

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2018**                      **or**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from**                      **to**

**Commission file number 1-37966**

**SEACOR Marine Holdings Inc.**

**(Exact Name of Registrant as Specified in Its Charter)**

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**Delaware**  
**(State or Other Jurisdiction of**  
**Incorporation or Organization)**

**47-2564547**  
**(IRS Employer**  
**Identification No.)**

**7910 Main Street, 2nd Floor**  
**Houma, LA**  
**(Address of Principal Executive Offices)**

**70360**  
**(Zip Code)**

**985-876-5400**

**(Registrant's Telephone Number, Including Area Code)**

**Not Applicable**

**(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company       Emerging growth company   
(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The total number of shares of common stock, par value \$.01 per share, outstanding as of May 9, 2018 was 20,020,155. The Registrant has no other class of common stock outstanding.

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## SEACOR MARINE HOLDINGS INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

|   | March 31,<br>2018   | December 31,<br>2017 |
|---|---------------------|----------------------|
| <b>ASSETS</b>   |                     |                      |
| Current Assets:   |                     |                      |
| Cash and cash equivalents   | \$ 62,738           | \$ 110,234           |
| Restricted cash   | 2,316               | 2,317                |
| Receivables:  |                     |                      |
| Trade, net of allowance for doubtful accounts of \$3,858 and \$4,039 in 2018 and 2017, respectively                   | 45,664              | 45,616               |
| Other   | 17,039              | 12,341               |
| Inventories   | 3,975               | 3,756                |
| Prepaid expenses and other  | 3,613               | 3,026                |
| Total current assets  | <u>135,345</u>      | <u>177,290</u>       |
| Property and Equipment:   |                     |                      |
| Historical cost   | 1,320,496           | 1,179,836            |
| Accumulated depreciation  | <u>(580,461)</u>    | <u>(560,160)</u>     |
|   | 740,035             | 619,676              |
| Construction in progress  | <u>80,682</u>       | <u>70,157</u>        |
| Net property and equipment  | <u>820,717</u>      | <u>689,833</u>       |
| Investments, at Equity, and Advances to 50% or Less Owned Companies   | 112,219             | 92,169               |
| Construction Reserve Funds  | 45,361              | 45,361               |
| Other Assets  | 3,736               | 3,851                |
|   | <u>\$ 1,117,378</u> | <u>\$ 1,008,504</u>  |
| <b>LIABILITIES AND EQUITY</b>   |                     |                      |
| Current Liabilities:  |                     |                      |
| Current portion of long-term debt   | \$ 22,858           | \$ 22,858            |
| Accounts payable and accrued expenses   | 25,551              | 24,024               |
| Due to SEACOR Holdings  | 1,583               | 1,358                |
| Accrued wages and benefits  | 4,958               | 5,087                |
| Accrued income taxes  | 4,339               | 4,290                |
| Accrued capital, repair and maintenance expenditures  | 23,818              | 19,618               |
| Deferred revenues   | 9,430               | 10,104               |
| Other current liabilities   | 12,820              | 11,879               |
| Total current liabilities   | <u>105,357</u>      | <u>99,218</u>        |
| Long-Term Debt  | 405,234             | 292,041              |
| Conversion Option Liability on Convertible Senior Notes   | 18,991              | 6,832                |
| Deferred Income Taxes   | 56,024              | 55,506               |
| Deferred Gains and Other Liabilities  | 28,600              | 31,741               |
| Total liabilities   | <u>614,206</u>      | <u>485,338</u>       |
| Equity:   |                     |                      |
| SEACOR Marine Holdings Inc. stockholders' equity:   |                     |                      |
| Common stock, \$.01 par value, 60,000,000 shares authorized; 17,786,569 and 17,675,356 shares issued in 2018 and 2017 | 178                 | 177                  |
| Additional paid-in capital  | 306,639             | 303,996              |
| Retained earnings   | 175,609             | 216,511              |
| Accumulated other comprehensive loss, net of tax  | <u>(10,424)</u>     | <u>(12,493)</u>      |
|   | 472,002             | 508,191              |
| Noncontrolling interests in subsidiaries  | 31,170              | 14,975               |
| Total equity  | <u>503,172</u>      | <u>523,166</u>       |
|   | <u>\$ 1,117,378</u> | <u>\$ 1,008,504</u>  |

The accompanying notes are an integral part of these condensed consolidated financial statements  
and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS**  
(in thousands, except share data)

|  | <b>Three Months Ended March 31,</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2018</b>                         | <b>2017</b> |
| Operating Revenues   | \$ 51,721                           | \$ 34,304   |
| Costs and Expenses:  |                                     |             |
| Operating  | 41,173                              | 33,379      |
| Administrative and general   | 12,807                              | 11,826      |
| Depreciation and amortization  | 19,512                              | 12,503      |
|  | 73,492                              | 57,708      |
| Gains (Losses) on Asset Dispositions and Impairments, Net                            | (2,643)                             | 4,819       |
| Operating Loss   | (24,414)                            | (18,585)    |
| Other Income (Expense):  |                                     |             |
| Interest income  | 216                                 | 850         |
| Interest expense   | (6,133)                             | (3,182)     |
| SEACOR Holdings management fees  | -                                   | (1,925)     |
| SEACOR Holdings guarantee fees   | (12)                                | (76)        |
| Marketable security gains (losses), net  | -                                   | 11,738      |
| Derivative gains (losses), net   | (11,516)                            | (89)        |
| Foreign currency losses, net   | 139                                 | (189)       |
| Other, net   | -                                   | (1)         |
|  | (17,306)                            | 7,126       |
| Loss Before Income Tax Benefit and Equity in Earnings of 50% or Less Owned Companies | (41,720)                            | (11,459)    |
| Income Tax Benefit   | (9,824)                             | (3,422)     |
| Loss Before Equity in Earnings of 50% or Less Owned Companies                        | (31,896)                            | (8,037)     |
| Equity in Earnings of 50% or Less Owned Companies, Net of Tax                        | 208                                 | 438         |
| Net Loss   | (31,688)                            | (7,599)     |
| Net Loss attributable to Noncontrolling Interests in Subsidiaries                    | (2,855)                             | (204)       |
| Net Loss attributable to SEACOR Marine Holdings Inc.                                 | \$ (28,833)                         | \$ (7,395)  |
| Basic and Diluted Loss Per Common Share of SEACOR Marine Holdings Inc.               | \$ (1.64)                           | \$ (0.42)   |
| Basic and Diluted Weighted Average Common Shares Outstanding:                        | 17,571,490                          | 17,671,356  |

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**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(in thousands)**

|  | <b>Three Months Ended March 31,</b> |                   |
|--|-------------------------------------|-------------------|
|  | <b>2018</b>                         | <b>2017</b>       |
| Net Loss   | \$ (31,688)                         | \$ (7,599)        |
| Other Comprehensive Income (Loss):   |                                     |                   |
| Foreign currency translation gains (losses)  | 1,912                               | 919               |
| Derivative gains (losses) on cash flow hedges  | 131                                 | (9)               |
| Reclassification of derivative losses on cash flow hedges to interest expense                                  | 1                                   | 12                |
| Reclassification of derivative losses on cash flow hedges to equity in earnings of 50% or less owned companies | 129                                 | 188               |
|  | <u>2,173</u>                        | <u>1,110</u>      |
| Income tax (expense) benefit   | (27)                                | (354)             |
|  | <u>2,146</u>                        | <u>756</u>        |
| Comprehensive Loss   | <u>(29,542)</u>                     | <u>(6,843)</u>    |
| Comprehensive Loss attributable to Noncontrolling Interests in Subsidiaries                                    | <u>(2,778)</u>                      | <u>(106)</u>      |
| Comprehensive Loss attributable to SEACOR Marine Holdings Inc.   | <u>\$ (26,764)</u>                  | <u>\$ (6,737)</u> |

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and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
(in thousands)

|   | <u>Common Stock</u> | <u>Additional<br/>Paid-In Capital</u> | <u>Retained<br/>Earnings</u> | <u>Accumulated<br/>Other<br/>Comprehensive<br/>Income (Loss)</u> | <u>Noncontrolling<br/>Interests In<br/>Subsidiaries</u> | <u>Total Equity</u> |
|---|---------------------|---------------------------------------|------------------------------|--|---|---------------------|
| <b>December 31, 2017</b>                    | \$ 177              | \$ 303,996                            | \$ 216,511                   | \$ (12,493)  | \$ 14,975   | \$ 523,166          |
| Impact of adoption of accounting principle  | —                   | —                                     | (12,069)                     | —  | —   | (12,069)            |
| <b>December 31, 2017 as adjusted</b>        | <b>177</b>          | <b>303,996</b>                        | <b>204,442</b>               | <b>(12,493)</b>  | <b>14,975</b>   | <b>511,097</b>      |
| Issuance of common stock                    | 1                   | 1,792                                 | —                            | —  | —   | 1,793               |
| Amortization of employee share awards       | —                   | 476                                   | —                            | —  | —   | 476                 |
| Acquisition of a consolidated joint venture | —                   | —                                     | —                            | —  | (12,037)  | (12,037)            |
| Issuance of non-controlling interests       | —                   | 375                                   | —                            | —  | 31,010  | 31,385              |
| Net loss                                    | —                   | —                                     | (28,833)                     | —  | (2,855)   | (31,688)            |
| Other comprehensive income                  | —                   | —                                     | —                            | 2,069  | 77  | 2,146               |
| <b>March 31, 2018</b>                       | <b>\$ 178</b>       | <b>\$ 306,639</b>                     | <b>\$ 175,609</b>            | <b>\$ (10,424)</b>   | <b>\$ 31,170</b>  | <b>\$ 503,172</b>   |

The accompanying notes are an integral part of these condensed consolidated financial statements  
and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

|  | <b>Three Months Ended March 31,</b> |                   |
|--|-------------------------------------|-------------------|
|  | <b>2018</b>                         | <b>2017</b>       |
| Cash Flows from Operating Activities   |                                     |                   |
| Net Loss   | \$ (31,688)                         | \$ (7,599)        |
| Adjustments to reconcile net loss to net cash (used in) provided by operating activities |                                     |                   |
| Depreciation and amortization  | 19,512                              | 12,503            |
| Deferred financing costs amortization  | 237                                 | 897               |
| Restricted stock amortization  | 258                                 | —                 |
| Option amortization  | 218                                 | —                 |
| Debt discount/(premium) amortization   | 1,494                               | 1,109             |
| Amortization of deferred gains against charter expense                                   | (2,009)                             | (2,050)           |
| Bad debt expense (income)  | (26)                                | 1,559             |
| (Gain)/loss from equipment sales or retirements  | 2,643                               | (4,819)           |
| (Gains)/losses from sale of marketable securities, net                                   | —                                   | (11,738)          |
| Proceeds from sale of securities   | —                                   | 51,877            |
| Derivative (income) / losses   | 11,516                              | 89                |
| Cash settlement on derivative transactions, net  | (129)                               | (22)              |
| Currency (gain) / loss   | (139)                               | 189               |
| Deferred income taxes  | (11,286)                            | (4,503)           |
| Equity earnings, net   | (208)                               | (438)             |
| Changes in Operating Assets and Liabilities:   |                                     |                   |
| Accounts receivables   | (3,342)                             | 4,909             |
| Other assets   | (346)                               | 19,025            |
| Accounts payable and accrued liabilities   | 1,786                               | 4,308             |
| Net cash (used in) provided by operating activities                                      | <u>(11,509)</u>                     | <u>65,296</u>     |
| Cash Flows from Investing Activities:  |                                     |                   |
| Purchases of property and equipment  | (8,557)                             | (10,143)          |
| Cash settlements on derivative transactions, net   | —                                   | (324)             |
| Proceeds from disposition of property and equipment                                      | 282                                 | 8,297             |
| Investments in and advances to 50% or less owned companies                               | (19,950)                            | (2,394)           |
| Return of investments and advances from 50% or less owned companies                      | 99                                  | 7,350             |
| Payments received on third party notes receivable, net                                   | —                                   | 1,943             |
| Net (increase) decrease in construction reserve funds                                    | —                                   | (5,268)           |
| Net cash used in investing activities  | <u>(28,126)</u>                     | <u>(539)</u>      |
| Cash Flows from Financing Activities:  |                                     |                   |
| Payments on long-term debt   | (28,807)                            | (1,173)           |
| Proceeds from issuance of long-term debt, net of issue costs                             | 18,471                              | 3,396             |
| Proceeds from issuance of Common Stock   | 1,793                               | —                 |
| Net cash (used in) provided by financing activities                                      | <u>(8,543)</u>                      | <u>2,223</u>      |
| Effects of Exchange Rate Changes on Cash and Cash Equivalents                            | 682                                 | 269               |
| Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash                   | <u>(47,496)</u>                     | <u>67,249</u>     |
| Cash, Cash Equivalents and Restricted Cash, Beginning of Period                          | 112,551                             | 118,771           |
| Cash, Cash Equivalents and Restricted Cash, End of Period                                | <u>\$ 65,055</u>                    | <u>\$ 186,020</u> |

The accompanying notes are an integral part of these condensed consolidated financial statements  
and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

## **1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The condensed consolidated financial statements include the accounts of SEACOR Marine Holdings Inc. and its consolidated subsidiaries (the “Company”). In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made to fairly present the unaudited condensed consolidated financial statements for the periods indicated. Results of operations for the interim periods presented are not necessarily indicative of operating results for the full year or any future periods.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company’s financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

Unless the context otherwise indicates, any reference in this Quarterly Report on Form 10-Q to the “Company” refers to SEACOR Marine Holdings Inc. and its consolidated subsidiaries and any reference in this Quarterly Report on Form 10-Q to “SEACOR Marine” refers to SEACOR Marine Holdings Inc. without its consolidated subsidiaries. Capitalized terms used and not specifically defined herein have the same meaning given those terms in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

SEACOR Marine was previously a subsidiary of SEACOR Holdings Inc. (along with its consolidated subsidiaries, other than SEACOR Marine and its subsidiaries, collectively referred to as “SEACOR Holdings”). On June 1, 2017, SEACOR Holdings completed a spin-off of SEACOR Marine by way of a pro rata dividend of SEACOR Marine’s common stock, par value \$0.01 per share (“Common Stock”), all of which was then held by SEACOR Holdings, to SEACOR Holdings shareholders of record as of May 22, 2017 (the “Spin-off”). SEACOR Marine entered into certain agreements with SEACOR Holdings to govern SEACOR Marine’s relationship with SEACOR Holdings following the Spin-off, including a Distribution Agreement, two Transition Services Agreements, an Employee Matters Agreement and a Tax Matters Agreement. Immediately following the Spin-off, SEACOR Marine began to operate as an independent, publicly traded company.

**Recently Adopted Accounting Standards.** In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, “*Revenue from Contracts with Customers (Topic 606)*” to clarify the principles for recognizing revenue and to develop a common revenue standard and disclosure requirements. The new standard supersedes current revenue recognition requirements and industry-specific guidance. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. The Company adopted this new standard on January 1, 2018 using the modified retrospective approach by recognizing the cumulative effect of initially applying the new standard as an adjustment to the opening balance of accumulated deficit. The Company implemented the necessary changes to its business processes, systems and controls to support recognition and disclosure of this ASU upon adoption. The Company’s revenues are primarily based on leases or rental agreements with customers and is not addressed in the new standard. As a result, the adoption of the standard did not have a material effect on the Company’s financial position, results of operations or cash flows, but did result in increased disclosures related to revenue recognition policies.

In November 2016, the FASB issued ASU 2016-18, “*Statement of Cash Flows (Topic 230) – Restricted Cash*”, which requires that amounts generally described as restricted cash be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period amounts shown on the statement of cash flows. The Company adopted this new standard on January 1, 2018. Retrospective presentation was required. The adoption of the standard did not have a material effect on the Company’s financial position, results of operations or cash flows. In accordance with ASU 2016-18, the Company has included restricted cash as part of the beginning-of-period and end-of-period cash balances on the condensed consolidated statement of cash flows.

**Revenue Recognition.** Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the Company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers over control of the promised goods or services to its customers. Costs to obtain or fulfill a contract are expensed as incurred.

