,008			3,008
Stockholders' equity:				
Preferred Stock	0			0
Common Stock	287			287
Additional paid-in capital	409,346			409,346
Retained earnings	122,322	(219,788)	3,191	(94,275)
Accumulated other comprehensive income (loss)	(141,836)			(141,836)
Treasury stock, at cost	(59,874)			(59,874)
Deferred compensation	9,195		(9,195)	0
Total stockholders' equity	339,440	(219,788)	(6,004)	113,648
Total liabilities and stockholders' equity	1,076,571	(219,788)	(535,271)	321,512
0				

26.5% Recovery (A)

(A) Evercore's enterprise value is \$329 million which after subtracting \$125 million rights offering results in pre-offering enterprise value of \$204 million. The recovery of \$118 million necessary to arrive at projected recovery for non-accredited investors indicates forced sale discount of 63%

OBJECTOR'S VALUATION - TENDER OFFER EQUIVALENT

Consolidated Balance Sheets - USD (\$) In Thousands

	Mar. 31, 2017	Adj to Appraised Value	Other Adjustments	Pro-Forma
Current assets:				
Cash and cash equivalents	28,141			28,141
Trade accounts receivable, net of allowance for doubtful accounts	18,916	(15,133)		3,783
Other accounts receivable	8,828	(7,062)		1,766
Inventory	7,442	(5,954)		1,488
Prepaid expenses	6,189			6,189
Other current assets	1,837	(1,837)		0
Total current assets	71,353	0	(29,986)	41,367
Vessels, equipment, and other fixed assets at cost, net of accumulated depreciation and impairments	1,001,788	(219,788)	(383,180)	398,820
Construction in progress	1,367		(1,367)	0
Goodwill	0			0
Intangibles	0			0
Cash held in escrow	0			0
Deferred costs and other assets	2,063	(2,063)		0
Total assets	1,076,571	(219,788)	(416,596)	440,187
Current liabilities:				0
Current maturities of long-term debt	546,044		(429,600)	116,444
Accounts payable	10,204		40,000	50,204
Income and other taxes payable	2,991			2,991
Accrued personnel costs	10,224		0	10,224
Accrued interest expense	15,367		(15,367)	0
Other accrued liabilities	6,313			6,313
Total current liabilities	591,143	0	(404,967)	186,176
Long-term debt	0			0
Long-term income taxes:				0
Deferred income tax liabilities	124,300		(124,300)	0
Other income taxes payable	18,680			18,680
Other liabilities	3,008			3,008
Stockholders' equity:				0
Preferred Stock	0			0
Common Stock	287			287
Additional paid-in capital	409,346			409,346
Retained earnings	122,322	(219,788)	112,671	15,205
Accumulated other comprehensive income (loss)	(141,836)			(141,836)
Treasury stock, at cost	(59,874)			(59,874)
Deferred compensation	9,195		(9,195)	0
Total stockholders' equity	339,440	(219,788)	103,476	223,128
Total liabilities and stockholders' equity	1,076,571	(219,788)	(425,791)	430,992

51.9% Recovery

This scenario roughly equals the 52% recovery that was rejected by backstop group. Includes 49% discount to appraised value and \$40 million in wind-down costs.

Scenario simply is not credible.

OBJECTOR'S VALUATION - 30% FIRE SALE SCENARIO

Consolidated Balance Sheets - USD (\$) in Thousands

	Mar. 31, 2017	Adj to Appraised Value	Other Adjustments	Pro-Forma
Current assets:				
Cash and cash equivalents	28,141			28,141
Trade accounts receivable, net of allowance for doubtful accounts	18,916		(15,133)	3,783
Other accounts receivable	8,828		(7,062)	1,766
Inventory	7,442		(5,954)	1,488
Prepaid expenses	6,189			6,189
Other current assets	1,837		(1,837)	0
Total current assets	71,353	0	(29,986)	41,367
Vessels, equipment, and other fixed assets at cost, net of accumulated depreciation and impairments	1,001,788	(219,788)	(234,600)	547,400
Construction in progress	1,367		(1,367)	0
Goodwill	0			0
Intangibles	0			0
Cash held in escrow	0			0
Deferred costs and other assets	2,063		(2,063)	0
Total assets	1,076,571	(219,788)	(268,016)	588,767
Current liabilities:				
Current maturities of long-term debt	546,044		(429,600)	116,444
Accounts payable	10,204		40,000	50,204
Income and other taxes payable	2,991			2,991
Accrued personnel costs	10,224		0	10,224
Accrued interest expense	15,367		(15,367)	0
Other accrued liabilities	6,313			6,313
Total current liabilities	591,143	0	(404,967)	186,176
Long-term debt	0			0
Long-term income taxes:				
Deferred income tax liabilities	124,300			0
Other income taxes payable	18,680		(124,300)	0
Other liabilities	3,008			18,680
Stockholders' equity:	0			3,008
Preferred Stock	0			0
Common Stock	287			287
Additional paid-in capital	409,346			409,346
Retained earnings	122,322	(219,788)	261,251	163,785
Accumulated other comprehensive income (loss)	(141,836)			(141,836)
Treasury stock, at cost	(59,874)			(59,874)
Deferred compensation	9,195		(9,195)	0
Total stockholders' equity	339,440	(219,788)	252,056	371,708
Total liabilities and stockholders' equity	1,076,571	(219,788)	(277,211)	579,572
0				

Assumed 80% value

Assumed 80% value

Assumed 20% value

Assumed zero value.