**Lease Revenues.** The primary source of the Company’s revenues is earned through time charter and bareboat agreements. Time charter and bareboat agreements are rental agreements that are recognized ratably over the lease term as the services are provided, typically on a per day basis. The charterer will take the vessel on hire for a specific period of time and uses the vessel to move cargo, people or equipment and will pay the Company a rate per day. Under a time charter, the Company provides a vessel to a customer for a set term and is responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, the Company provides a vessel to a customer for a set term and the customer assumes responsibility for all operating expenses and the risk of operation (see Note 11).



**Revenues from Customers.** The Company contracts with various customers to carry out management services for vessels as agents for and on behalf of ship owners. These services include crew management, technical management, commercial management, insurance arrangements, sale and purchase of vessel, provisions, and bunkering. As the manager, the Company undertakes to use its best endeavors to provide the agreed management services as agents for and on behalf of the owners in accordance with sound ship management practice and to protect and promote the interest of the owners in all matters relating to the provision of services hereunder. The Company also contracts with various customers to carry out management services regarding engineering for vessel construction and vessel conversions. The vast majority of the ship management agreements span over the length of one to three years and are typically billed on a monthly basis. The Company transfers control of the service to the customer and satisfies its performance obligation over the term of the contract, and therefore recognizes revenue over the term of the contract while related costs are expensed as incurred (see Note 11).

Revenue that does not meet these criteria is deferred until the criteria is met and are considered contract liabilities. Contract liabilities, included in other current liabilities in the accompanying condensed consolidated balance sheets, for the three months ended March 31 were as follows (in thousands):

|                                       | <u>2018</u>     | <u>2017</u>     |
|---------------------------------------|-----------------|-----------------|
| Balance at beginning of period        | \$ 10,104       | \$ 6,953        |
| Revenues deferred during the period   | 875             | 1,536           |
| Revenues recognized during the period | (1,550)         | —               |
| Balance at end of period              | <u>\$ 9,429</u> | <u>\$ 8,489</u> |

As of March 31, 2018, contract liabilities of \$6.8 million related to the time charter of several offshore support vessels paid through the conveyance of an overriding royalty interest (the “Conveyance”) in developmental oil and gas producing properties operated by a customer in the U.S. Gulf of Mexico. Payments under the Conveyance, and the timing of such payments, were contingent upon production and energy sale prices. On August 17, 2012, the customer filed a voluntary petition for Chapter 11 bankruptcy. The Company is vigorously defending its interest in connection with the bankruptcy filing; however, payments received under the Conveyance subsequent to May 19, 2012 are subject to creditors’ claims in bankruptcy court. The Company will recognize revenues when reasonably assured of a judgment in its favor. All costs and expenses related to these charters were recognized as incurred.

As of March 31, 2018, contract liabilities of \$2.4 million related to the time charter of an offshore support vessel to a customer for which collection was not reasonably assured. The Company will recognize revenues when collected or when collection is reasonably assured. All costs and expenses related to this charter were recognized as incurred.

**Property and Equipment.** Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to each class of asset, the estimated useful life is based upon a newly built asset being placed into service and represents the time period beyond which it is typically not justifiable for the Company to continue to operate the asset in the same or similar manner. From time to time, the Company may acquire older assets that have already exceeded the Company’s useful life policy, in which case the Company depreciates such assets based on its best estimate of remaining useful life, typically the next survey or certification date.

As of March 31, 2018, the estimated useful life (in years) of each of the Company’s major categories of new equipment was as follows:

Offshore Support Vessels:

|  |    |
|--|----|
| Wind farm utility vessels  | 10 |
| All other offshore support vessels (excluding wind farm utility) | 20 |

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of equipment as well as major renewals and improvements to other properties are capitalized.

Certain interest costs incurred during the construction of equipment are capitalized as part of the assets’ carrying values and are amortized over such assets’ estimated useful lives. During the three months ended March 31, 2018, capitalized interest totaled \$0.5 million.

**Impairment of Long-Lived Assets.** The Company performs an impairment analysis of long-lived assets used in operations, including intangible assets, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the three months ended March 31, 2018, the Company recognized \$2.9 million of impairment charges related to four anchor-handling vessels removed from service and adjusted to scrap value.

**Impairment of 50% or Less Owned Companies.** Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the carrying value of the investment. In its evaluation, the Company considers, among other items, recent and expected financial performance and returns, impairments recorded by the investee and the capital structure of the investee. When the Company determines the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value, and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although the Company believes its assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods. During the three months ended March 31, 2018, the Company recognized impairment charges of \$1.2 million related to one of its 50% or less owned companies which the Company believes will be unable to meet all of its liabilities.

**Income Taxes.** During the three months ended March 31, 2018, the Company's effective income tax rate of 23.5% was primarily due to taxes not provided on income attributable to noncontrolling interests, foreign sourced income not subject to U.S. income taxes, and a reversal of an unrecognized tax benefit. During the three months ended March 31, 2017, the Company's effective income tax rate of 29.9% was primarily due to losses of foreign subsidiaries not benefited.

**Deferred Gains.** The Company has sold certain equipment to its 50% or less owned companies, entered into vessel sale-leaseback transactions with finance companies, and provided seller financing on sales of its equipment to third parties and its 50% or less owned companies. A portion of the gains realized from these transactions were deferred and recorded in deferred gains and other liabilities in the accompanying condensed consolidated balance sheets. Deferred gain activity related to these transactions for the three months ended March 31 was as follows (in thousands):

|  | 2018             | 2017             |
|--|------------------|------------------|
| Balance at beginning of period   | \$ 25,006        | \$ 33,910        |
| Amortization of deferred gains included in operating expenses as a reduction to rental expense | (2,009)          | —                |
| Other adjustments  | (25)             | (2,050)          |
| Balance at end of period   | <u>\$ 22,972</u> | <u>\$ 31,860</u> |

**Accumulated Other Comprehensive Income (Loss).** The components of accumulated other comprehensive loss were as follows (in thousands):

|                                   | SEACOR Marine Holdings Inc.<br>Stockholders' Equity |   |                    | Noncontrolling Interests                          |   |   |
|-----------------------------------|---|---|--------------------|---|---|---|
|                                   | Foreign<br>Currency<br>Translation<br>Adjustments   | Derivative<br>Income<br>(Losses) on<br>Cash Flow<br>Hedges, net | Total              | Foreign<br>Currency<br>Translation<br>Adjustments | Derivative<br>Income<br>(Losses) on<br>Cash Flow<br>Hedges, net | Other<br>Comprehensive<br>Income (Loss) |
| December 31, 2017                 | \$ (13,195)   | \$ 702  | \$ (12,493)        | \$ (1,357)  | \$ 1  |   |
| Other comprehensive income (loss) | 1,832   | 264   | 2,096              | 80  | (3)   | \$ 2,173                                |
| Income tax expense                | —   | (27)  | (27)               | —   | —   | (27)                                    |
| Three Months Ended March 31, 2018 | <u>\$ (11,363)</u>                                  | <u>\$ 939</u>   | <u>\$ (10,424)</u> | <u>\$ (1,277)</u>                                 | <u>\$ (2)</u>   | <u>\$ 2,146</u>                         |

**Loss Per Share.** Basic loss per common share of the Company is computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted loss per common share of the Company is computed based on the weighted average number of common shares issued and outstanding plus the effect of potentially dilutive securities through the application of the if-converted method that assumes all common shares have been issued and outstanding during the relevant periods pursuant to the conversion of the Convertible Senior Notes. For each of the three months ended March 31, 2018 and 2017, diluted earnings per common share of the Company excluded 4,070,500 common shares issuable pursuant to the Company's Convertible Senior Notes (see Note 12) as the effect of their inclusion in the computation would be anti-dilutive. In addition, diluted loss per common share of the Company excluded 94,507 shares of restricted stock and 653,700 outstanding stock options as the effect of their inclusion in the computation would be anti-dilutive.

**New Accounting Pronouncements.** On February 25, 2016, the FASB issued a comprehensive new leasing standard, which improves transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The Company will adopt the new standard on January 1, 2019 and will use the modified retrospective approach upon adoption. The Company expects the adoption of the new standard will have a material impact on its consolidated financial position, results of operations and cash flows, although it has not yet determined the extent of the impact.

## 2. EQUIPMENT ACQUISITIONS AND DISPOSITIONS

During the three months ended March 31, 2018, capital expenditures were \$8.6 million. Equipment deliveries during the three months ended March 31, 2018 included six liftboats contributed from Montco Offshore, LLC (“MOI”) to certain designated wholly-owned subsidiaries of Falcon Global Holdings LLC (“FGH”) as described in Note 4 below and two platform supply vessels constructed through the SEACOSCO joint venture as described in Note 3 below.

During the three months ended March 31, 2018, the Company sold one fast support vessel previously retired and removed from service, property and other equipment for net proceeds of \$0.4 million (\$0.3 million in cash and \$0.1 million of previously received deposits) and gains of \$0.2 million, all of which were recognized currently.

## 3. INVESTMENTS, AT EQUITY, AND ADVANCES TO 50% OR LESS OWNED COMPANIES

**SEACOSCO.** On January 17, 2018, the Company announced the formation of SEACOSCO Offshore LLC (“SEACOSCO”), a Marshall Islands entity jointly owned by the Company and affiliates of COSCO SHIPPING GROUP (“COSCO SHIPPING”). SEACOSCO entered into contracts for the purchase of eight Rolls-Royce designed, new construction platform supply vessels (“PSVs”) from COSCO SHIPPING HEAVY INDUSTRY (GUANGDONG) CO., LTD (the “Shipyard”), an affiliate of COSCO SHIPPING, for approximately \$161.1 million, of which 70% will be financed by the Shipyard, and secured by the PSVs on a non-recourse basis to the Company. SEACOSCO took delivery of two vessels in the quarter ending March 31, 2018, and will take title to another five of the PSVs in 2018 and one in 2019. Thereafter, the Shipyard, at its cost, will store the PSVs at its facility for periods ranging from six to 18 months. The Company's total committed investment for construction and working capital requirements is approximately \$27.5 million for an unconsolidated 50% interest in SEACOSCO. During the three months ended March 31, 2018, the Company and its partner each contributed additional capital of \$20.0 million in cash. The remaining committed investment will be due over the next 14 months as the vessel and equipment are delivered. The Company is responsible for full commercial, operational, and technical management of the vessels on a worldwide basis.

**SEACOR Grant DIS.** As of March 31, 2018, the Company estimates that SEACOR Grant DIS will be unable to meet all its liabilities, and has recorded a bad debt reserve of \$0.3 million against SEACOR Grant DIS's liability to the Company and an impairment charge of \$1.2 million to reduce its investment carrying value to zero.

**Guarantees.** The Company has guaranteed certain of the outstanding charter receivables of one of its managed 50% or less owned companies if a customer defaults in payment and the Company either fails to take enforcement action against the defaulting customer or fails to assign its right of recovery against the defaulting customer. As of March 31, 2018, the total amount guaranteed by the Company under this arrangement was \$0.4 million.

In addition, as of March 31, 2018, two of the Company's 50% or less owned companies have bank debt secured by, among other things, a first preferred mortgage on their vessels. The banks also have the authority to require the Company and its partners to fund uncalled capital commitments, as defined in the partnership agreements. In such event, the Company would be required to contribute its allocable share of uncalled capital, which was \$1.4 million in the aggregate.

## 4. LONG-TERM DEBT

**Convertible Senior Notes.** As of March 31, 2018, the Company had issued and outstanding \$175.0 million aggregate principal amount of its Convertible Senior Notes due December 1, 2022 (the “Convertible Senior Notes”) to affiliates of the Carlyle Group (collectively “Carlyle”). Interest on the Convertible Senior Notes is payable semi-annually on June 15 and December 15 of each year. The Convertible Senior Notes are convertible into shares of Common Stock. On May 2, 2018, certain terms of the Convertible Senior Notes were amended and the Company exchanged \$50 million in principal amount of the Convertible Senior Notes for warrants to purchase shares of Common Stock (see Note 12).

**MOI Joint Venture.** On February 8, 2018, a wholly-owned subsidiary of the Company and MOI formed and capitalized a joint venture named Falcon Global Holdings LLC. In connection therewith and MOI's plan of reorganization, which was confirmed on January 18, 2018, MOI emerged from its Chapter 11 bankruptcy case. In accordance with the terms of a Joint Venture Contribution and Formation Agreement, the Company and MOI contributed certain liftboat vessels and other related assets to FGH and its designated subsidiaries, and FGH and its designated subsidiaries assumed certain operating liabilities and indebtedness associated with the liftboat vessels and related assets. On February 8, 2018, Falcon Global USA LLC ("FGUSA"), a wholly-owned subsidiary of FGH, paid \$15.0 million of MOI's debtor-in-possession obligations and entered into a \$131.1 million credit agreement comprised of a \$116.1 million term loan (the "FGUSA Term Loan") and a \$15.0 million revolving loan facility (the "FGUSA Revolving Loan Facility") bearing interest at a variable rate (currently 6.44%), maturing in 2024, and secured by vessels owned by wholly-owned subsidiaries of FGUSA (the "FGUSA Credit Facility"). The full amount of the FGUSA Term Loan and other amounts paid by affiliates of MOI satisfied in full the amounts outstanding under MOI's pre-petition credit facilities. The FGUSA Credit Facility, apart from a guarantee of certain interest payments and participation fees for two years after the closing of the transactions, is non-recourse to SEACOR Marine and its subsidiaries other than FGUSA. The Company performed a preliminary fair market valuation of the debt reflecting a debt discount of \$10.0 million, which will be amortized over the life of the FGUSA Credit Facility. The preliminary fair market valuation is subject to revision as additional information regarding the fair market value of assets and liabilities acquired becomes available. Scheduled principal payments begin in 2020. During the quarter ending March 31, 2018, the Company borrowed \$10.0 million under the FGUSA Revolving Loan Facility for working capital purposes. The Company consolidates FGH as the Company holds 72% of the equity interest in FGH and is entitled to appoint a majority of the board of managers of FGH.

**Windcat.** During the three months ended March 31, 2018, the Company converted €6.0 million denominated debt to pound sterling debt, paying off approximately \$7.5 million in euro debt and borrowing approximately \$8.5 million in pound sterling debt, resulting in a net increase in USD borrowings of \$1.0 million to be used for future capital commitments.

**Letters of Credit.** As of March 31, 2018, the Company had outstanding letters of credit for labor and performance guarantees of \$1.8 million.

## 5. INCOME TAXES

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate on continuing operations for the three months ended March 31, 2018:

|  |              |
|--|--------------|
| Statutory rate                                       | 21.0%        |
| Noncontrolling interests                             | (1.3)%       |
| Foreign earnings not subject to U.S. income tax      | (3.7)%       |
| Foreign taxes not creditable against U.S. income tax | (2.0)%       |
| Unrecognized tax benefit                             | 9.3%         |
| Other  | 0.2%         |
|  | <u>23.5%</u> |

As of December 31, 2017, the Company's net operating loss carryforwards excluded potential tax benefits of \$3.9 million as a result of uncertainty regarding interpretation of the new U.S. tax legislation signed into law on December 22, 2017. Subsequent guidance has confirmed that the Company should recognize the tax benefits of \$3.9 million and therefore the Company is removing the valuation allowance previously established against the net operating loss carryforwards.

## 6. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. The fair values of the Company's derivative instruments as of March 31, 2018 were as follows (in thousands):

|   | Derivative<br>Asset <sup>(1)</sup> | Derivative<br>Liability |
|---|------------------------------------|-------------------------|
| <b>Derivatives designated as hedging instruments:</b>     |                                    |                         |
| Interest rate swap agreements (cash flow hedges)          | \$ 408                             | \$ 1 <sup>(2)</sup>     |
|   | <u>408</u>                         | <u>1</u>                |
| <b>Derivatives not designated as hedging instruments:</b> |                                    |                         |
| Conversion option liability on Convertible Senior Notes   | —                                  | 18,991                  |
| Interest rate swap agreements                             | 862                                | 14 <sup>(2)</sup>       |
|   | <u>\$ 1,270</u>                    | <u>\$ 19,006</u>        |

(1) Included in other receivables in the accompanying condensed consolidated balance sheets.