Appraised value per 8-K filed on 5/18/2017 was \$782 million (B). Used 30% discount for forced sale.

Assumed zero value.

Assumed zero value.

Adjusted out Senior Notes

Assumed \$40 million in wind down costs.

Interest on outstanding Senior Notes would not be paid.

Sale of subs may trigger capital losses but no taxes would be due because of bankruptcy tax rules.

86.5% Recovery

In scenario with 30% fire sale discount recovery to Note Holders is 86.5% indicating that Note Holders were logical in rejecting Debtor's tender offer.

EXHIBIT M

SEACOR OFFER TO PURCHASE DEBTOR

EX-99.1 2 exhibit991gulfmarkletter.htm EXHIBIT 99.1

October 18, 2016

Board of Directors
c/o Mr. David J. Butters, Chairman
Gulfmark Offshore, Inc.
842 West Sam Houston Parkway North
Suite 400
Houston, TX 77024

Dear Sirs:

We write this letter to you and our co-stakeholders as a significant bondholder and also one with the perspective of being in the same business as Gulfmark Offshore, Inc. ("Gulfmark") for 27 years. SEACOR Holdings Inc. ("SEACOR" or "we") currently owns approximately \$54.0 million of Gulfmark's 6 3/8% Senior Notes due 2022 ("the Notes").

We believe that Gulfmark is at a crossroads:

- It can restructure its debt and continue operating independently, incurring costs of a public company and overhead for a small fleet with limited employment. This will most certainly deplete value to the detriment of shareholders and creditors (collectively, "Stakeholders"); or
- It can choose to restructure its debt and combine with a financially stronger participant in its industry, thereby benefitting from cost synergies and positioning for future growth

As we all know, all companies operating offshore vessels in all markets are facing tremendous pressure from low and sporadic utilization, and are working for dayrates which barely cover variable running costs. The obvious savings have been recognized (e.g., lay-up of vessels, personnel salary reductions and lay-offs, supplier reductions, etc). Nobody knows how long the current low level of demand for support vessel services will continue. This uncertainty, coupled with your balance sheet, puts the issue of Gulfmark's survival front and center. As Noteholders, we believe restructuring to create a manageable level of debt is priority number one. Consolidation to generate cost synergies and operating efficiencies of scale enhances the potential benefit when a recovery materializes.

The company's recent public filings show that it appears to face a liquidity shortfall. The last several quarters have eked out compliance with bank covenants by drawing on the bank line to repurchase public debt. Very little cash has been generated from operations. It appears to be only a matter of time before Gulfmark will be in covenant default. Any decision by Gulfmark to issue additional high cost debt would be destructive to value for Noteholders and Shareholders. Based on reported transactions and broker appraisals, Gulfmark's debt materially exceeds the value of its assets. Continuing to incur SG&A and interest expense exacerbates risk rather than protecting Stakeholders in a protracted downturn.

We urge Gulfmark's board to consider a prepackaged reorganization and a combination with SEACOR Marine Holdings, Inc. ("SMH"), our wholly owned offshore marine subsidiary. The plan would have the following elements:

- All holders of Notes would receive, in the aggregate, (i) new notes of a subsidiary of SMH due 2024 ("New Notes") in the principal amount of \$215.0 million, and (ii) \$30.0 million in value of SEACOR Holdings (N:CKH) stock (prorata, excluding SEACOR). The notes would bear cash interest at 6.375% per annum and would be non-recourse to SMH and secured by Gulfmark's assets consistent with any liens under current bank facilities. SMH would guarantee the first two years of interest payments (approx. \$27.4 million)
- We assume the Company's current bank facilities (\$100 million multicurrency facility and 600 million NOK Norwegian facility) will remain outstanding through maturity
- Additionally, the Company's stockholders would receive warrants to purchase SEACOR stock
- Execution of a definitive transaction agreement would be conditioned upon (i) SEACOR Board of Director approval, (ii) the negotiation and execution of definitive transaction documentation acceptable to us, and (iii) approval of the Company's banks, where necessary.

Our foregoing indicative, non-binding proposal (the "Proposal") would give Stakeholders an opportunity to participate in a larger, more diverse offshore marine business. As publicly disclosed, we contemplate spinning off SMH. Recipients of equity and warrants in SEACOR Holdings would receive, based on such a spin, two securities: one an offshore marine pure play and the other a holding company of a group of businesses including an inland barge and logistics business, shipping services, and industrial alcohol manufacturing.

The operations of SMH and Gulfmark have significant overlap making the realization of synergies (we estimate approx. \$25 million per annum) readily achievable. We believe now, more than ever, that we are entering a period of the offshore marine business cycle when size, global diversity, and financial strength and liquidity, are the key to surviving to capitalize on an upturn.

We look forward to discussing our Proposal and explaining in more detail the benefits of a combination between SMH and Gulfmark. We believe our Proposal represents fair value for the Notes and provides substantial upside in the combined entity. SEACOR is a committed bondholder and our Proposal demonstrates our confidence and belief in the long-term viability of the combined entity.

We trust that Gulfmark's board, in executing its fiduciary duties, will give this Proposal serious consideration.

Sincerely Yours,

/s/ Charles Fabrikant

SEACOR Holdings Inc.