(2) Included in other current liabilities in the accompanying condensed consolidated balance sheets.

**Cash Flow Hedges.** The Company and certain of its 50% or less owned companies have interest rate swap agreements designated as cash flow hedges. By entering into these interest rate swap agreements, the Company and its 50% or less owned companies have converted the variable LIBOR or EURIBOR component of certain of their outstanding borrowings to a fixed interest rate. The Company recognized immaterial losses on derivative instruments designated as cash flow hedges during the three months ended March 31, 2018. As of March 31, 2018, the interest rate swaps held by the Company and its 50% or less owned companies were as follows:

- Windcat Workboats had two interest rate swap agreements maturing in 2021 that call for the Company to pay a fixed rate of interest of (0.03)% on the aggregate notional value of €15.0 million (approximately \$18.5 million) and receive a variable interest rate based on EURIBOR on the aggregate notional value.
- MexMar had five interest rate swap agreements with maturities in 2023 that call for MexMar to pay a fixed rate of interest ranging from 1.71% to 2.10% on the aggregate amortized notional value of \$110.8 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value.
- Sea-Cat Crewzer II had an interest rate swap agreement maturing in 2019 that calls for Sea-Cat Crewzer II to pay a fixed rate of interest of 1.52% on the amortized notional value of \$20.3 million and receive a variable interest rate based on LIBOR on the amortized notional value.
- Sea-Cat Crewzer had an interest rate swap agreement maturing in 2019 that calls for Sea-Cat Crewzer to pay a fixed rate of interest of 1.52% on the amortized notional value of \$18.0 million and receive a variable interest rate based on LIBOR on the amortized notional value.

**Other Derivative Instruments.** The Company recognized gains (losses) on derivative instruments not designated as hedging instruments for the three months ended March 31 as follows (in thousands):

|   | 2018               | 2017           |
|---|--------------------|----------------|
| Conversion option liability on Convertible Senior Notes | \$ (12,159)        | \$ —           |
| Forward currency exchange, option and future contracts  | —                  | (89)           |
| Interest rate swap agreements                           | 643                | —              |
|   | <u>\$ (11,516)</u> | <u>\$ (89)</u> |

The conversion option liability relates to the bifurcated embedded conversion option in the Convertible Senior Notes (see Note 7 in the Company's Annual Report on Form 10-K for the year ended December 31, 2017).

The Company and certain of its 50% or less owned companies have entered into interest rate swap agreements for the general purpose of providing protection against increases in interest rates, which might lead to higher interest costs. As of March 31, 2018, the interest rate swaps held by the Company or its 50% or less owned companies were as follows:

- Falcon Global International had an interest rate swap agreement maturing in 2022 that calls for the Company to pay a fixed interest rate of 2.06% on the amortized notional value of \$54.7 million and receive a variable interest rate based on LIBOR on the amortized notional value.
- OSV Partners had two interest rate swap agreements with maturities in 2020 that call for OSV Partners to pay a fixed rate of interest ranging from 1.89% to 2.27% on the aggregate amortized notional value of \$33.0 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value.
- Dynamic Offshore had an interest rate swap agreement maturing in 2018 that calls for Dynamic Offshore to pay a fixed interest rate of 1.30% on the amortized notional value of \$64.2 million and receive a variable interest rate based on LIBOR on the amortized notional value.

## 7. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company's financial assets and liabilities as of March 31, 2018 that are measured at fair value on a recurring basis were as follows (in thousands):

|               | Level 1 | Level 2 | Level 3 |
|---------------|---------|---------|---------|
| <b>ASSETS</b> |         |         |         |

|  |    |        |    |       |    |        |
|--|----|--------|----|-------|----|--------|
| Derivative instruments (included in other receivables) | \$ | —      | \$ | 1,270 | \$ | —      |
| Construction reserve funds                             |    | 45,361 |    | —     |    | —      |
| <b>LIABILITIES</b>                                     |    |        |    |       |    |        |
| Derivative instruments                                 |    | —      |    | 15    |    | 18,991 |



**Level 3 Measurement.** The fair value of the conversion option liability on the Convertible Senior Notes is estimated with significant inputs that are both observable and unobservable in the market and therefore is considered a *Level 3* fair value measurement. The Company used a binomial lattice model that assumes the holders will maximize their value by finding the optimal decision between redeeming at the redemption price or converting into shares of Common Stock. This model estimates the fair value of the conversion option as the differential in the fair value of the notes including the conversion option compared with the fair value of the notes excluding the conversion option. The significant observable inputs used in the fair value measurement include the price of Common Stock and the risk free interest rate. The significant unobservable inputs are the estimated Company credit spread and Common Stock volatility, which were based on comparable companies in the marine transportation and energy industries.

The estimated fair values of the Company's other financial assets and liabilities as of March 31, 2018 were as follows (in thousands):

|   | Carrying Amount | Estimated Fair Value |         |         |
|---|-----------------|----------------------|---------|---------|
|   |                 | Level 1              | Level 2 | Level 3 |
| <b>ASSETS</b>   |                 |                      |         |         |
| Cash, cash equivalents and restricted cash                                      | \$ 65,054       | \$ 65,054            | \$ —    | \$ —    |
| Investments, at cost, in 50% or less owned companies (included in other assets) | 132             | <i>see below</i>     |         |         |
| <b>LIABILITIES</b>  |                 |                      |         |         |
| Long-term debt, including current portion                                       | 428,092         | —                    | 405,769 | —       |

The carrying value of cash, cash equivalents and restricted cash approximates fair value. The fair value of the Company's long-term debt was estimated based upon quoted market prices or by using discounted cash flow analysis based on estimated current rates for similar types of arrangements. The long-term debt includes \$121.6 million, net, assumed from FGUSA. It was not practicable to estimate the fair value of certain of the Company's investments, at cost, in 50% or less owned companies because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The Company's other assets and liabilities that were measured at fair value during the three months ended March 31, 2018 were as follows (in thousands):

|                               | Level 1 | Level 2  | Level 3 |
|-------------------------------|---------|----------|---------|
| <b>ASSETS</b>                 |         |          |         |
| Property and equipment:       |         |          |         |
| Anchor handling towing supply | \$ —    | \$ 2,000 | \$ —    |
| Liftboats                     | —       | —        | 134,775 |

**Property and equipment.** During the three months ended March 31, 2018, the Company recognized impairment charges of \$2.9 million associated with certain vessels (see Note 1). The *Level 2* fair values were determined based on the sales prices of similar property and equipment at scrap value.

The *Level 3* vessels listed above were contributed by MOI to wholly-owned subsidiaries of FGH and recorded at fair value. The *Level 3* fair values were determined based on two separate third-party valuations using significant inputs that are unobservable in the market. Due to limited market transactions, the primary valuation methodology applied by both appraisers was an estimated cost approach less economic depreciation for comparable aged vessels. The *Level 3* fair value of the vessels was based on a simple average between the two appraisals.

The significant unobservable inputs used in the fair value measurement for the liftboats provided by the appraisers were based on i) quotes from local shipyards, ii) economic life ranging from 25 to 40 years and iii) economic obsolescence factor ranging from 45% to 50%. The calculated yearly physical depreciation was multiplied by the remaining useful life of each vessel, based on the date of build, and the residual value was added back to arrive at a base cost approach value for each vessel.

## 8. STOCKHOLDERS' EQUITY

On January 1, 2018, the Company adopted a new accounting standard issued by the FASB on October 24, 2016, which requires companies to account for the income tax effects of intercompany sales and transfers of assets other than inventory. The impact of the adoption of the new standard resulted in a reduction of \$12.1 million to the Company's opening retained earnings.

On March 26, 2018, the Company issued 103,213 shares of Common Stock to an accredited investor for a total of \$1.8 million in gross proceeds pursuant to a private placement in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act.

On February 8, 2018, the Company formed FGH, a joint venture between the Company and MOI. In accordance with the terms of the Joint Venture Contribution and Formation Agreement, the Company and MOI contributed certain liftboat vessels and other related assets to the joint venture and assumed certain operating liabilities and indebtedness associated with the liftboat vessels and related assets. The transaction consolidates the fifteen liftboat vessels operated by the Company and six liftboat vessels previously operated by MOI. FGUSA, a wholly-owned subsidiary of FGH, paid \$15.0 million of MOI's debtor-in-possession obligations and entered into a \$131.1 million credit agreement comprised of the FGUSA Term Loan and the FGUSA Revolving Loan Facility. The Company performed a preliminary fair market valuation of the debt reflecting a debt discount of \$10.0 million,

which will be amortized over the life of the FGUSA Credit Facility. The preliminary fair market valuation is subject to revision as additional information regarding the fair market value of assets and liabilities acquired becomes available.



In April 2018, the Company participated in the Private Placement and in May 2018, the Company participated in the Exchange, each as described in note 12.

## 9. NONCONTROLLING INTERESTS IN SUBSIDIARIES

Noncontrolling interests in the Company's consolidated subsidiaries were as follows (in thousands):

|                        | Noncontrolling<br>Interests | March 31, 2018   | December 31, 2017 |
|------------------------|-----------------------------|------------------|-------------------|
| Falcon Global Holdings | 28.0%                       | \$ 28,450        | \$ 12,087         |
| Windcat Workboats      | 12.5%                       | 2,437            | 2,608             |
| Other                  | 1.8%                        | 283              | 280               |
|                        |                             | <u>\$ 31,170</u> | <u>\$ 14,975</u>  |

**Falcon Global Holdings.** The Company formed FGH, a joint venture between the Company and MOI. The Company and MOI contributed certain liftboat vessels and other related assets to FGH and its designated subsidiaries and assumed certain operating liabilities and indebtedness associated with the liftboat vessels and related assets, including a previous joint venture ("Falcon Global International" or "FGI") that owned and operated two liftboats. The transaction consolidates the 15 liftboat vessels operated by the Company and six liftboat vessels previously operated by MOI. The total capital contributed to FGH was approximately \$112.5 million of which, \$43.3 million was transferred from FGI, \$18.8 million was contributed by MOI and recorded at fair value, with the remaining capital contributed by the Company. As a result of the transaction, the noncontrolling interest in the joint venture held by MOI is 28.0%.

**Windcat Workboats.** Windcat Workboats owns and operates the Company's wind farm utility vessels that are primarily used to move personnel and supplies in the major offshore wind markets of Europe. As of March 31, 2018, the net assets of Windcat Workboats were \$19.5 million. During the three months ended March 31, 2018, the net loss of Windcat Workboats was \$1.9 million, of which \$0.2 million was attributable to noncontrolling interests.

## 10. COMMITMENTS AND CONTINGENCIES

As of March 31, 2018, the Company's unfunded capital commitments were \$48.8 million for two fast support vessels, three supply vessels, four wind farm utility vessels, and conversions of two supply vessels to standby safety vessels. Of the amount of unfunded capital commitments, \$18.8 million is payable during the remainder of 2018, \$21.1 million is payable during 2019 and \$8.9 million is payable during 2020. The Company has indefinitely deferred an additional \$20.8 million of orders with respect to two fast support vessels for which the Company had previously reported unfunded capital commitments. The delivery dates and payment of certain costs (originally scheduled for payment in 2018, 2019 and 2020) for such vessels are uncertain as the Company, at its option, may defer their construction for an indefinite period of time.

As of March 31, 2018, SEACOR Holdings has guaranteed \$56.5 million on behalf of the Company for various obligations including: letter of credit obligations; performance obligations under sale-leaseback arrangements and invoiced amounts for funding deficits under the MNOF. Pursuant to a Distribution Agreement with SEACOR Holdings, SEACOR Holdings charges the Company a fee of 0.5% on outstanding guaranteed amounts, which declines as the obligations are settled by the Company.

In the normal course of its business, the Company becomes involved in various other litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on the Company's consolidated financial position, results of operations or cash flows.

## 11. SEGMENT INFORMATION

The Company's segment presentation and basis of measurement of segment profit or loss are as previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The following tables summarize the operating results, capital expenditures and assets of the Company's reportable segments (in thousands).

|  | United States<br>(primarily<br>Gulf of<br>Mexico) | Africa<br>(primarily<br>West Africa) | Middle East<br>and Asia | Brazil,<br>Mexico,<br>Central and<br>South<br>America | Europe<br>(primarily<br>North Sea) | Total              |
|--|---|--------------------------------------|-------------------------|---|------------------------------------|--------------------|
| <b>For the three months ended March 31, 2018</b> |   |                                      |                         |   |                                    |                    |
| Operating Revenues:                              |   |                                      |                         |   |                                    |                    |
| Time charter                                     | \$ 5,982  | \$ 10,794                            | \$ 11,374               | \$ 1,374  | \$ 17,618                          | \$ 47,142          |
| Bareboat charter                                 | —   | —                                    | —                       | 1,143   | —                                  | 1,143              |
| Other marine services                            | 1,655   | 1,287                                | (130)                   | 110   | 514                                | 3,436              |
|  | <u>7,637</u>                                      | <u>12,081</u>                        | <u>11,244</u>           | <u>2,627</u>  | <u>18,132</u>                      | <u>51,721</u>      |
| Direct Costs and Expenses:                       |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Personnel  | 3,992   | 4,073                                | 4,022                   | 376   | 9,213                              | 21,676             |
| Repairs and maintenance                          | 694   | 1,356                                | 2,428                   | 305   | 2,290                              | 7,073              |
| Drydocking                                       | 525   | 2                                    | (11)                    | —   | 1,741                              | 2,257              |
| Insurance and loss reserves                      | 434   | 218                                  | 236                     | 67  | 235                                | 1,190              |
| Fuel, lubes and supplies                         | 493   | 669                                  | 1,034                   | 65  | 1,284                              | 3,545              |
| Other  | 25  | 1,036                                | 1,208                   | 60  | 278                                | 2,607              |
|  | <u>6,163</u>                                      | <u>7,354</u>                         | <u>8,917</u>            | <u>873</u>  | <u>15,041</u>                      | <u>38,348</u>      |
| <b>Direct Vessel Profit</b>                      | <u>\$ 1,474</u>                                   | <u>\$ 4,727</u>                      | <u>\$ 2,327</u>         | <u>\$ 1,754</u>                                       | <u>\$ 3,091</u>                    | <u>13,373</u>      |
| Other Costs and Expenses:                        |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Leased-in equipment                              | \$ 1,862  | \$ 963                               | \$ —                    | \$ —  | \$ —                               | 2,825              |
| Administrative and general                       |   |                                      |                         |   |                                    | 12,807             |
| Depreciation and amortization                    | \$ 6,535  | \$ 2,807                             | \$ 6,090                | \$ 1,219  | \$ 2,861                           | 19,512             |
|  |   |                                      |                         |   |                                    | <u>35,144</u>      |
| Losses on Asset Dispositions, Net                |   |                                      |                         |   |                                    | (2,643)            |
| Operating Loss                                   |   |                                      |                         |   |                                    | <u>\$ (24,414)</u> |
| <b>As of March 31, 2018</b>                      |   |                                      |                         |   |                                    |                    |
| Property and Equipment:                          |   |                                      |                         |   |                                    |                    |
| Historical cost                                  | \$ 526,986  | \$ 168,317                           | \$ 349,047              | \$ 93,223   | \$ 182,923                         | \$ 1,320,496       |
| Accumulated depreciation                         | (236,120)   | (54,349)                             | (109,601)               | (39,551)  | (140,840)                          | (580,461)          |
|  | <u>\$ 290,866</u>                                 | <u>\$ 113,968</u>                    | <u>\$ 239,446</u>       | <u>\$ 53,672</u>                                      | <u>\$ 42,083</u>                   | <u>\$ 740,035</u>  |

|  | United States<br>(primarily<br>Gulf of<br>Mexico) | Africa<br>(primarily<br>West Africa) | Middle East<br>and Asia | Brazil,<br>Mexico,<br>Central and<br>South<br>America | Europe<br>(primarily<br>North Sea) | Total              |
|--|---|--------------------------------------|-------------------------|---|------------------------------------|--------------------|
| <b>For the three months ended March 31, 2017</b> |   |                                      |                         |   |                                    |                    |
| Operating Revenues:                              |   |                                      |                         |   |                                    |                    |
| Time charter                                     | \$ 2,995  | \$ 5,847                             | \$ 5,823                | \$ —  | \$ 16,065                          | \$ 30,730          |
| Bareboat charter                                 | —   | —                                    | —                       | 1,143   | —                                  | 1,143              |
| Other marine services                            | 826   | 192                                  | 877                     | 75  | 461                                | 2,431              |
|  | <u>3,821</u>                                      | <u>6,039</u>                         | <u>6,700</u>            | <u>1,218</u>  | <u>16,526</u>                      | <u>34,304</u>      |
| Direct Costs and Expenses:                       |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Personnel  | 3,130   | 2,608                                | 3,123                   | 13  | 7,917                              | 16,791             |
| Repairs and maintenance                          | 737   | 544                                  | 576                     | 4   | 1,734                              | 3,595              |
| Drydocking                                       | 573   | 1,057                                | 158                     | —   | 1,279                              | 3,067              |
| Insurance and loss reserves                      | 805   | 182                                  | 346                     | 7   | 219                                | 1,559              |
| Fuel, lubes and supplies                         | 310   | 559                                  | 524                     | —   | 949                                | 2,342              |
| Other  | 72  | 646                                  | 1,465                   | 1   | 250                                | 2,434              |
|  | <u>5,627</u>                                      | <u>5,596</u>                         | <u>6,192</u>            | <u>25</u>   | <u>12,348</u>                      | <u>29,788</u>      |
| <b>Direct Vessel Profit (Loss)</b>               | <u>\$ (1,806)</u>                                 | <u>\$ 443</u>                        | <u>\$ 508</u>           | <u>\$ 1,193</u>                                       | <u>\$ 4,178</u>                    | <u>4,516</u>       |
| Other Costs and Expenses:                        |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Leased-in equipment                              | \$ 2,211  | \$ 970                               | \$ 346                  | \$ —  | \$ 64                              | 3,591              |
| Administrative and general                       |   |                                      |                         |   |                                    | 11,826             |
| Depreciation and amortization                    | \$ 5,600  | \$ 1,590                             | \$ 2,527                | \$ 665  | \$ 2,121                           | 12,503             |
|  |   |                                      |                         |   |                                    | <u>27,920</u>      |
| Gains on Asset Dispositions, Net                 |   |                                      |                         |   |                                    | 4,819              |
| Operating Loss                                   |   |                                      |                         |   |                                    | <u>\$ (18,585)</u> |
| <b>As of March 31, 2017</b>                      |   |                                      |                         |   |                                    |                    |
| Property and Equipment:                          |   |                                      |                         |   |                                    |                    |
| Historical cost                                  | \$ 433,021  | \$ 157,835                           | \$ 274,885              | \$ 57,744   | \$ 165,691                         | \$ 1,089,176       |
| Accumulated depreciation                         | (235,728)   | (62,359)                             | (82,447)                | (35,120)  | (118,868)                          | (534,522)          |
|  | <u>\$ 197,293</u>                                 | <u>\$ 95,476</u>                     | <u>\$ 192,438</u>       | <u>\$ 22,624</u>                                      | <u>\$ 46,823</u>                   | <u>\$ 554,654</u>  |

The Company's investments in 50% or less owned companies, which are accounted for under the equity method, also contribute to its consolidated results of operations. As of March 31, 2018, the Company's investments, at equity, and advances to 50% or less owned companies in MexMar and its other 50% or less owned companies were \$62.5 million and \$47.8 million, respectively. Equity in earnings (losses) of 50% or less owned companies, net of tax for the three months ended March 31 were as follows (in thousands):

|        | 2018          | 2017          |
|--------|---------------|---------------|
| MexMar | \$ 1,432      | \$ 1,367      |
| Other  | (1,224)       | (929)         |
|        | <u>\$ 208</u> | <u>\$ 438</u> |

## 12. SUBSEQUENT EVENT

On April 26, 2018, the Company issued an aggregate of 2,168,586 shares of Common Stock and warrants to purchase 674,164 shares of Common Stock, at an exercise price of \$0.01 per share, in a private placement in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act (the "Private Placement"). The Company received \$20.00 per share and warrant for a total of \$56.9 million in gross proceeds to be used for general corporate purposes.

On May 2, 2018, the Company entered into an amendment and exchange agreement with Carlyle pursuant to which:

Carlyle exchanged \$50 million in aggregate principal amount of the Convertible Senior Notes for warrants to purchase approximately 1.9 million shares of Common Stock, at an exercise price of \$0.01 per share representing an exchange rate of 37.73 shares per \$1,000 in principal amount of the Convertible Senior Notes (equivalent to an exchange price of \$26.50 per share) (the "Exchange") in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act; and

The Company and Carlyle amended the \$125.0 million in principal amount of Convertible Senior Notes that remained outstanding after the Exchange to (i) increase the interest rate from 3.75% per annum to 4.25% per annum and (ii) extend the maturity date of the Convertible Senior Notes by 12 months to December 2023.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements discussed in this Form 10-Q as well as in other reports, materials and oral statements that the Company releases from time to time to the public constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, words such as "anticipate," "estimate," "expect," "project," "intend," "believe," "plan," "target," "forecast" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements concern management's expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters. These statements are not guarantees of future performance and actual events or results may differ significantly from these statements. Actual events or results are subject to significant known and unknown risks, uncertainties and other important factors, including decreased demand and loss of revenues as a result of a decline in the price of oil and resulting decrease in capital spending by oil and gas companies, an oversupply of newly built offshore support vessels, additional safety and certification requirements for drilling activities in the U.S. Gulf of Mexico and delayed approval of applications for such activities, the possibility of U.S. government implemented moratoriums directing operators to cease certain drilling activities in the U.S. Gulf of Mexico and any extension of such moratoriums, weakening demand for the Company's services as a result of unplanned customer suspensions, cancellations, rate reductions or non-renewals of vessel charters or failures to finalize commitments to charter vessels in response to a decline in the price of oil, increased government legislation and regulation of the Company's businesses could increase cost of operations, increased competition if the Jones Act and related regulations are repealed, liability, legal fees and costs in connection with the provision of emergency response services, such as the response to the oil spill as a result of the sinking of the Deepwater Horizon in April 2010, decreased demand for the Company's services as a result of declines in the global economy, declines in valuations in the global financial markets and a lack of liquidity in the credit sectors, including, interest rate fluctuations, availability of credit, inflation rates, change in laws, trade barriers, commodity prices and currency exchange fluctuations, the cyclical nature of the oil and gas industry, activity in foreign countries and changes in foreign political, military and economic conditions, changes to the status of applicable trade treaties including as a result of the U.K.'s impending exit from the European Union, changes in foreign and domestic oil and gas exploration and production activity, safety record requirements, compliance with U.S. and foreign government laws and regulations, including environmental laws and regulations and economic sanctions, the dependence on several key customers, consolidation of the Company's customer base, the ongoing need to replace aging vessels, industry fleet capacity, restrictions imposed by the Jones Act and related regulations on the amount of foreign ownership of the Company's Common Stock, operational risks, effects of adverse weather conditions and seasonality, adequacy of insurance coverage, the ability of the Company to maintain effective internal controls over financial reporting, in accordance with Section 404 of the Sarbanes-Oxley Act, the attraction and retention of qualified personnel by the Company, and various other matters and factors, many of which are beyond the Company's control as well as those discussed in Item 1A (Risk Factors) of the Company's Annual Report on Form 10-K and other reports filed by the Company with the Securities and Exchange Commission ("SEC"). It should be understood that it is not possible to predict or identify all such factors. Consequently, the preceding should not be considered to be a complete discussion of all potential risks or uncertainties and investors and analysts should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based, except as required by law. It is advisable, however, to consult any further disclosures the Company makes on related subjects in its filings with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (if any). These statements constitute the Company's cautionary statements under the Private Securities Litigation Reform Act of 1995.*

### Overview

The Company provides global marine and support transportation services to offshore oil and gas exploration, development and production facilities worldwide. The Company currently operates a diverse fleet of 186 support and specialty vessels, of which 141 are owned or leased-in, 31 are joint ventured, and 14 are managed on behalf of unaffiliated third parties. The primary users of the Company's services are major integrated oil companies, large independent oil and gas exploration and production companies and emerging independent companies.

The Company operates its fleet in five principal geographic regions: the United States, primarily in the Gulf of Mexico; Africa, primarily in West Africa; the Middle East and Asia; Brazil, Mexico, Central and South America; and Europe, primarily in the North Sea. The Company's vessels are highly mobile and regularly and routinely move between countries within a geographic region. In addition, the Company's vessels are redeployed among its geographic regions, subject to flag restrictions, as changes in market conditions dictate. The number and type of vessels operated, their rates per day worked and their utilization levels are the key determinants of the Company's operating results and cash flows. Unless a vessel is cold-stacked, there is little reduction in daily running costs and, consequently, operating margins are most sensitive to changes in rates per day worked and utilization. The Company manages its fleet utilizing a global network of shore side support, administrative and finance personnel.

Offshore oil and gas market conditions deteriorated beginning in 2014 and continued to deteriorate when oil prices hit a thirteen-year low of less than \$27 per barrel (on the New York Mercantile Exchange) in February 2016. As of March 31, 2018, oil prices had increased from the February 2016 lows to a price of approximately \$65 per barrel. While the Company has experienced

what it believes is a beginning of a recovery, it continued to experience difficult market conditions through the first quarter of 2018 as oil producing companies continued to be focused on cost reductions and reductions in capital spending budgets.

Low oil prices and the subsequent decline in offshore exploration have forced many operators in the industry to restructure or liquidate assets. The Company continues to closely monitor the reactivation of existing offshore support vessels as well as the delivery of newly built offshore support vessels to the industry-wide fleet, which is creating situations of oversupply, thereby further lowering the demand for the Company's existing offshore support vessel fleet. A continuation of (i) low customer exploration and drilling activity levels, and (ii) the increasing size of the global offshore support vessel fleet as vessels are reactivated and newly built vessels are placed into service could, in isolation or together, have a material adverse effect on the Company's results of operations, financial position and cash flows.

As shipyards, finance parties and industry operators have been forced to restructure or liquidate assets, the Company has reviewed discreet opportunities to acquire or takeover the management of certain assets. In this industry context, the Company may from time to time deploy capital in connection with transactions that it determines enhance market coverage and/or represent a substantial discount to replacement value.

**Recent Events.** On April 26, 2018, the Company issued an aggregate of 2,168,586 shares of Common Stock and warrants to purchase 674,164 shares of Common Stock at an exercise price of \$0.01 per share to qualified institutional buyers and other accredited investors in the Private Placement in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act. The Company received \$20.00 per share and warrant for a total of \$56.9 million in gross proceeds.

On May 2, 2018, the Company entered into an amendment and exchange agreement with Carlyle pursuant to which:

The Company and Carlyle exchanged \$50 million in aggregate principal amount of the Convertible Senior Notes for warrants to purchase a total of approximately 1.9 million shares of Common Stock in the Exchange in reliance on the exemption from registration set forth in Section 4(a)(2) of the Securities Act; and

The Company and Carlyle amended the \$125 million in principal amount of Convertible Senior Notes that remained outstanding after the Exchange to (i) increase the interest rate from 3.75% per annum to 4.25% per annum and (ii) extend the maturity date of the Convertible Senior Notes by 12 months to December 2023.

**The Spin-off.** SEACOR Marine was previously a subsidiary of SEACOR Holdings. On June 1, 2017, SEACOR Holdings completed a spin-off of SEACOR Marine by way of a pro rata dividend of SEACOR Marine's Common Stock, all of which was then held by SEACOR Holdings, to SEACOR Holdings shareholders of record as of May 22, 2017. SEACOR Marine entered into certain agreements with SEACOR Holdings to govern SEACOR Marine's relationship with SEACOR Holdings following the Spin-off, including a Distribution Agreement, two Transition Services Agreements, an Employee Matters Agreement and a Tax Matters Agreement. Immediately following the Spin-off, SEACOR Marine began to operate as an independent, publicly traded company.

## Consolidated Results of Operations

For the three months ended March 31, the Company's consolidated results of operations were as follows (in thousands, except statistics):

|   | 2018 |                 | 2017         |                |              |
|---|------|-----------------|--------------|----------------|--------------|
| <b>Time Charter Statistics:</b>   |      |                 |              |                |              |
| Average Rates Per Day Worked (excluding wind farm)  | \$   | 9,071           | \$           | 8,272          |              |
| Average Rates Per Day   | \$   | 7,001           | \$           | 5,726          |              |
| Fleet Utilization (excluding wind farm)   |      |                 | 50%          | 38%            |              |
| Fleet Utilization   |      |                 | 53%          | 46%            |              |
| Fleet Available Days (excluding wind farm)  |      | 9,271           |              | 8,437          |              |
| Fleet Available Days  |      | 12,601          |              | 11,768         |              |
| <b>Operating Revenues:</b>  |      |                 |              |                |              |
| Time charter  | \$   | 47,142          | 91%          | \$ 30,730      | 90%          |
| Bareboat charter  |      | 1,143           | 2%           | 1,143          | 3%           |
| Other marine services   |      | 3,436           | 7%           | 2,431          | 7%           |
|   |      | <u>51,721</u>   | <u>100%</u>  | <u>34,304</u>  | <u>100%</u>  |
| <b>Costs and Expenses:</b>  |      |                 |              |                |              |
| <b>Operating:</b>   |      |                 |              |                |              |
| Personnel   |      | 21,676          | 42%          | 16,791         | 49%          |
| Repairs and maintenance   |      | 7,073           | 14%          | 3,595          | 10%          |
| Drydocking  |      | 2,257           | 4%           | 3,067          | 9%           |
| Insurance and loss reserves   |      | 1,190           | 2%           | 1,559          | 5%           |
| Fuel, lubes and supplies  |      | 3,545           | 7%           | 2,342          | 7%           |
| Other   |      | 2,607           | 5%           | 2,434          | 7%           |
| Leased-in equipment   |      | 2,825           | 5%           | 3,591          | 10%          |
|   |      | <u>41,173</u>   | <u>79%</u>   | <u>33,379</u>  | <u>97%</u>   |
| Administrative and general  |      | 12,807          | 25%          | 11,826         | 35%          |
| Depreciation and amortization   |      | 19,512          | 38%          | 12,503         | 36%          |
|   |      | <u>73,492</u>   | <u>142%</u>  | <u>57,708</u>  | <u>168%</u>  |
| (Losses) Gains on Asset Dispositions and Impairments, Net                                     |      | (2,643)         | (5)%         | 4,819          | 14%          |
| Operating Loss  |      | (24,414)        | (47)%        | (18,585)       | (54)%        |
| Other Income (Expense), Net   |      | (17,306)        | (33)%        | 7,126          | 21%          |
| Loss Before Income Tax Benefit and Equity in Earnings (Losses) of 50% or Less Owned Companies |      | (41,720)        | (81)%        | (11,459)       | (33)%        |
| Income Tax Benefit  |      | (9,824)         | (19)%        | (3,422)        | (10)%        |
| Loss Before Equity in Earnings (Losses) of 50% or Less Owned Companies                        |      | (31,896)        | (62)%        | (8,037)        | (23)%        |
| Equity in Earnings (Losses) of 50% or Less Owned Companies                                    |      | 208             | —%           | 438            | 1%           |
| Net Loss  |      | (31,688)        | (62)%        | (7,599)        | (22)%        |
| Net Loss attributable to Noncontrolling Interests in Subsidiaries                             |      | (2,855)         | (6)%         | (204)          | —%           |
| Net Loss attributable to SEACOR Marine Holdings Inc.  | \$   | <u>(28,833)</u> | <u>(56)%</u> | <u>(7,395)</u> | <u>(22)%</u> |

**Direct Vessel Profit.** Direct vessel profit (defined as operating revenues less operating expenses excluding leased-in equipment, "DVP") is the Company's measure of segment profitability when applied to reportable segments and a non-GAAP measure when applied to individual vessels, fleet categories or the combined fleet. DVP is a critical financial measure used by the Company to analyze and compare the operating performance of its individual vessels, fleet categories, regions and combined fleet, without regard to financing decisions (depreciation for owned vessel vs. leased-in expense for leased-in vessels). DVP is also useful when comparing the Company's fleet's performance against those of its competitors who may have differing fleet financing structures.