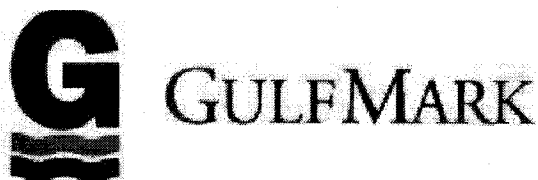
By: Charles Fabrikant

Title: Chairman of the Board of Directors and Chief Executive Officer

EXHIBIT N

DEBTOR'S TENDER OFFER

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NEWS RELEASE

GulfMark Offshore Announces Tender Offer for Up to \$300 Million of Its 6.375% Senior Notes Due 2022

HOUSTON, Nov. 23, 2016 (GLOBE NEWSWIRE) – GulfMark Offshore, Inc. (NYSE:GLF) ("GulfMark", or the "Company") announced today a tender offer to purchase for cash up to \$300 million in aggregate principal amount of its outstanding 6.375% Senior Notes due 2022 (the "Notes"). The tender offer will be funded by a new money investment from MFP Partners, L.P. and Franklin Mutual Advisers, LLC that will be conditioned upon the closing of the tender offer and will take the form of a new \$100 million secured term loan facility, a \$100 million revolver to refinance the existing revolver and at least \$50 million, in the aggregate, in new equity. The tender offer is being made upon, and is subject to, the terms and the other conditions set forth in the Offer to Purchase, dated November 23, 2016 (the "Offer to Purchase") and the related Letter of Transmittal.

In connection with the tender offer and new equity investment from MFP Partners, L.P. and funds advised by Franklin Mutual Advisers, LLC, the Company and Raging Capital Management, LLC ("Raging Capital") have entered into (i) a Tender Support Agreement, pursuant to which Raging Capital has committed, among other things, to tender \$85 million in aggregate principal amount of Notes in the tender offer and (ii) a Voting Agreement, pursuant to which Raging Capital has agreed to, among other things, vote its capital stock in the Company in favor of the approval of the issuance of the shares of Class A Common Stock issuable upon the conversion of the Series A Preferred Stock.

Subsequent to the closing of the tender offer, the Company will launch a stockholder rights offering to allow all of its stockholders to participate in a restructured GulfMark at the same equity price provided to the investors. Pursuant to the Tender Support Agreement, Raging Capital has agreed to invest its pro rata share in the stockholder rights offering. There can be no assurance that the stockholder rights offering will be completed.

Quintin Kneen, President and CEO, commented, "Our business is in a difficult and extended downturn due to an unprecedented decrease in the global demand for offshore drilling combined with a material increase in the supply of offshore support vessels.

"We are excited about the opportunity to partner with MFP Partners and Franklin Mutual Advisers to raise new capital in a transaction that benefits all stakeholders. The proposed transaction significantly reduces our indebtedness and increases our near-term liquidity as this industry works to correct this crippling oversupply of vessels," Kneen concluded.

The following table sets forth some of the terms of the tender offer, which are more fully described in the Offer to Purchase and the related Letter of Transmittal.

Aggregate Outstanding Principal Amount	Title of Security	Dollars per \$1,000 Principal Amount of Notes			
		Tender Offer Consideration	Withdrawal Deadline	Early Tender Premium	Total Consideration
\$ 429,640,000	6.375% Senior Notes due 2022	\$ 480.00	5:00 p.m., New York City time, December 7, 2016	\$ 20.00	\$ 500.00

The tender offer will expire at 11:59 p.m., New York City time, on December 21, 2016 (such date and time, as it may be extended, the "Expiration Date"), unless extended or earlier terminated. Holders of Notes that are validly tendered prior to 5:00 p.m., New York City time, on December 7, 2016 (such date and time, as it may be extended, the "Early Tender Date") and accepted for purchase will receive \$500.00 for each \$1,000.00 principal amount of Notes (the "Total Consideration"), which includes the early tender premium of \$20.00 for each \$1,000.00 principal amount of Notes validly tendered. Holders tendering Notes after the Early Tender Date but before the Expiration Date will be eligible to receive \$480.00 for each \$1,000.00 principal amount of Notes. No tenders submitted after the Expiration Date will be valid.

The settlement date for Notes validly tendered before the Expiration Date will occur promptly following the Expiration Date and is expected to be December 22, 2016, assuming that the Expiration Date is not extended. GulfMark will pay accrued and unpaid interest from and including the last interest payment date for the Notes (September 15, 2016) up to, but not including, the settlement date for Notes accepted for purchase.

Tendered Notes may be withdrawn from the tender offer prior to 5:00 p.m., New York City time, on December 7, 2016 (such date and time, as it may be extended, the "Withdrawal Deadline"). Holders of Notes who validly tender their Notes after the Withdrawal Deadline but before the Expiration Date may not withdraw their Notes except in the limited circumstances described in the Offer to Purchase.

The tender offer is also conditioned upon the satisfaction or waiver of the financing condition described in the Offer to Purchase and certain other conditions. Subject to applicable law, GulfMark may also terminate the tender offer at any time before the Expiration Date.

The Company has retained Miller Buckfire & Co., LLC, a subsidiary of Stifel Financial, to serve as Dealer Manager for the Tender Offer. Questions regarding the Tender Offer may be directed to Kevin Haggard at (212) 895-1883 or Chris Weyers at (212) 847-6480. The information agent and tender agent is D.F. King & Co., Inc. Copies of the Offer to Purchase, Letter of Transmittal and related tender offer materials are available by contacting D.F. King & Co., Inc. at (800) 755-7250 (toll-free), (212) 269-5550 (banks and brokers) or email GLF@dfking.com (https://www.globenewswire.com/Tracker?data=zTcJbaolWEWKhlqc3suox-zlCcKFNWC1ceWs8O-DEa82QY7Dk5v-Oo9CgSdDJq_rhfC3BFaqNtjwZr0szYv8YA==).