The following tables summarize the operating results and property and equipment for the Company's reportable segments for the periods indicated (in thousands, except statistics):

|   | United States<br>(primarily Gulf of Mexico) | Africa<br>(primarily West Africa) | Middle East<br>and Asia | Brazil,<br>Mexico,<br>Central and<br>South America | Europe<br>(primarily North Sea) | Total              |
|---|---|-----------------------------------|-------------------------|--|---------------------------------|--------------------|
| <b>For the three months ended March 31, 2018</b>  |   |                                   |                         |  |                                 |                    |
| Time Charter Statistics:                          |   |                                   |                         |  |                                 |                    |
| Average Rates Per Day                             | \$ 8,775                                    | \$ 9,455                          | \$ 8,072                | \$ 15,272  | \$ 5,164                        | \$ 7,001           |
| Fleet Utilization                                 | 17%   | 91%                               | 66%                     | 41%  | 69%                             | 53%                |
| Fleet Available Days                              | 4,050                                       | 1,260                             | 2,132                   | 219  | 4,940                           | 12,601             |
| Operating Revenues:                               |   |                                   |                         |  |                                 |                    |
| Time charter                                      | \$ 5,982                                    | \$ 10,794                         | \$ 11,374               | \$ 1,374   | \$ 17,618                       | \$ 47,142          |
| Bareboat charter                                  | —   | —                                 | —                       | 1,143  | —                               | 1,143              |
| Other   | 1,655                                       | 1,287                             | (130)                   | 110  | 514                             | 3,436              |
|   | <u>7,637</u>                                | <u>12,081</u>                     | <u>11,244</u>           | <u>2,627</u>                                       | <u>18,132</u>                   | <u>51,721</u>      |
| Direct Costs and Expenses:                        |   |                                   |                         |  |                                 |                    |
| Operating:  |   |                                   |                         |  |                                 |                    |
| Personnel   | 3,992                                       | 4,073                             | 4,022                   | 376  | 9,213                           | 21,676             |
| Repairs and maintenance                           | 694   | 1,356                             | 2,428                   | 305  | 2,290                           | 7,073              |
| Drydocking  | 525   | 2                                 | (11)                    | —  | 1,741                           | 2,257              |
| Insurance and loss reserves                       | 434   | 218                               | 236                     | 67   | 235                             | 1,190              |
| Fuel, lubes and supplies                          | 493   | 669                               | 1,034                   | 65   | 1,284                           | 3,545              |
| Other   | 25  | 1,036                             | 1,208                   | 60   | 278                             | 2,607              |
|   | <u>6,163</u>                                | <u>7,354</u>                      | <u>8,917</u>            | <u>873</u>   | <u>15,041</u>                   | <u>38,348</u>      |
| <b>Direct Vessel Profit</b>                       | <u>\$ 1,474</u>                             | <u>\$ 4,727</u>                   | <u>\$ 2,327</u>         | <u>\$ 1,754</u>                                    | <u>\$ 3,091</u>                 | <u>\$ 13,373</u>   |
| Other Costs and Expenses:                         |   |                                   |                         |  |                                 |                    |
| Operating:  |   |                                   |                         |  |                                 |                    |
| Leased-in equipment                               | \$ 1,862                                    | \$ 963                            | \$ —                    | \$ —   | \$ —                            | 2,825              |
| Administrative and general                        |   |                                   |                         |  |                                 | 12,807             |
| Depreciation and amortization                     | \$ 6,535                                    | \$ 2,807                          | \$ 6,090                | \$ 1,219   | \$ 2,861                        | 19,512             |
|   |   |                                   |                         |  |                                 | <u>35,144</u>      |
| Losses on Asset Dispositions and Impairments, Net |   |                                   |                         |  |                                 | (2,643)            |
| Operating Loss                                    |   |                                   |                         |  |                                 | <u>\$ (24,414)</u> |
| <b>As of March 31, 2018</b>                       |   |                                   |                         |  |                                 |                    |
| Property and Equipment:                           |   |                                   |                         |  |                                 |                    |
| Historical cost                                   | \$ 526,986                                  | \$ 168,317                        | \$ 349,047              | \$ 93,223  | \$ 182,923                      | \$ 1,320,496       |
| Accumulated depreciation                          | (236,120)                                   | (54,349)                          | (109,601)               | (39,551)   | (140,840)                       | (580,461)          |
|   | <u>\$ 290,866</u>                           | <u>\$ 113,968</u>                 | <u>\$ 239,446</u>       | <u>\$ 53,672</u>                                   | <u>\$ 42,083</u>                | <u>\$ 740,035</u>  |



|  | United States<br>(primarily<br>Gulf of<br>Mexico) | Africa<br>(primarily<br>West Africa) | Middle East<br>and Asia | Brazil,<br>Mexico,<br>Central and<br>South<br>America | Europe<br>(primarily<br>North Sea) | Total              |
|--|---|--------------------------------------|-------------------------|---|------------------------------------|--------------------|
| <b>For the three months ended March 31, 2017</b> |   |                                      |                         |   |                                    |                    |
| Time Charter Statistics:                         |   |                                      |                         |   |                                    |                    |
| Average Rates Per Day                            | \$ 10,133   | \$ 9,388                             | \$ 7,017                | \$ —  | \$ 4,440                           | \$ 5,726           |
| Fleet Utilization                                | 7%  | 61%                                  | 49%                     | —%  | 73%                                | 46%                |
| Fleet Available Days                             | 3,998   | 1,019                                | 1,710                   | 90  | 4,950                              | 11,767             |
| Operating Revenues:                              |   |                                      |                         |   |                                    |                    |
| Time charter                                     | \$ 2,995  | \$ 5,847                             | \$ 5,823                | \$ —  | \$ 16,065                          | \$ 30,730          |
| Bareboat charter                                 | —   | —                                    | —                       | 1,143   | —                                  | 1,143              |
| Other  | 826   | 192                                  | 877                     | 75  | 461                                | 2,431              |
|  | <u>3,821</u>                                      | <u>6,039</u>                         | <u>6,700</u>            | <u>1,218</u>  | <u>16,526</u>                      | <u>34,304</u>      |
| Direct Costs and Expenses:                       |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Personnel  | 3,130   | 2,608                                | 3,123                   | 13  | 7,917                              | 16,791             |
| Repairs and maintenance                          | 737   | 544                                  | 576                     | 4   | 1,734                              | 3,595              |
| Drydocking                                       | 573   | 1,057                                | 158                     | —   | 1,279                              | 3,067              |
| Insurance and loss reserves                      | 805   | 182                                  | 346                     | 7   | 219                                | 1,559              |
| Fuel, lubes and supplies                         | 310   | 559                                  | 524                     | —   | 949                                | 2,342              |
| Other  | 72  | 646                                  | 1,465                   | 1   | 250                                | 2,434              |
|  | <u>5,627</u>                                      | <u>5,596</u>                         | <u>6,192</u>            | <u>25</u>   | <u>12,348</u>                      | <u>29,788</u>      |
| <b>Direct Vessel Profit (Loss)</b>               | <u>\$ (1,806)</u>                                 | <u>\$ 443</u>                        | <u>\$ 508</u>           | <u>\$ 1,193</u>                                       | <u>\$ 4,178</u>                    | <u>\$ 4,516</u>    |
| Other Costs and Expenses:                        |   |                                      |                         |   |                                    |                    |
| Operating:                                       |   |                                      |                         |   |                                    |                    |
| Leased-in equipment                              | \$ 2,211  | \$ 970                               | \$ 346                  | \$ —  | \$ 64                              | 3,591              |
| Administrative and general                       |   |                                      |                         |   |                                    | 11,826             |
| Depreciation and amortization                    | \$ 5,600  | \$ 1,590                             | \$ 2,527                | \$ 665  | \$ 2,121                           | 12,503             |
|  |   |                                      |                         |   |                                    | <u>27,920</u>      |
| Gains on Asset Dispositions and Impairments, Net |   |                                      |                         |   |                                    | 4,819              |
| Operating Loss                                   |   |                                      |                         |   |                                    | <u>\$ (18,585)</u> |
| <b>As of March 31, 2017</b>                      |   |                                      |                         |   |                                    |                    |
| Property and Equipment:                          |   |                                      |                         |   |                                    |                    |
| Historical cost                                  | \$ 433,021  | \$ 157,835                           | \$ 274,885              | \$ 57,744   | \$ 165,691                         | \$ 1,089,176       |
|  | (235,728)   | (62,359)                             | (82,447)                | (35,120)  | (118,868)                          | (534,522)          |
| Accumulated depreciation                         | <u>\$ 197,293</u>                                 | <u>\$ 95,476</u>                     | <u>\$ 192,438</u>       | <u>\$ 22,624</u>                                      | <u>\$ 46,823</u>                   | <u>\$ 554,654</u>  |

For additional information, the following tables summarize the world-wide operating results and property and equipment for each of the Company's vessel classes for the periods indicated (in thousands, except statistics):

|   | <u>Anchor<br/>handling<br/>towing<br/>supply</u> | <u>Fast<br/>support</u> | <u>Supply</u>    | <u>Standby<br/>safety</u> | <u>Specialty</u> | <u>Liftboats</u>  | <u>Wind<br/>farm<br/>utility</u> | <u>Other<br/>activity</u> | <u>Total</u>       |
|---|--|-------------------------|------------------|---------------------------|------------------|-------------------|----------------------------------|---------------------------|--------------------|
| <b>For the three months ended March 31, 2018</b>  |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Time Charter Statistics:                          |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Average Rates Per Day                             | \$ 10,322  | \$ 7,746                | \$ 6,454         | \$ 9,058                  | \$ —             | \$ 16,068         | \$ 2,305                         | \$ —                      | \$ 7,001           |
| Fleet Utilization                                 | 21%  | 53%                     | 73%              | 78%                       | —%               | 30%               | 62%                              | —%                        | 53%                |
| Fleet Available Days                              | 1,260  | 3,780                   | 633              | 1,849                     | 90               | 1,659             | 3,330                            |                           | 12,601             |
| Operating Revenues:                               |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Time charter                                      | \$ 2,787   | \$ 15,427               | \$ 3,002         | \$ 13,051                 | \$ —             | \$ 8,126          | \$ 4,749                         | \$ —                      | \$ 47,142          |
| Bareboat charter                                  | —  | —                       | 1,143            | —                         | —                | —                 | —                                | —                         | 1,143              |
| Other   | 1,438  | (656)                   | (18)             | 40                        | —                | 756               | 429                              | 1,447                     | 3,436              |
|   | <u>4,225</u>                                     | <u>14,771</u>           | <u>4,127</u>     | <u>13,091</u>             | <u>—</u>         | <u>8,882</u>      | <u>5,178</u>                     | <u>1,447</u>              | <u>51,721</u>      |
| Direct Costs and Expenses:                        |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Operating:  |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Personnel   | 1,397  | 4,756                   | 1,956            | 6,938                     | 164              | 3,461             | 2,222                            | 782                       | 21,676             |
| Repairs and maintenance                           | 394  | 2,544                   | 445              | 1,554                     | 37               | 1,134             | 825                              | 140                       | 7,073              |
| Drydocking  | 480  | (9)                     | —                | 1,741                     | (6)              | 51                | —                                | —                         | 2,257              |
| Insurance and loss reserves                       | 91   | 324                     | 102              | 138                       | 10               | 651               | 103                              | (229)                     | 1,190              |
| Fuel, lubes and supplies                          | 153  | 795                     | 694              | 991                       | 83               | 668               | 144                              | 17                        | 3,545              |
| Other   | 452  | 1,460                   | 719              | 161                       | 104              | 417               | 96                               | (802)                     | 2,607              |
|   | <u>2,967</u>                                     | <u>9,870</u>            | <u>3,916</u>     | <u>11,523</u>             | <u>392</u>       | <u>6,382</u>      | <u>3,390</u>                     | <u>(92)</u>               | <u>38,348</u>      |
| <b>Direct Vessel Profit (Loss) <sup>(1)</sup></b> | <u>\$ 1,258</u>                                  | <u>\$ 4,901</u>         | <u>\$ 211</u>    | <u>\$ 1,568</u>           | <u>\$ (392)</u>  | <u>\$ 2,500</u>   | <u>\$ 1,788</u>                  | <u>\$ 1,539</u>           | <u>13,373</u>      |
| Other Costs and Expenses:                         |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Operating:  |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Leased-in equipment                               | \$ 1,858   | \$ 342                  | \$ —             | \$ —                      | \$ —             | \$ 638            | \$ —                             | \$ (13)                   | 2,825              |
| Administrative and general                        |  |                         |                  |                           |                  |                   |                                  |                           | 12,807             |
| Depreciation and amortization                     | \$ 1,490   | \$ 6,585                | \$ 2,743         | \$ 694                    | \$ 282           | \$ 5,025          | \$ 2,428                         | \$ 265                    | 19,512             |
|   |  |                         |                  |                           |                  |                   |                                  |                           | <u>35,144</u>      |
| Losses on Asset Dispositions and Impairments, Net |  |                         |                  |                           |                  |                   |                                  |                           |                    |
|   |  |                         |                  |                           |                  |                   |                                  |                           | (2,643)            |
| Operating Loss                                    |  |                         |                  |                           |                  |                   |                                  |                           |                    |
|   |  |                         |                  |                           |                  |                   |                                  |                           | <u>\$ (24,414)</u> |
| <b>As of March 31, 2018</b>                       |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Property and Equipment:                           |  |                         |                  |                           |                  |                   |                                  |                           |                    |
| Historical cost                                   | \$ 201,354                                       | \$ 421,174              | \$ 105,360       | \$ 123,471                | \$ 30,528        | \$ 337,142        | \$ 69,950                        | \$ 31,517                 | \$ 1,320,496       |
| Accumulated depreciation                          | (180,906)  | (92,519)                | (54,236)         | (102,444)                 | (19,586)         | (59,567)          | (44,235)                         | (26,968)                  | (580,461)          |
|   | <u>\$ 20,448</u>                                 | <u>\$ 328,655</u>       | <u>\$ 51,124</u> | <u>\$ 21,027</u>          | <u>\$ 10,942</u> | <u>\$ 277,575</u> | <u>\$ 25,715</u>                 | <u>\$ 4,549</u>           | <u>\$ 740,035</u>  |

(1) Direct vessel profit by vessel class is a non-GAAP financial measure. It should be noted that DVP by vessel class has material limitations as an analytical tool in that it does not reflect all of the costs associated with the operation of the Company's fleet, and it should not be considered in isolation or used as a substitute for the Company's results as reported under GAAP. A reconciliation of DVP by vessel class to operating loss, its most comparable GAAP measure, is included in the table above.

|   | Anchor<br>handling<br>towing<br>supply | Fast<br>support | Supply       | Standby<br>safety | Specialty       | Liftboats         | Wind<br>farm<br>utility | Other<br>activity | Total              |
|---|--|-----------------|--------------|-------------------|-----------------|-------------------|-------------------------|-------------------|--------------------|
| <b>For the three months ended March 31, 2017</b>  |  |                 |              |                   |                 |                   |                         |                   |                    |
| Time Charter Statistics:                          |  |                 |              |                   |                 |                   |                         |                   |                    |
| Average Rates Per Day                             | \$ 13,341                              | \$ 7,417        | \$ 11,707    | \$ 8,131          | \$ —            | \$ 9,782          | \$ 2,005                | \$ —              | \$ 5,726           |
| Fleet Utilization                                 | 15%                                    | 44%             | 20%          | 80%               | —%              | 10%               | 65%                     | —%                | 46%                |
| Fleet Available Days                              | 1,260                                  | 3,212           | 630          | 1,800             | 270             | 1,265             | 3,330                   | —                 | 11,767             |
| Operating Revenues:                               |  |                 |              |                   |                 |                   |                         |                   |                    |
| Time charter                                      | \$ 2,570                               | \$ 10,542       | \$ 1,457     | \$ 11,695         | \$ —            | \$ 95             | \$ 4,371                | \$ —              | \$ 30,730          |
| Bareboat charter                                  | —                                      | —               | 1,143        | —                 | —               | —                 | —                       | —                 | 1,143              |
| Other   | (163)                                  | 853             | (66)         | 33                | —               | 41                | 362                     | 1,371             | 2,431              |
|   | <u>2,407</u>                           | <u>11,395</u>   | <u>2,534</u> | <u>11,728</u>     | <u>—</u>        | <u>136</u>        | <u>4,733</u>            | <u>1,371</u>      | <u>34,304</u>      |
| Direct Costs and Expenses:                        |  |                 |              |                   |                 |                   |                         |                   |                    |
| Operating:  |  |                 |              |                   |                 |                   |                         |                   |                    |
| Personnel   | 2,494                                  | 4,010           | 1,055        | 6,334             | 265             | 1,006             | 1,642                   | (15)              | 16,791             |
| Repairs and maintenance                           | 497                                    | 709             | 200          | 1,208             | 40              | 405               | 536                     | —                 | 3,595              |
| Drydocking  | 348                                    | 1,010           | —            | 1,280             | —               | 429               | —                       | —                 | 3,067              |
| Insurance and loss reserves                       | 357                                    | 462             | 74           | 136               | 61              | 375               | 89                      | 5                 | 1,559              |
| Fuel, lubes and supplies                          | 416                                    | 612             | 171          | 825               | 70              | 122               | 126                     | —                 | 2,342              |
| Other   | (284)                                  | 1,324           | 954          | 197               | 149             | 14                | 88                      | (8)               | 2,434              |
|   | <u>3,828</u>                           | <u>8,127</u>    | <u>2,454</u> | <u>9,980</u>      | <u>585</u>      | <u>2,351</u>      | <u>2,481</u>            | <u>(18)</u>       | <u>29,788</u>      |
| <b>Direct Vessel Profit (Loss) <sup>(1)</sup></b> | <u>\$ (1,421)</u>                      | <u>\$ 3,268</u> | <u>\$ 80</u> | <u>\$ 1,748</u>   | <u>\$ (585)</u> | <u>\$ (2,215)</u> | <u>\$ 2,252</u>         | <u>\$ 1,389</u>   | <u>4,516</u>       |
| Other Costs and Expenses:                         |  |                 |              |                   |                 |                   |                         |                   |                    |
| Operating:  |  |                 |              |                   |                 |                   |                         |                   |                    |
| Leased-in equipment                               | \$ 1,873                               | \$ 690          | \$ 332       | \$ —              | \$ —            | \$ 632            | \$ 64                   | \$ —              | 3,591              |
| Administrative and general                        |  |                 |              |                   |                 |                   |                         |                   | 11,826             |
| Depreciation and amortization                     | \$ 2,419                               | \$ 3,418        | \$ 1,295     | \$ 559            | \$ 581          | \$ 1,923          | \$ 1,829                | \$ 479            | 12,503             |
|   |  |                 |              |                   |                 |                   |                         |                   | <u>27,920</u>      |
| Losses on Asset Dispositions and Impairments, Net |  |                 |              |                   |                 |                   |                         |                   |                    |
|   |  |                 |              |                   |                 |                   |                         |                   | 4,819              |
| Operating Loss                                    |  |                 |              |                   |                 |                   |                         |                   |                    |
|   |  |                 |              |                   |                 |                   |                         |                   | <u>\$ (18,585)</u> |

#### As of March 31, 2017

|                          |                  |                   |                  |                  |                  |                   |                  |                  |                   |
|--------------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Property and Equipment:  |                  |                   |                  |                  |                  |                   |                  |                  |                   |
| Historical cost          | \$ 224,526       | \$ 310,152        | \$ 99,877        | \$ 112,005       | \$ 38,500        | \$ 195,108        | \$ 61,582        | \$ 47,426        | \$ 1,089,176      |
| Accumulated depreciation | (180,928)        | (76,938)          | (60,476)         | (90,779)         | (17,862)         | (44,895)          | (31,249)         | (31,395)         | (534,522)         |
|                          | <u>\$ 43,598</u> | <u>\$ 233,214</u> | <u>\$ 39,401</u> | <u>\$ 21,226</u> | <u>\$ 20,638</u> | <u>\$ 150,213</u> | <u>\$ 30,333</u> | <u>\$ 16,031</u> | <u>\$ 554,654</u> |

(1) Direct vessel profit by vessel class is a non-GAAP financial measure. It should be noted that DVP by vessel class has material limitations as an analytical tool in that it does not reflect all of the costs associated with the operation of the Company's fleet, and it should not be considered in isolation or used as a substitute for the Company's results as reported under GAAP. A reconciliation of DVP by vessel class to operating loss, its most comparable GAAP measure, is included in the table above.

**Fleet Counts.** The Company's fleet count as of March 31 was as follows:

|                               | Owned      | Joint Ventured | Leased-in | Managed   | Total      |
|-------------------------------|------------|----------------|-----------|-----------|------------|
| <b>2018</b>                   |            |                |           |           |            |
| Anchor handling towing supply | 7          | 1              | 4         | 7         | 19         |
| Fast support                  | 41         | 5              | 1         | 3         | 50         |
| Supply                        | 8          | 19             | —         | 2         | 29         |
| Standby safety                | 21         | 1              | —         | —         | 22         |
| Specialty                     | 1          | 1              | —         | 2         | 4          |
| Liftboats                     | 19         | —              | 2         | —         | 21         |
| Wind farm utility             | 37         | 4              | —         | —         | 41         |
|                               | <u>134</u> | <u>31</u>      | <u>7</u>  | <u>14</u> | <u>186</u> |
| <b>2017</b>                   |            |                |           |           |            |
| Anchor handling towing supply | 11         | 1              | 4         | 9         | 25         |
| Fast support                  | 36         | 11             | 1         | 3         | 51         |
| Supply                        | 8          | 17             | 1         | 2         | 28         |
| Standby safety                | 20         | 1              | —         | —         | 21         |
| Specialty                     | 3          | 1              | —         | 2         | 6          |
| Liftboats                     | 13         | —              | 2         | —         | 15         |
| Wind farm utility             | 37         | 3              | —         | —         | 40         |
|                               | <u>128</u> | <u>34</u>      | <u>8</u>  | <u>16</u> | <u>186</u> |

## Operating Income (Loss)

**United States, primarily Gulf of Mexico.** For the three months ended March 31, the Company's direct vessel profit (loss) in the United States was as follows (in thousands, except statistics):

|                                 | For the three months ended March 31, |        |      |                  |
|---------------------------------|--------------------------------------|--------|------|------------------|
|                                 | 2018                                 |        | 2017 |                  |
| <b>Time Charter Statistics:</b> |                                      |        |      |                  |
| Rates Per Day Worked:           |                                      |        |      |                  |
| Anchor handling towing supply   | \$                                   | —      | \$   | 35,717           |
| Fast support                    |                                      | 7,187  |      | 8,650            |
| Supply                          |                                      | —      |      | —                |
| Liftboats                       |                                      | 10,552 |      | 9,782            |
| Overall                         |                                      | 8,775  |      | 10,133           |
| Utilization:                    |                                      |        |      |                  |
| Anchor handling towing supply   |                                      |        | —%   | 2%               |
| Fast support                    |                                      |        | 23%  | 16%              |
| Supply                          |                                      |        | —%   | —%               |
| Liftboats                       |                                      |        | 23%  | 1%               |
| Overall                         |                                      |        | 17%  | 7%               |
| Available Days:                 |                                      |        |      |                  |
| Anchor handling towing supply   |                                      | 900    |      | 900              |
| Fast support                    |                                      | 1,581  |      | 1,653            |
| Supply                          |                                      | 90     |      | 90               |
| Specialty                       |                                      | 90     |      | 90               |
| Liftboats                       |                                      | 1,389  |      | 1,265            |
| Overall                         |                                      | 4,050  |      | 3,998            |
| Operating revenues:             |                                      |        |      |                  |
| Time charter                    | \$                                   | 5,982  | 78%  | \$ 2,995 78%     |
| Other marine services           |                                      | 1,655  | 22%  | 826 22%          |
|                                 |                                      | 7,637  | 100% | 3,821 100%       |
| Direct operating expenses:      |                                      |        |      |                  |
| Personnel                       |                                      | 3,992  | 52%  | 3,130 82%        |
| Repairs and maintenance         |                                      | 694    | 9%   | 737 19%          |
| Drydocking                      |                                      | 525    | 7%   | 573 15%          |
| Insurance and loss reserves     |                                      | 434    | 6%   | 805 21%          |
| Fuel, lubes and supplies        |                                      | 493    | 6%   | 310 8%           |
| Other                           |                                      | 25     | —%   | 72 2%            |
|                                 |                                      | 6,163  | 81%  | 5,627 147%       |
| Direct Vessel Profit (Loss)     | \$                                   | 1,474  | 19%  | \$ (1,806) (47)% |

### Current Year Quarter compared with Prior Year Quarter

**Operating Revenues.** Time charter revenues were \$3.0 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the addition of six liftboats associated with the FGH joint venture. Time charter revenues were \$3.3 million higher for the liftboat fleet, \$0.3 million higher for the fast support vessels and \$0.6 million lower for the anchor handling towing supply vessels. As of March 31, 2018, the Company had 33 of 43 owned and leased-in vessels (six anchor handling towing supply vessels, 13 fast support vessels, 12 liftboats, one supply vessel and one specialty vessel) cold-stacked compared with 35 of 44 vessels as of March 31, 2017. As of March 31, 2018, the Company had retired and removed from service five vessels (four anchor handling towing supply vessels and one supply vessel) in this region.

**Direct Operating Expenses.** Direct operating expenses were \$0.5 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, direct operating expenses were \$1.6 million higher due to net fleet acquisitions, primarily associated with the FGH joint venture, \$0.9 million lower due to the effect of cold-stacking vessels, and \$0.2 million lower for the active fleet and other marine services.

**Africa, primarily West Africa.** For the quarters ended March 31, the Company's direct vessel profit in Africa was as follows (in thousands, except statistics):

|                                   | For the three months ended March 31, |        |      |          |      |
|-----------------------------------|--------------------------------------|--------|------|----------|------|
|                                   | 2018                                 |        | 2017 |          |      |
| <b>Time Charter Statistics:</b>   |                                      |        |      |          |      |
| <b>Rates Per Day Worked:</b>      |                                      |        |      |          |      |
| Anchor handling towing supply     | \$                                   | 11,669 | \$   | 14,314   |      |
| Fast support                      |                                      | 9,913  |      | 7,499    |      |
| Supply                            |                                      | 7,382  |      | 14,000   |      |
| Specialty                         |                                      | —      |      | —        |      |
| Overall                           |                                      | 9,455  |      | 9,388    |      |
| <b>Utilization:</b>               |                                      |        |      |          |      |
| Anchor handling towing supply     |                                      | 100%   |      | 32%      |      |
| Fast support                      |                                      | 88%    |      | 78%      |      |
| Supply                            |                                      | 92%    |      | 100%     |      |
| Specialty                         |                                      | —%     |      | —%       |      |
| Overall                           |                                      | 91%    |      | 61%      |      |
| <b>Available Days:</b>            |                                      |        |      |          |      |
| Anchor handling towing supply     |                                      | 180    |      | 270      |      |
| Fast support                      |                                      | 720    |      | 569      |      |
| Supply                            |                                      | 360    |      | 90       |      |
| Specialty                         |                                      | —      |      | 90       |      |
| Overall                           |                                      | 1,260  |      | 1,019    |      |
| <b>Operating revenues:</b>        |                                      |        |      |          |      |
| Time charter                      | \$                                   | 10,794 | 89%  | \$ 5,847 | 97%  |
| Other marine services             |                                      | 1,287  | 11%  | 192      | 3%   |
|                                   |                                      | 12,081 | 100% | 6,039    | 100% |
| <b>Direct operating expenses:</b> |                                      |        |      |          |      |
| Personnel                         |                                      | 4,073  | 34%  | 2,608    | 43%  |
| Repairs and maintenance           |                                      | 1,356  | 11%  | 544      | 9%   |
| Drydocking                        |                                      | 2      | —%   | 1,057    | 18%  |
| Insurance and loss reserves       |                                      | 218    | 2%   | 182      | 3%   |
| Fuel, lubes and supplies          |                                      | 669    | 5%   | 559      | 9%   |
| Other                             |                                      | 1,036  | 9%   | 646      | 11%  |
|                                   |                                      | 7,354  | 61%  | 5,596    | 93%  |
| Direct Vessel Profit              | \$                                   | 4,727  | 39%  | \$ 443   | 7%   |

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** Time charter revenues were \$4.9 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to net fleet additions. Time charter revenues were \$6.1 million higher due to net fleet additions, \$1.0 million higher due to improved utilization of which \$0.8 million was due to the reactivation of vessels from cold-stacked, \$2.1 million lower due to the repositioning of vessels between geographic regions and \$0.1 million lower due to a reduction in average day rates. Other marine services were \$1.1 million higher primarily due to the recognition of previously deferred revenue, following receipt of cash, due to collection concerns with regard to one customer. As of March 31, 2018, the Company had no owned or leased-in vessels cold-stacked in this region compared with one of 13 vessels as of March 31, 2017. As of March 31, 2018, the Company had one specialty vessel retired and removed from service in this region.

**Direct Operating Expenses.** Direct operating expenses were \$1.8 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, operating costs were \$3.5 million higher due to net fleet additions, \$1.2 million lower for the active fleet and other changes in fleet mix and \$0.5 million lower due to the repositioning of vessels between geographic regions. Personnel costs were \$1.5 million higher primarily due to net fleet additions, and drydocking expenses were \$1.1 million lower due to reduced drydocking activity.

**Middle East and Asia.** For the quarters ended March 31, the Company's direct vessel profit in the Middle East and Asia was as follows (in thousands, except statistics):

|                                   | For the three months ended March 31, |        |      |          |      |
|-----------------------------------|--------------------------------------|--------|------|----------|------|
|                                   | 2018                                 |        | 2017 |          |      |
| <b>Time Charter Statistics:</b>   |                                      |        |      |          |      |
| <b>Rates Per Day Worked:</b>      |                                      |        |      |          |      |
| Anchor handling towing supply     | \$                                   | 7,629  | \$   | 8,477    |      |
| Fast support                      |                                      | 6,584  |      | 6,893    |      |
| Supply                            |                                      | 4,147  |      | 5,725    |      |
| Specialty                         |                                      | —      |      | —        |      |
| Liftboats                         |                                      | 35,700 |      | —        |      |
| Wind farm utility                 |                                      | 2,025  |      | —        |      |
| Overall                           |                                      | 8,072  |      | 7,017    |      |
| <b>Utilization:</b>               |                                      |        |      |          |      |
| Anchor handling towing supply     |                                      | 50%    |      | 100%     |      |
| Fast support                      |                                      | 74%    |      | 78%      |      |
| Supply                            |                                      | 73%    |      | 8%       |      |
| Specialty                         |                                      | —%     |      | —%       |      |
| Liftboats                         |                                      | 52%    |      | —%       |      |
| Wind farm utility                 |                                      | 38%    |      | —%       |      |
| Overall                           |                                      | 66%    |      | 49%      |      |
| <b>Available Days:</b>            |                                      |        |      |          |      |
| Anchor handling towing supply     |                                      | 180    |      | 90       |      |
| Fast support                      |                                      | 1,350  |      | 900      |      |
| Supply                            |                                      | 183    |      | 450      |      |
| Specialty                         |                                      | —      |      | 90       |      |
| Liftboats                         |                                      | 180    |      | —        |      |
| Wind farm utility                 |                                      | 239    |      | 180      |      |
| Overall                           |                                      | 2,132  |      | 1,710    |      |
| <b>Operating revenues:</b>        |                                      |        |      |          |      |
| Time charter                      | \$                                   | 11,374 | 101% | \$ 5,823 | 87%  |
| Other marine services             |                                      | (130)  | (1%) | 877      | 13%  |
|                                   |                                      | 11,244 | 100% | 6,700    | 100% |
| <b>Direct operating expenses:</b> |                                      |        |      |          |      |
| Personnel                         |                                      | 4,022  | 36%  | 3,123    | 46%  |
| Repairs and maintenance           |                                      | 2,428  | 21%  | 576      | 9%   |
| Drydocking                        |                                      | (11)   | —%   | 158      | 2%   |
| Insurance and loss reserves       |                                      | 236    | 2%   | 346      | 5%   |
| Fuel, lubes and supplies          |                                      | 1,034  | 9%   | 524      | 8%   |
| Other                             |                                      | 1,208  | 11%  | 1,465    | 22%  |
|                                   |                                      | 8,917  | 79%  | 6,192    | 92%  |
| Direct Vessel Profit              | \$                                   | 2,327  | 21%  | \$ 508   | 8%   |

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** Time charter revenues were \$5.6 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to net fleet additions. Time charter revenues were \$4.9 million higher due to net fleet additions, \$0.8 million higher due to improved utilization of which \$0.7 million was due to reactivation of vessels from cold-stack, \$0.2 million higher due to the repositioning of vessels between geographic regions, and \$0.3 million lower due to a reduction in average day rates. Other marine services were \$1.0 million lower due to the completion of a bareboat charter. As of March 31, 2018, the Company had one of 23 owned and leased-in vessels cold-stacked in this region (one anchor handling towing supply vessel) compared with two of 21 vessels as of March 31, 2017. As of March 31, 2018, the Company had one specialty vessel and two towing-supply vessels retired and removed from service in this region.