This press release does not constitute an offer to sell or purchase, or the solicitation of an offer to sell or purchase, or the solicitation of tenders with respect to the Notes.

The tender offer for the Notes is only being made pursuant to the tender offer documents, including the Offer to Purchase that GulfMark is distributing to holders of the Notes. The tender offer is not being made to holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the tender offer is required to be made by a licensed broker or dealer, it shall be deemed to be made by the dealer managers or any other licensed broker or dealer on behalf of GulfMark.

GulfMark Offshore, Inc. provides marine transportation services to the energy industry through a fleet of offshore support vessels serving every major offshore energy industry market in the world.

MFP Partners, L.P. is a private investment fund based in New York that focuses on long-term, value investment opportunities. MFP Investors LLC serves as the general partner to MFP Partners, L.P. and is an SEC registered investment adviser controlled by Michael F. Price.

Franklin Mutual Advisers, LLC is a wholly-owned indirect subsidiary of Franklin Resources, Inc., a California-based global investment management organization.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. GulfMark believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this news release, including the satisfaction of all conditions set forth in the Offer to Purchase, not all of which are within GulfMark's control. See Risk Factors in GulfMark's 2015 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. GulfMark undertakes no obligation to publicly update or revise any forward-looking statements.

Contact:

Kevin Haggard
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Miller Buckfire & Co.
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GulfMark Offshore, Inc.

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NEWS RELEASE

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GulfMark Offshore Increases Total Consideration and Extends Expiration Date of Tender Offer for Up to \$300 Million of Its 6.375% Senior Notes Due 2022 (and Amends Terms of Proposed New Revolver)

HOUSTON, Dec. 15, 2016 (GLOBE NEWSWIRE) – GulfMark Offshore, Inc. (NYSE:GLF) ("GulfMark", or the "Company") announced today that it has amended the terms of its previously announced tender offer to purchase for cash up to \$300 million in aggregate principal amount of its outstanding 6.375% Senior Notes due 2022 (the "Notes"), as follows:

- increased the total consideration (as increased, the "Total Consideration") payable in the tender offer to \$520 per \$1,000 principal amount of Notes; and
- extended the expiration date of the tender offer from December 21, 2016 to December 29, 2016 at 5:00 p.m., New York City time (such date and time, the "Expiration Date").

In addition, the Company and the proposed lenders have agreed to amend the terms of its previously announced new revolving credit facility (the "New Revolving Credit Facility"), to increase the size of the New Revolving Credit Facility from \$100 million to \$115 million and add a third six month extension option allowing for maturity to be extended to June 2019. The New Revolving Credit Facility will be entered into upon consummation of the Tender Offer.

All other terms of the tender offer, as previously announced, remain unchanged. The tender offer is being made upon, and is subject to, the terms and conditions set forth in the Offer to Purchase, dated November 23, 2016 (the "Offer to Purchase"), and the related Letter of Transmittal.

Holders of Notes that are validly tendered at any time prior to the Expiration Date, whether before or after the early tender date on December 7, 2016, and accepted for purchase will receive the Total Consideration, as increased. Tendered Notes may no longer be withdrawn. Holders who have previously tendered (and have not validly withdrawn) their Notes do not need to re-tender their Notes or take any other action in order to receive total consideration of \$520 per \$1,000 principal amount of Notes. No tenders submitted after the Expiration Date will be valid.

According to information provided by D.F. King & Co., Inc., the information agent and tender agent for the Tender Offer, as of 5:00 p.m., New York City time, on December 14, 2016, the Company had received tenders from holders of \$136,152,000 in aggregate principal amount of the Notes, representing approximately 32% of the total outstanding principal amount of the Notes.

The settlement date for Notes validly tendered before the Expiration Date and accepted for purchase will occur promptly following the Expiration Date and is expected to be December 30, 2016. GulfMark will pay accrued and unpaid interest from and including the last interest payment date for the Notes (September 15, 2016) up to, but not including, the settlement date for Notes accepted for purchase.

The tender offer is also conditioned upon the satisfaction or waiver of the financing condition and certain other conditions set forth in the Offer to Purchase. Subject to applicable law, GulfMark may also terminate the tender offer at any time before the Expiration Date.

The Company has retained Miller Buckfire & Co., LLC, a subsidiary of Stifel Financial, to serve as Dealer Manager for the Tender Offer. Questions regarding the Tender Offer may be directed to Kevin Haggard at (212) 895-1883 or Chris Weyers at (212) 847-6480. The information agent and tender agent is D.F. King & Co., Inc. Copies of the Offer to Purchase, Letter of Transmittal and related tender offer materials are available by contacting D.F. King & Co., Inc. at (800) 755-7250 (toll-free), (212) 269-5550 (banks and brokers) or email GLF@dfking.com (https://www.globenewswire.com/Tracker?data=GVIhXJ7itXEnvUng0bX20Ph_3KVMjhFZKKXEIdfAPkI7QrBu4l8gJDcZsmQYas5tchAqadr2l6AmS0oaFq28Fg==).

This press release does not constitute an offer to sell or purchase, or the solicitation of an offer to sell or purchase, or the solicitation of tenders with respect to the Notes.

The tender offer for the Notes is only being made pursuant to the tender offer documents, including the Offer to Purchase that GulfMark has distributed to holders of the Notes. The tender offer is not being made to holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the tender offer is required to be made by a licensed broker or dealer, it shall be deemed to be made by the dealer managers or any other licensed broker or dealer on behalf of GulfMark.

GulfMark Offshore, Inc. provides marine transportation services to the energy industry through a fleet of offshore support vessels serving every major offshore energy industry market in the world.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933

and Section 21E of the Securities Exchange Act of 1934. GulfMark believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this news release, including the satisfaction of all conditions set forth in the Offer to Purchase, not all of which are within GulfMark's control. See Risk Factors in GulfMark's 2015 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases. GulfMark undertakes no obligation to publicly update or revise any forward-looking statements.

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NEWS RELEASE

Gulfmark Offshore Terminates Tender Offer for 6.375% Senior Notes Due 2022

HOUSTON, Dec. 30, 2016 (GLOBE NEWSWIRE) – GulfMark Offshore, Inc. (NYSE:GLF) (“GulfMark”, or the “Company”) announced today that it has terminated its previously announced cash tender offer to purchase up to \$300 million aggregate principal amount of its outstanding 6.375% Senior Notes due 2022 (the “Notes”). The tender offer commenced on November 23, 2016 and expired at 5:00 p.m., New York City time, on December 29, 2016.

Quintin Kneen, President and CEO, commented, “Although we are disappointed we could not create value for our stockholders through this transaction, this was always an opportunistic undertaking and we are certainly encouraged by the long-term view demonstrated by our bondholders. We will continue to seek out opportunities to improve liquidity, deleverage, and maximize stockholder value during this difficult period in the offshore vessel industry.”

As a result of the termination, none of the Notes that have been tendered in the tender offer will be accepted for purchase and no consideration will be paid or become payable to holders of Notes who have tendered their Notes in the tender offer. All Notes previously tendered and not withdrawn will be promptly returned or credited back to their respective holders.

The tender offer was subject to the conditions set forth in the Offer to Purchase dated November 23, 2016 and the related Letter of Transmittal dated November 23, 2016, certain of which were not satisfied. These conditions included, among others, that a minimum of \$250 million aggregate principal amount of Notes are validly tendered and not withdrawn, and the completion of the pending financings as described in the Offer to Purchase.

This press release confirms the formal termination of the tender offer. GulfMark reserves the right to initiate a new tender offer at a later date, but it is under no obligation to do so.

Miller Buckfire & Co., LLC, a subsidiary of Stifel Financial, served as Dealer Manager for the tender offer. Holders of Notes with questions regarding the termination of the tender offer may direct such questions to Kevin Haggard at (212) 895-1883 or Chris Weyers at (212) 847-6480. D.F. King & Co., Inc. served as the information agent and tender agent for the tender offer.

This press release does not constitute an offer to sell or purchase, or the solicitation of an offer to sell or purchase, or the solicitation of tenders with respect to the Notes.

GulfMark Offshore, Inc. provides marine transportation services to the energy industry through a fleet of offshore support vessels serving every major offshore energy industry market in the world.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. GulfMark believes that its expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this news release, including the satisfaction of all conditions set forth in the Offer to Purchase, not all of which are within GulfMark's control. See Risk Factors in GulfMark's 2015 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other public filings and press releases. GulfMark undertakes no obligation to publicly update or revise any forward-looking statements.

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GulfMark Offshore, Inc.

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EXHIBIT O

FIVE YEARS OF FINANCIAL DATA FOR DEBTORS

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GAAP BALANCE SHEET PER 10-Ks AND 10-Q

	3 Months			12 Months Ended							
	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012					
Consolidated Balance Sheets - USD (\$) in Thousands											
Current assets:											
Cash and cash equivalents	28,141	8,822	21,939	50,785	60,566	185,175					
Trade accounts receivable, net of allowance for doubtful accounts	18,916	22,043	40,838	88,721	100,173	85,706					
Other accounts receivable	8,828	7,650	7,571	9,410	11,194	8,506					
Inventory	7,442	7,465	8,485	0	0	0					
Prepaid expenses	6,189	3,799	4,354	17,825	18,132	25,186					
Other current assets	1,837	3,110	3,810	0	0	0					
Total current assets	71,353	52,889	86,997	166,741	190,065	304,573					
Vessels, equipment, and other fixed assets at cost, net of accumulated depreciation and impairments	1,001,788	970,522	1,195,669	1,356,839	1,316,838	1,136,360					
Construction in progress	1,367	24,698	70,817	127,722	177,773	169,429					
Goodwill	0	0	0	25,010	30,676	33,438					
Intangibles	0	0	0	15,861	18,741	21,624					
Cash held in escrow	0	0	0	3,683	8,742	47,028					
Deferred costs and other assets	2,063	5,794	7,769	20,499	30,457	33,222					
Total assets	1,076,571	1,053,903	1,361,252	1,716,355	1,773,292	1,745,674					
Current liabilities:											
Current maturities of long-term debt	546,044	483,326	0	0	0	0					
Accounts payable	10,204	11,666	13,170	22,494	27,229	29,089					
Income and other taxes payable	2,991	3,678	6,485	4,578	3,340	6,262					
Accrued personnel costs	10,224	9,109	12,942	20,403	19,624	23,656					
Accrued interest expense	15,367	8,163	9,620	9,610	9,892	9,327					
Other accrued liabilities	6,313	9,305	5,316	10,338	13,432	11,402					
Total current liabilities	591,143	525,247	47,533	67,423	73,517	79,736					
Long-term debt	0	0	490,589	544,732	500,864	500,999					
Long-term income taxes:											
Deferred income tax liabilities	124,300	58,094	99,439	104,346	104,647	105,867					
Other income taxes payable	18,680	17,768	21,351	24,730	23,673	23,665					
Other liabilities	3,008	3,173	4,032	6,371	7,250	7,525					
Stockholders' equity:											
Preferred stock	0	0	0	0	0	0					
Class A Common stock	287	278	274	271	269	266					
Additional paid-in capital	409,346	411,983	417,289	410,641	402,286	389,881					
Retained earnings	122,322	241,207	444,181	659,403	623,221	579,062					
Accumulated other comprehensive income (loss)	(141,836)	(148,402)	(96,234)	(30,665)	49,965	59,875					
Treasury stock, at cost	(59,874)	(64,580)	(75,922)	(78,441)	(18,690)	(11,533)					
Deferred compensation	9,195	9,135	8,720	7,544	6,290	10,331					
Total stockholders' equity	339,440	449,621	698,308	968,753	1,063,341	1,027,882					
Total liabilities and stockholders' equity	1,076,571	1,053,903	1,361,252	1,716,355	1,773,292	1,745,674					