**Direct Operating Expenses.** Direct operating expenses were \$2.7 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, direct operating expenses were \$3.0 million higher due to net fleet additions, \$0.4 million higher due to the repositioning of vessels between geographic regions, \$0.4 million lower due to the effect of cold-stacking vessels and \$0.3 million lower for vessels in active service and other changes in fleet mix. Repair and maintenance expenses were \$1.8 million higher primarily due to the effect of net fleet additions.

**Brazil, Mexico, Central and South America.** For the quarters ended March 31, the Company's direct vessel profit in Brazil, Mexico, Central and South America was as follows (in thousands, except statistics):

|                                   | <b>For the three months ended March 31,</b> |        |             |              |
|-----------------------------------|---|--------|-------------|--------------|
|                                   | <b>2018</b>                                 |        | <b>2017</b> |              |
| <b>Time Charter Statistics:</b>   |   |        |             |              |
| <b>Rates Per Day Worked:</b>      |   |        |             |              |
| Anchor handling towing supply     | \$  | —      | \$          | —            |
| Fast support                      |   | —      |             | —            |
| Supply                            |   | —      |             | —            |
| Liftboats                         |   | 15,272 |             | —            |
| Overall                           |   | 15,272 |             | —            |
| <b>Utilization:</b>               |   |        |             |              |
| Anchor handling towing supply     |   |        | —%          | —%           |
| Fast support                      |   |        | —%          | —%           |
| Supply                            |   |        | —%          | —%           |
| Liftboats                         |   | 100%   |             | —%           |
| Overall                           |   | 41%    |             | —%           |
| <b>Available Days:</b>            |   |        |             |              |
| Anchor handling towing supply     |   | —      |             | —            |
| Fast support                      |   | 129    |             | 90           |
| Supply                            |   | —      |             | —            |
| Liftboats                         |   | 90     |             | —            |
| Overall                           |   | 219    |             | 90           |
| <b>Operating revenues:</b>        |   |        |             |              |
| Time charter                      | \$  | 1,374  | 52%         | \$ — —%      |
| Bareboat charter                  |   | 1,143  | 44%         | 1,143 94%    |
| Other marine services             |   | 110    | 4%          | 75 6%        |
|                                   |   | 2,627  | 100%        | 1,218 100%   |
| <b>Direct operating expenses:</b> |   |        |             |              |
| Personnel                         |   | 376    | 14%         | 13 1%        |
| Repairs and maintenance           |   | 305    | 12%         | 4 —%         |
| Drydocking                        |   | —      | —%          | — —%         |
| Insurance and loss reserves       |   | 67     | 3%          | 7 1%         |
| Fuel, lubes and supplies          |   | 65     | 2%          | — —%         |
| Other                             |   | 60     | 2%          | 1 —%         |
|                                   |   | 873    | 33%         | 25 2%        |
| Direct Vessel Profit              | \$  | 1,754  | 67%         | \$ 1,193 98% |

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** Time charter revenues were \$1.4 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the repositioning of one vessel between geographic regions. As of March 31, 2018, the Company had one of five owned and leased-in vessels cold-stacked in this region (one fast support vessel) compared with one of three vessels as of March 31, 2017.

**Direct Operating Expenses.** Direct operating expenses were \$0.8 million higher in the Current Year Quarter compared with the Prior Year Quarter, of which \$0.3 million was due to fleet additions and \$0.5 million was due to the repositioning of one vessel between geographic regions.

**Europe, primarily North Sea.** For the quarters ended March 31, the Company's direct vessel profit in Europe was as follows (in thousands, except statistics):

|                                   | For the three months ended March 31, |        |      |               |
|-----------------------------------|--------------------------------------|--------|------|---------------|
|                                   | 2018                                 |        | 2017 |               |
| <b>Time Charter Statistics:</b>   |                                      |        |      |               |
| <b>Rates Per Day Worked:</b>      |                                      |        |      |               |
| Standby safety                    | \$                                   | 9,058  | \$   | 8,131         |
| Wind farm utility                 |                                      | 2,317  |      | 2,005         |
| Overall                           |                                      | 5,164  |      | 4,440         |
| <b>Utilization:</b>               |                                      |        |      |               |
| Standby safety                    |                                      |        | 78%  | 80%           |
| Wind farm utility                 |                                      |        | 64%  | 69%           |
| Overall                           |                                      |        | 69%  | 73%           |
| <b>Available Days:</b>            |                                      |        |      |               |
| Standby safety                    |                                      | 1,849  |      | 1,800         |
| Wind farm utility                 |                                      | 3,091  |      | 3,150         |
| Overall                           |                                      | 4,940  |      | 4,950         |
| <b>Operating revenues:</b>        |                                      |        |      |               |
| Time charter                      | \$                                   | 17,618 | 97%  | \$ 16,065 97% |
| Other marine services             |                                      | 514    | 3%   | 461 3%        |
|                                   |                                      | 18,132 | 100% | 16,526 100%   |
| <b>Direct operating expenses:</b> |                                      |        |      |               |
| Personnel                         |                                      | 9,213  | 51%  | 7,917 48%     |
| Repairs and maintenance           |                                      | 2,290  | 13%  | 1,734 10%     |
| Drydocking                        |                                      | 1,741  | 10%  | 1,279 8%      |
| Insurance and loss reserves       |                                      | 235    | 1%   | 219 1%        |
| Fuel, lubes and supplies          |                                      | 1,284  | 7%   | 949 6%        |
| Other                             |                                      | 278    | 1%   | 250 2%        |
|                                   |                                      | 15,041 | 83%  | 12,348 75%    |
| Direct Vessel Profit              | \$                                   | 3,091  | 17%  | \$ 4,178 25%  |

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** For standby safety vessels, time charter revenues were \$1.4 million higher in the Current Year Quarter compared with the Prior Year Quarter. Time charter revenues were \$0.3 million higher due to improved utilization, \$0.2 million lower due to reduced average day rates, \$1.4 million higher due to favorable changes in currency exchange rates and \$0.2 million lower due to fleet dispositions.

For wind farm utility vessels, time charter revenues were \$0.2 million higher. Time charter revenues were \$0.5 million higher due to favorable changes in currency exchange rates, \$0.2 million lower due to repositioning of vessels between geographic regions and \$0.1 million lower due to reduced utilization.

**Direct Operating Expenses.** Direct operating expenses were \$2.7 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis vessel operating expenses were \$0.5 million higher due to repositioning of vessels between geographic regions, \$2.6 million higher for vessels in active service, primarily due to unfavorable changes in currency exchange rates, and \$0.4 million lower due to fleet dispositions. Personnel costs were \$1.3 million higher primarily due to unfavorable changes in currency exchange rates.

**Leased-in Equipment.** Leased-in equipment expenses were \$0.8 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to the impairment and removal from service of a bareboat vessel in July 2017.

**Administrative and general.** Administrative and general expenses were \$1.0 million higher in the Current Year Quarter compared with the Prior Year Quarter, primarily due to higher legal and professional fees, and Current Year Quarter expense in connection with support services provided by SEACOR Holdings. These increases were partially offset by lower allowances for doubtful accounts.

**Depreciation and amortization.** Depreciation and amortization expense was \$7.0 million higher in the Current Year Quarter compared with the Prior Year Quarter, primarily due to fleet additions.

**Losses on Asset Dispositions and Impairments, Net.** During the Current Year Quarter, the Company recorded impairment charges of \$2.9 million primarily related to the Company's anchor handling towing supply vessels. In addition, the Company sold one fast support vessel and other equipment for net proceeds of \$0.4 million and gains of \$0.2 million, all of which was recognized currently.



## Other Income (Expense), Net

For the quarters ended March 31, the Company's other income (expense) was as follows (in thousands):

|   | 2018               | 2017            |
|---|--------------------|-----------------|
| Other Income (Expense):                 |                    |                 |
| Interest income                         | \$ 216             | \$ 850          |
| Interest expense                        | (6,133)            | (3,182)         |
| SEACOR Holdings management fees         | —                  | (1,925)         |
| SEACOR Holdings guarantee fees          | (12)               | (76)            |
| Marketable security gains (losses), net | —                  | 11,738          |
| Derivative gains (losses), net          | (11,516)           | (89)            |
| Foreign currency (gains) losses, net    | 139                | (189)           |
| Other, net                              | —                  | (1)             |
|   | <u>\$ (17,306)</u> | <u>\$ 7,126</u> |

**Interest income.** Interest income in the Current Year Quarter was lower compared with the Prior Year Quarter primarily due to lower interest from marketable security positions.

**Interest expense.** Interest expense in the Current Year Quarter compared with the Prior Year Quarter was higher primarily due to additional interest incurred on the debt facilities of Falcon Global International, Sea-Cat Crewzer, Sea-Cat Crewzer II, Sea-Cat Crewzer III and FGUSA.

**SEACOR Holdings management fees.** Following the Spin-off, SEACOR Holdings no longer charges management fees to the Company. However, Transition Service Agreement fees for various support services for a period of up to two years following the Spin-off are included in administrative and general expenses.

**Marketable security gains, net.** Marketable security gains of \$11.7 million in the Prior Year Quarter were primarily due to a long security position exited by the Company during the Prior Year Quarter.

**Derivative gains (losses), net.** Net derivative losses during the Current Year Quarter were primarily due to increases in the fair value of the Company's conversion option liability on its Convertible Senior Notes. The increase in the conversion option liability were primarily the result of increases in the Company's share price and estimated credit spread.

**Foreign currency (gains) losses, net.** Foreign currency losses for the Current Year Quarter were primarily due to the strengthening of the pound sterling in relation to the euro underlying certain of the Company's debt balances.

## Income Tax Benefit

During the Current Year Quarter, the Company's effective income tax rate of 23.5% was primarily due to taxes not provided on income attributable to noncontrolling interests, foreign sourced income not subject to U.S. income taxes, and a reversal of an unrecognized benefit. During the Prior Year Quarter, the Company's effective income tax rate of 29.9% was primarily due to losses of foreign subsidiaries not benefited.

## Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax

For the three months ended March 31, the Company's equity in earnings (losses) of 50% or less owned companies, net of tax, was as follows (in thousands):

|                             | 2018          | 2017          |
|-----------------------------|---------------|---------------|
| MexMar                      | \$ 1,432      | \$ 1,367      |
| OSV Partners                | (687)         | (192)         |
| Sea-Cat Crewzer             | —             | (14)          |
| Sea-Cat Crewzer II          | —             | 124           |
| SEACOR Grant DIS            | (1,056)       | 7             |
| Falcon Global International | —             | (1,559)       |
| Dynamic Offshore Drilling   | 208           | 524           |
| SEACOSCO                    | (168)         | —             |
| Other                       | 479           | 181           |
|                             | <u>\$ 208</u> | <u>\$ 438</u> |

**OSV Partners.** During the Current Year Quarter equity losses from OSV Partners GP LLC and OSV Partners LP LLC (collectively "OSV Partners") were \$0.5 million higher primarily due to the vessels owned by these entities being out-of-service.

**SEACOR Grant DIS.** During the Current Year Quarter equity losses of \$1.1 million were due to an impairment charge of \$1.1 million, net of tax, for an other than temporary decline in the fair value for the Company's investment in SEACOR Grant DIS.

**Falcon Global International.** During the Prior Year Quarter, the Company's partner declined to participate in a capital call from FGI and, as a consequence, the Company obtained 100% voting control of FGI in accordance with the terms of the operating agreement and began consolidating FGI's net assets effective March 31, 2017. In February 2018, the Company and MOI (an affiliate of our partner in FGI) contributed certain assets, including 100% of the equity interests in each member of FGI, to FGH, a consolidated subsidiary of the Company, in accordance with the terms of a Joint Venture Contribution and Formation Agreement (see Note 9).

## Liquidity and Capital Resources

### General

The Company's ongoing liquidity requirements arise primarily from working capital needs, capital commitments and its obligations to service outstanding debt. The Company may use its liquidity to fund capital expenditures, make acquisitions or to make other investments. Sources of liquidity are cash balances, marketable securities, construction reserve funds and cash flows from operations. From time to time, the Company may secure additional liquidity through asset sales or the issuance of debt, shares of SEACOR Marine Common Stock or common stock of its subsidiaries, preferred stock or a combination thereof.

As of March 31, 2018, the Company had unfunded capital commitments of \$48.8 million that included two fast support vessels, three supply vessels and four wind farm utility vessel. The Company's capital commitments by year of expected payment are as follows (in thousands):

|                   |    |               |
|-------------------|----|---------------|
| Remainder of 2018 | \$ | 18,852        |
| 2019              |    | 21,069        |
| 2020              |    | 8,951         |
|                   | \$ | <u>48,872</u> |

The Company has indefinitely deferred an additional \$20.8 million of orders with respect to two fast support vessels for which the Company had previously reported unfunded capital commitments.

As of March 31, 2018, the Company had outstanding debt of \$428.1 million, net of debt discount and issue costs. The Company's contractual long-term debt maturities as of March 31, 2018, on an actual basis and on a proforma basis, including a fully drawn FGUSA Credit Facility and a conversion of Convertible Senior Notes are as follows (in thousands):

|                          | <u>Actual</u>     | <u>Proforma</u>   |
|--------------------------|-------------------|-------------------|
| Remainder of 2018        | \$ 16,525         | \$ 16,525         |
| 2019                     | 54,533            | 54,533            |
| 2020                     | 18,421            | 18,421            |
| 2021                     | 46,352            | 46,352            |
| 2022                     | 218,293           | 43,293            |
| Years subsequent to 2022 | 115,390           | 245,390           |
|                          | <u>\$ 469,514</u> | <u>\$ 424,514</u> |

As of March 31, 2018, the Company held balances of cash, cash equivalents, restricted cash, marketable securities and construction reserve funds totaling \$110.4 million. These amounts do not reflect the \$56,855,000 in gross proceeds received by the Company in April 2018 from the Private Placement. As of March 31, 2018, construction reserve funds of \$45.4 million were classified as non-current assets in the accompanying condensed consolidated balance sheets as the Company has the intent and ability to use the funds to acquire equipment. Additionally, the Company had \$7.5 million available under subsidiary credit facilities for future capital commitments.