Consolidated Statements of Operations - USD

(\$ shares in Thousands, \$ in Thousands)	3 Months			12 Months Ended				
	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012		
Revenue	24,359	123,719	274,806	495,769	454,604	389,205		
Costs and expenses:								
Direct operating expenses	19,175	83,165	169,837	236,244	217,422	198,187		
Drydock expense	2,902	4,662	15,387	24,840	24,094	33,280		
General and administrative expense	15,431	37,663	47,280	62,728	54,527	54,600		
Depreciation and amortization	13,570	58,182	72,591	75,336	63,955	59,722		
Total reduction in value of assets	0	162,808	152,103	8,995	0	1,152		
Gain on sale of assets and other	5,273	8,564	1,160	(14,039)	(5,870)	(8,741)		
Total costs and expenses	56,351	355,044	458,358	394,104	354,128	338,200		
Operating income (loss)	(31,992)	(231,325)	(183,552)	101,665	100,476	51,005		
Other income (expense):								
Interest expense	(18,436)	(33,486)	(36,946)	(29,332)	(23,821)	(23,244)		
Interest income	7	133	260	307	202	338		
Gain (Loss) on extinguishment of debt	0	35,912	458	0	0	(4,378)		
Other financing costs	0	(11,287)	0	0	0	0		
Foreign currency loss and other	(187)	(2,384)	(1,088)	(995)	(1,289)	(1,779)		
Total other expense	(18,616)	(11,112)	(37,316)	(30,020)	(24,908)	(29,063)		
Income (loss) before income taxes	(50,608)	(242,437)	(220,868)	71,645	75,568	21,942		
Income tax benefit (provision)	(74,207)	39,458	5,633	(9,270)	(4,962)	(2,669)		
Net income (loss)	(124,815)	(202,979)	(215,235)	62,375	70,606	19,273		
Earnings (loss) per share:								
Basic (in dollars per share)	\$ (4.93)	\$ (8.09)	\$ (8.70)	\$ 2.39	\$ 2.70	\$ 0.73		
Diluted (in dollars per share)	\$ (4.93)	\$ (8.09)	\$ (8.70)	\$ 2.39	\$ 2.70	\$ 0.73		
Weighted average shares outstanding:								
Basic (in shares)	25,300	25,094	24,729	26,097	26,175	26,208		
Diluted (in shares)	25,300	25,094	24,729	26,097	26,185	26,228		
Cash dividends declared per common share (in dollars per share)				\$1	\$1	\$1		

GAAP STATEMENT OF CASH FLOWS PER 10-Ks AND 10-Q

Consolidated Statements of Cash Flows - USD (\$) \$ in Thousands	3 Months Ended			12 Months Ended		
	Mar. 31, 2017	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
Cash flows from operating activities:						
Net income (loss)	(124,815)	(202,979)	(215,235)	62,375	70,606	19,273
Adjustments to reconcile net income (loss) to net cash provided by operating activities:						
Depreciation and amortization	13,570	58,182	72,591	75,336	63,955	59,722
Amortization of deferred financing costs	10,283	3,254	2,394	1,945	1,780	2,750
Amortization of stock-based compensation	1,112	5,209	6,735	7,330	9,366	7,037
Provision for doubtful accounts receivable, net of write offs	546	1,801	(862)	3,236	(294)	2,224
Deferred income tax benefit	73,216	(38,456)	(3,823)	(66)	325	(2,879)
(Gain) loss on sale of assets	5,273	8,564	1,160	(12,461)	(5,870)	(8,741)
Asset Impairment Charges	0	162,808	152,103	8,995	0	1,152
Gain on extinguishment of debt	0	(35,912)	(458)	0	0	2,104
Other financing costs	0	5,988	0	0	0	0
Foreign currency (gain) loss	298	1,025	(160)	1,490	573	821
Change in operating assets and liabilities —						
Accounts receivable	1,558	15,144	47,317	5,700	(17,951)	(3,443)
Prepays and other	(1,009)	1,677	214	(476)	7,954	(3,626)
Accounts payable	(1,535)	(593)	(8,602)	(3,888)	(1,681)	14,051
Other accrued liabilities and other	10,126	(9,051)	(10,056)	4,332	(2,061)	12,291
Net cash (used in) provided by operating activities	(11,377)	(23,339)	43,357	153,848	126,702	102,736
Cash flows from investing activities:						
Purchases of vessels, equipment and other fixed assets	(24,377)	(16,188)	(35,428)	(158,425)	(261,867)	(192,301)
Deposits held in escrow	0	0	0	0	0	(52,390)
Release of deposits held in escrow	0	0	3,683	5,060	38,286	5,362
Proceeds from disposition of vessels, equipment and other fixed assets	3,000	6,529	8,910	32,261	13,512	40,565
Net cash used in investing activities	(21,377)	(9,659)	(22,835)	(121,104)	(210,069)	(198,764)
Cash flows from financing activities:						
Issuance (Repurchase) of 6.375% senior notes	0	(33,448)	(542)	0	0	501,000
Repayment of revolving loan facility	0	(5,000)	(91,000)	0	0	(5,995)
Repayment of 7.75% senior notes	0	0	0	0	0	(160,000)
Repayment of secured credit facilities	0	0	0	0	0	(141,667)
Borrowings under revolving loan facility, net	56,468	65,194	47,000	47,167	0	0
Cash dividends	0	0	0	(26,152)	(26,357)	(26,352)
Stock repurchases	0	0	0	(57,887)	0	0
Debt issuance costs	(4,299)	(971)	(3,566)	(4,198)	(1,579)	(16,736)
Other financing costs	0	(5,988)	0	0	(2,274)	0
Proceeds from issuance of stock/Stock (Repurchases)	0	380	827	1,046	(11,944)	230
Proceeds from exercise of stock options	0	0	0	0	282	2,398
Net cash provided by (used in) financing activities	52,169	20,167	(47,281)	(40,024)	(39,598)	150,604
Effect of exchange rate changes on cash	(96)	(286)	(2,087)	(2,501)	(1,644)	1,782
Net decrease in cash and cash equivalents	19,319	(13,117)	(28,846)	(9,781)	(124,609)	56,358
Cash and cash equivalents at beginning of year	8,822	21,939	50,785	60,566	185,175	128,817
Cash and cash equivalents at end of year	28,141	8,822	21,939	50,785	60,566	185,175
Supplemental cash flow information:						
Interest paid, net of interest capitalized	756	30,820	29,834	27,067	21,453	17,590
Income taxes paid, net	613	2,124	2,048	4,454	3,727	3,798

BACKLOG, REVENUE & EBITDA SUMMARY**FLEET COMMITMENT & BACKLOG (A)**

	3/31/2017	2/29/2016	2/16/2015	2/24/2014	2/25/2013
Revenue Backlog	111,221	143,965	451,186	546,944	480,714
Portion of Fleet Committed					
North Sea	42%	41%	53%	68%	57%
Southeast Asia	22%	23%	37%	36%	33%
Americas	19%	2%	34%	47%	48%
Overall Fleet	28%	21%	42%	53%	48%

Revenues

	3/31/2017 (A)	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue Backlog	ND	123,719	274,806	495,769	454,604	389,205
Revenue From Segment						
North Sea	13,995	76,759	142,168	225,253	184,287	164,273
Southeast Asia	3,168	14,069	35,524	64,753	64,709	60,504
Americas	7,196	32,891	97,114	205,763	205,608	164,428
Overall Fleet	24,359	123,719	274,806	495,769	454,604	389,205

EBITDA - (B)

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue Backlog	ND	143,965	451,186	546,944	480,714	480,715
By Segment						
North Sea	(748)	21,377	44,113	85,793	63,052	51,131
Southeast Asia	164	(3,045)	10,389	32,135	29,486	33,676
Americas	(1,881)	(1,495)	11,409	81,307	89,578	42,423
Corporate & Other G&A Expenses	(10,584)	(18,608)	(23,609)	(27,278)	(23,595)	(32,836)
Estimated EBITDA	(13,149)	(1,771)	42,302	171,957	158,521	94,394

(A) Revenue backlog is an indicator of future revenues and reflects commitments on the part of customers to charter vessels. Some commitments are longer term in nature and are believed to be at rates higher than those currently commanded in the marketplace. The higher portion of the fleet commitment in the North Sea is an indication that where the company has most of its favorable charters.

In general fleet backlog has been a good indicator of revenue for the following year with the exception of 2015. It is assumed that a number of unplanned cancellations took place during the year.

(B) Added back depreciation, amortization, gain (loss) on sale of assets and impairment charges to arrive at figure approximating EBITDA. Each segment has its own G&A expenses but corporate (or at least all corporate) are not allocated to operating segments as there was a difference between consolidated G&A and sum of segments.

Conclusions:

North Sea is by far the healthiest segment. This is likely because of favorable long-term commitments for vessels that have not expired as of yet. Having said this, the first quarter was difficult and 10-Q had no explanation. It could be that things are preparing to turn down or it could have been seasons/weather issues preventing normal operations.

Southeast Asia is operating at roughly breakeven from a cash flow perspective as is the America's. Now that all capital commitments have been fulfilled it seems likely they can muddle along with EBITDA losses being roughly equal to whatever corporate overhead is.

BACKLOG, REVENUE & EBITDA SUMMARY**FLEET COMMITMENT & BACKLOG (A)**

	3/31/2017	2/29/2016	2/16/2015	2/24/2014	2/25/2013
Revenue Backlog	111,221	143,965	451,186	546,944	480,714
Portion of Fleet Committed					
North Sea	42%	41%	53%	68%	57%
Southeast Asia	22%	23%	37%	36%	33%
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Overall Fleet	28%	21%	42%	53%	48%

Revenues

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue Backlog	ND	123,719	274,806	495,769	454,604	389,205
Revenue From Segment						
North Sea	57%	62%	52%	45%	41%	42%
Southeast Asia	13%	11%	13%	13%	14%	16%
Americas	30%	27%	35%	42%	45%	42%
Overall Fleet	100%	100%	100%	100%	100%	100%

EBITDA - (B)

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue Backlog	ND	143,965	451,186	546,944	480,714	480,715
By Segment						
North Sea	(748)	21,377	44,113	85,793	63,052	51,131
Southeast Asia	164	(3,045)	10,389	32,135	29,486	33,676
Americas	(1,881)	(1,495)	11,409	81,307	89,578	42,423
Corporate & Other G&A Expenses	(10,684)	(18,608)	(23,609)	(27,278)	(23,595)	(32,836)
Estimated EBITDA	(13,149)	(1,771)	42,302	171,957	158,521	94,394

(A) Revenue backlog is an indicator of future revenues and reflects commitments on the part of customers to charter vessels. Some commitments are longer term in nature and are believed to be at rates higher than those currently commanded in the marketplace. The higher portion of the fleet commitment in the North Sea is an indication that where the company has most of its favorable charters.

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Conclusions:

North Sea is by far the healthiest segment. This is likely because of favorable long-term commitments for vessels that have not expired as of yet. Having said this, the first quarter was difficult and 10-Q had no explanation. It could be that things are preparing to turn down or it could have been seasons/weather issues preventing normal operations.

Southeast Asia is operating at roughly breakeven from a cash flow perspective as is the Americas. Now that all capital commitments have been fulfilled it seems likely they can muddle along with EBITDA losses being roughly equal to whatever corporate overhead is.

KEY DATA BY SEGMENT**Operating Income (North Sea)**

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue	13,995	76,759	142,168	225,253	184,287	164,273
Estimated EBITDA	(748)	21,377	44,113	85,793	63,052	51,131
Estimated Book Value of Vessels	ND	460,472	577,004	705,733	724,904	604,422
Appraised Value of Vessels	ND	367,000	ND	ND	ND	ND
Estimated Value of Ship Added in 1st Q 2017 (70% cost)	ND	16,100	ND	ND	ND	ND
Revised Appraised Value	ND	383,100	ND	ND	ND	ND

Operating Income (Southeast Asia)

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue	3,168	14,069	35,524	64,753	64,709	60,504
Estimated EBITDA	164	(3,045)	10,389	32,135	29,486	33,676
Estimated Book Value of Vessels	ND	155,663	227,445	248,361	278,772	286,997
Appraised Value of Vessels	0	117,000	0	0	0	0

Operating Income (Americas)

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue	7,196	32,891	97,114	205,763	205,608	164,428
Estimated EBITDA	(1,881)	(1,495)	11,409	81,307	89,578	42,423
Estimated Book Value of Vessels	ND	424,034	528,433	692,599	698,945	672,855
Appraised Value of Vessels	ND	282,000	ND	ND	ND	ND

Corporate & Other

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Estimated EBITDA	(10,684)	(18,608)	(23,609)	(27,278)	(23,595)	(32,836)

Consolidated

	3/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Revenue	24,359	123,719	274,806	495,769	454,604	389,205
Estimated EBITDA	(13,149)	(1,771)	42,302	171,957	158,521	94,394
Estimated Book Value of Vessels	ND	1,040,169	1,332,882	1,646,693	1,702,621	1,564,274
Appraised Value of Vessels	0	782,100	0	0	0	0

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re: Chapter 11
GULFMARK OFFSHORE, INC., Case No. 17-11125 (KG)
Debtor.¹

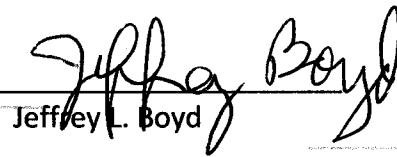
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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

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AFFIDAVIT OF SERVICE

I, Jeff Boyd, depose and say that I am, and at all times during the service of process was, not less than 18 years of age and was a party to the matter concerning which service of process was made. I further certify that a copy of the complaint was made June 19th by courier or e-mail to the List attached hereto.

- OBJECTION OF JEFFREY L. BOYD & MAGDALENA L. BOYD TO ADEQUACY OF PROPOSED DISCLOSURE STATEMENT FOR THE CHAPTER 11 PLAN OF GULFMARK OFFSHORE, INC., DATED MAY 17, 2017

Dated: June 19, 2017


Jeffrey L. Boyd

State of Delaware, County of New Castle

Subscribed and sworn to (or affirmed) before me on June 19th, 2017, by Jeffrey L. Boyd proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Not notarized

Signature _____

¹ The last four digits of the Debtor's federal tax identification number are 6032. The Debtor's principal mailing address is 842 West Sam Houston Parkway North, Suite 400, Houston, Texas 77024.

Exhibit A

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