## Summary of Cash Flows

For the three months ending March 31, the following is a summary of the Company's cash flows (in thousands):

|   | Three Months Ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2018                         | 2017             |
| Cash flows provided by or (used in):                          |                              |                  |
| Operating Activities  | \$ (11,509)                  | \$ 65,296        |
| Investing Activities  | (28,126)                     | (539)            |
| Financing Activities  | (8,543)                      | 2,223            |
| Effects of Exchange Rate Changes on Cash and Cash Equivalents | 682                          | 269              |
| Increase (Decrease) in Cash and Cash Equivalents              | <u>\$ (47,496)</u>           | <u>\$ 67,249</u> |

### Operating Activities

Cash flows provided by (used in) operating activities decreased by \$76.8 million in the Current Year Quarter compared with the Prior Year Quarter. The components of cash flows provided by (used in) operating activities during the Current Three Months and Prior Three Months were as follows:

|  | Three Months Ended March 31, |                  |
|--|------------------------------|------------------|
|  | 2018                         | 2017             |
| DVP:   |                              |                  |
| United States, primarily Gulf of Mexico  | \$ 1,474                     | \$ (1,806)       |
| Africa, primarily West Africa  | 4,727                        | 443              |
| Middle East and Asia   | 2,327                        | 508              |
| Brazil, Mexico, Central and South America  | 1,754                        | 1,193            |
| Europe, primarily North Sea  | 3,091                        | 4,178            |
| Operating, leased-in equipment (excluding amortization of deferred gains)                        | (4,834)                      | (5,641)          |
| Administrative and general (excluding provisions for bad debts and amortization of share awards) | (12,357)                     | (10,267)         |
| SEACOR Holdings management and guarantee fees  | (12)                         | (2,001)          |
| Other, net (excluding non-cash losses)   | —                            | (1)              |
|  | <u>(3,830)</u>               | <u>(13,394)</u>  |
| Changes in operating assets and liabilities before interest and income taxes                     | (4,938)                      | 3,415            |
| Proceeds from sale of marketable securities  | —                            | 51,877           |
| Cash settlements on derivative transactions, net   | (129)                        | (22)             |
| Interest paid, excluding capitalized interest <sup>(1)</sup>                                     | (2,828)                      | —                |
| Interest received  | 216                          | 2,372            |
| Income taxes refunded, net   | —                            | 21,048           |
| Total cash flows provided by (used in) operating activities                                      | <u>\$ (11,509)</u>           | <u>\$ 65,296</u> |

(1) During the Current Year Quarter and the Prior Year Quarter, capitalized interest paid and included in purchases of property and equipment was \$0.5 million and \$0.6 million, respectively.

For a detailed discussion of the Company's financial results for the reported periods, see "Consolidated Results of Operations" included above. Changes in operating assets and liabilities before interest and income taxes are the result of the Company's working capital requirements.

### Investing Activities

During the Current Year Quarter, net cash used in investing activities was \$28.1 million, primarily for the following:

- capital expenditures were \$8.6 million;
- the Company sold one fast support vessel and other equipment for net proceeds of \$0.3 million (\$0.4 million in cash and \$0.1 million of previously received deposits); and
- the Company made investments in, and advances to, its 50% or less owned companies of \$20.0 million for the new SEACOSCO joint venture.

During the Prior Year Quarter, net cash used in investing activities was \$0.9 million, primarily for the following:

- capital expenditures and payments on fair value hedges were \$10.5 million. Three fast support vessels were delivered during the period;
- the Company sold two liftboats, two offshore support vessels previously retired and removed from service (one anchor handling towing supply vessel and one specialty vessel) and other property and equipment for net proceeds of \$8.8 million (\$8.3 million in cash and \$0.5 million of previously received deposits);
- the Company made advances of \$2.4 million to its 50% or less owned company Falcon Global International;



- construction reserve funds account transactions included deposits of \$6.3 million and withdrawals of \$1.0 million;
- the Company received capital distributions of \$7.4 million from its 50% or less owned company MexMar; and
- effective March 31, 2017, the Company consolidated Falcon Global International and assumed cash of \$1.9 million.

### **Financing Activities**

During the Current Year Quarter, net cash used in financing activities was \$8.5 million. The Company:

- borrowed \$10.0 million under the FGUSA Revolving Loan Facility;
- paid \$15.0 million in debtor-in-possession obligations assumed from MOI;
- converted €6.0 million of denominated debt into pound sterling debt, paying \$7.5 million in euro debt and borrowing \$8.5 million in pound sterling debt, resulting in a net increase in USD borrowings of \$1.0 million;
- made scheduled payments on long-term debt and capital lease obligations of \$6.3 million; and
- issued \$1.8 million in stock in a private placement.

During the Prior Year Quarter, net cash provided by financing activities was \$2.2 million. The Company:

- borrowed \$3.4 million under the Sea-Cat Crewzer III Term Loan Facility; and
- made other scheduled payments on long-term debt and capital lease obligations of \$1.2 million.

### **Short and Long-Term Liquidity Requirements**

The Company believes that a combination of cash balances on hand, construction reserve funds, cash generated from operating activities, availability under existing subsidiary financing arrangements and access to the credit and capital markets will provide sufficient liquidity to meet its obligations, including to support its capital expenditures program, working capital and debt service requirements. The Company continually evaluates possible acquisitions and dispositions of certain businesses and assets. The Company's sources of liquidity may be impacted by the general condition of the markets in which it operates and the broader economy as a whole, which may limit its access to the credit and capital markets on acceptable terms. Management will continue to closely monitor the Company's performance and liquidity, as well as the credit and capital markets.

### **Off-Balance Sheet Arrangements**

For a discussion of the Company's off-balance sheet arrangements, refer to Liquidity and Capital Resources included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There has been no material change in the Company's off-balance sheet arrangements during the three months ended March 31, 2018.

### **Debt Securities and Credit Agreements**

For a discussion of the Company's debt securities and credit agreements, see "Note 5. Long-Term Debt" in the unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and in "Note 7. Long-Term Debt" in the Company's audited consolidated financial statements included in its Annual Report on Form 10-K.

### **Contractual Obligations and Commercial Commitments**

For a discussion of the Company's contractual obligations and commercial commitments, refer to Liquidity and Capital Resources included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There has been no material change in the Company's off-balance sheet arrangements during the three months ended March 31, 2018.

### **Contingencies**

As of March 31, 2018, SEACOR Holdings has guaranteed \$56.5 million on behalf of the Company for various obligations including: letter of credit obligations, performance obligations under sale-leaseback arrangements and invoiced amounts for funding deficits under the MNOF. Pursuant to a Transition Services Agreement with SEACOR Holdings, SEACOR Holdings charges the Company a fee of 0.5% on outstanding guaranteed amounts, which declines as the obligations are settled by the Company.

In the normal course of its business, the Company becomes involved in various other litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on the Company's consolidated financial position, results of operations or cash flows.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For a discussion of the Company's exposure to market risk, refer to "Quantitative and Qualitative Disclosures About Market Risk" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There has been no material change in the Company's exposure to market risk during the Current Year Quarter.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### **Evaluation of Disclosure Controls and Procedures**

With the participation of the Company's principal executive officer and principal financial officer, management evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of March 31, 2018. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2018.

The Company's disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosures. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only a level of reasonable assurance with respect to financial statement preparation and presentation.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II—OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

For a description of developments with respect to pending legal proceedings described in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, see Note 10. "Commitments and Contingencies" included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q.

### ITEM 1A. RISK FACTORS

For a discussion of the Company's risk factors, refer to "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. There have been no material changes in the Company's risk factors during the Current Year Quarter.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On March 26, 2018, the Company issued 103,213 shares of Common Stock to an accredited investor for a total of \$1.8 million in gross proceeds. The shares of Common Stock were issued in a private placement exempt from the registration requirements of the Securities Act, in reliance on the exemption set forth in Section 4(a)(2) of the Securities Act.

### ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

None.

### ITEM 6. EXHIBITS

- |           |  |
|-----------|--|
| 2.1       | <a href="#">First Amendment to Joint Venture Contribution and Formation Agreement, dated January 8, 2018, by and between SEACOR LB Holdings LLC and Montco Offshore, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on January 9, 2018).</a>  |
| 10.1      | <a href="#">Amended and Restated Limited Liability Company Agreement of Falcon Global Holdings LLC, dated February 8, 2018, by and among Falcon Global Holdings LLC, SEACOR LB Holdings LLC and Montco Offshore, LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on February 9, 2018).</a>   |
| 10.2      | <a href="#">Credit Agreement, dated as of February 8, 2018, by and among Falcon Global USA LLC, as borrower, certain subsidiaries of the borrower as loan guarantors, JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and security trustee, and the lenders party thereto from time to time (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on February 9, 2018).</a> |
| 10.3      | <a href="#">Obligation Guaranty Agreement, dated as of February 8, 2018, by SEACOR Marine Holdings Inc. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on February 9, 2018).</a>  |
| 10.4      | <a href="#">Pledge and Security Agreement, dated as of February 8, 2018, by and among Falcon Global USA LLC, as borrower, any Grantor (as defined therein), and JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and security trustee (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on February 9, 2018).</a>  |
| 10.5      | <a href="#">Subscription Agreement, dated as of April 20, 2018, by and among SEACOR Marine Holdings Inc. and the purchasers named therein.</a>   |
| 10.6      | <a href="#">Registration Rights Agreement, dated as of April 26, 2018, by and among SEACOR Marine Holdings Inc. and the purchasers named therein.</a>  |
| 10.7      | <a href="#">Amendment and Exchange Agreement, dated as of May 2, 2018, by and among SEACOR Marine Holdings Inc. and the purchasers named therein (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of SEACOR Marine Holdings Inc. filed with the Securities and Exchange Commission on May 2, 2018).</a>  |
| 31.1      | <a href="#">Certification by the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>   |
| 31.2      | <a href="#">Certification by the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>   |
| 32        | <a href="#">Certification by the Principal Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>   |
| 101.INS** | XBRL Instance Document   |
| 101.SCH** | XBRL Taxonomy Extension Schema   |
| 101.CAL** | XBRL Taxonomy Extension Calculation Linkbase   |
| 101.DEF** | XBRL Taxonomy Extension Definition Linkbase  |
| 101.LAB** | XBRL Taxonomy Extension Label Linkbase   |
| 101.PRE** | XBRL Taxonomy Extension Presentation Linkbase  |

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\*\* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.



**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEACOR Marine Holdings Inc. (Registrant)

DATE: May 10, 2018

By: /s/ John Gellert  
John Gellert, *President and Chief Executive Officer*  
(Principal Executive Officer)

DATE: May 10, 2018

By: /s/ Jesus Llorca  
Jesus Llorca, *Executive Vice President*  
*and Chief Financial Officer*  
(Principal Financial Officer)

**SUBSCRIPTION AGREEMENT**

**by and among**

**SEACOR MARINE HOLDINGS INC.**

**and**

**THE PURCHASERS NAMED ON SCHEDULE A HERETO**

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## SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT, dated as of April 20, 2018 (this "Agreement"), is by and among SEACOR MARINE HOLDINGS INC., a Delaware corporation (the "Company"), and each of the purchasers listed on Schedule A hereof (each a "Purchaser" and collectively, the "Purchasers").

WHEREAS, the Company desires to issue and sell to the Purchasers, and each Purchaser desires to purchase from the Company, certain shares of the Company's common stock, par value \$0.01 per share (the "Common Shares"), in accordance with the provisions of this Agreement; and

WHEREAS, the Company and the Purchasers will enter into a registration rights agreement (the "Registration Rights Agreement"), pursuant to which the Company will provide the Purchasers with certain registration rights with respect to the Common Shares acquired pursuant hereto.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and each of the Purchasers, severally and not jointly, hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the introductory paragraph.

"BOE Receipts" has the meaning specified in Section 2.5(a).

"Business Day" means a day, other than a Saturday or Sunday, on which banks in New York City are open for the general transaction of business.

"Closing" has the meaning specified in Section 2.2.

"Closing Date" has the meaning specified in Section 2.2.

"Common Share Price" means \$20.00.

"Common Shares" has the meaning specified in the recitals.

"Commission" means the United States Securities and Exchange Commission.

"Company" has the meaning set forth in the introductory paragraph.

"Company Financial Statements" has the meaning specified in Section 3.8.

"Company Options" means options to purchase Common Shares granted pursuant to the Company Stock Plan.

“**Company Restricted Stock**” means Common Shares (including performance-based vesting) subject to vesting and granted pursuant to the Company Stock Plan.

“**Company SEC Documents**” has the meaning specified in [Section 3.8](#).

“**Company Stock Plan**” means the SEACOR Marine Holdings Inc. 2017 Equity Incentive Plan.

“**DNB**” means DNB Markets, Inc.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

“**FCPA**” has the meaning specified in [Section 3.18\(a\)](#).

“**GAAP**” has the meaning specified in [Section 3.8](#).

“**Governmental Authority**” means, with respect to a particular Person, any country, state, county, city and political subdivision in which such Person or such Person’s Property is located or that exercises valid jurisdiction over any such Person or such Person’s Property, and any court, agency, department, commission, board, bureau or instrumentality of any of them and any monetary authority that exercises valid jurisdiction over any such Person or such Person’s Property. Unless otherwise specified, all references to Governmental Authority herein with respect to the Company mean a Governmental Authority having jurisdiction over the Company, its Subsidiaries or any of their respective Properties.

“**Indemnified Party**” has the meaning specified in [Section 6.2](#).

“**Indemnifying Party**” has the meaning specified in [Section 6.2](#).

“**Investor Questionnaire**” has the meaning specified in [Section 2.6\(d\)](#).

“**Jones Act**” means, collectively, the U.S. citizenship and cabotage laws principally contained in 46 U.S.C. § 50501(a), (b) and (d) and 46 U.S.C. Chapter 551, and any successor or replacement statutes thereto, and the regulations promulgated thereunder by the U.S. Coast Guard and the U.S. Maritime Administration, in each case as amended or supplemented from time to time, relating to the ownership and operation of U.S.-flag vessels in the U.S. Coastwise Trade.

“**Law**” means any federal, state, local or foreign order, writ, injunction, judgment, settlement, award, decree, statute, law, rule or regulation.

“**Lien**” means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including the lien or security interest arising from a mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. For the purpose of this Agreement, a Person shall be deemed to be the owner of any Property that it has acquired or holds subject to a conditional sale agreement, or leases under a financing lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person in a transaction intended to create a financing.

“**Material Adverse Effect**” has the meaning specified in [Section 3.1](#).

“**Merrill Lynch**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“**NYSE**” means The New York Stock Exchange.

“**OFAC**” has the meaning specified in [Section 3.18\(b\)](#).

“**Operative Documents**” means, collectively, this Agreement and the Registration Rights Agreement, and any amendments, supplements, continuations or modifications thereto.

“**Person**” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other form of entity.

“**Placement Agent Engagement Letter**” means that certain Engagement Letter dated April 17, 2018 among the Company, Merrill Lynch and DNB.

“**Placement Agents**” means Merrill Lynch and DNB.

“**Preferred Shares**” has the meaning specified in [Section 3.2](#).

“**Property**” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“**Purchase Price**” means, with respect to a particular Purchaser, the amount set forth opposite such Purchaser’s name under the column titled “Purchase Price” set forth on [Schedule A](#) hereto.

“**Purchased Shares**” means, with respect to a particular Purchaser, the number of Common Shares set forth opposite such Purchaser’s name under the column titled “Purchased Shares” set forth on [Schedule A](#) hereto.

“**Purchaser**” and “**Purchasers**” have the meanings set forth in the introductory paragraph.

“**Purchaser Related Parties**” has the meaning specified in [Section 6.1](#).

“**Registration Rights Agreement**” has the meaning set forth in the recitals hereto.

“**Representatives**” of any Person means the Affiliates, officers, directors, managers, employees, agents, counsel, accountants, investment bankers, investment advisers and other representatives of such Person.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

“**Settlement**” has the meaning specified in [Section 6.2](#).

“**Short Sales**” means, without limitation, all “short sales” as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and forward sale contracts, options, puts, calls, short sales, “put equivalent positions” (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements, and sales and other transactions through non-U.S. broker dealers or foreign regulated brokers.

“**Subsidiary**” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests (including partnership interests) entitled to vote in the election of directors, managers, general partners or other similar governing bodies thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

“**U.S. Citizen**” means a person who is a “citizen of the United States” within the meaning of the Jones Act, eligible and qualified to own and operate U.S.-flag vessels in the U.S. Coastwise Trade.

“**U.S. Coastwise Trade**” means the carriage or transport of merchandise and/or other materials and/or passengers in the coastwise trade of the United States of America within the meaning of 46 U.S.C. Chapter 551, as amended or supplemented from time to time.



## ARTICLE II

### AGREEMENT TO SELL AND PURCHASE

Section 2.1 Sale and Purchase. Subject to the terms and conditions hereof, the Company hereby agrees to issue and sell to each Purchaser and each Purchaser hereby agrees, severally and not jointly, to purchase from the Company, its respective Purchased Shares, and each Purchaser agrees, severally and not jointly, to pay the Company the Common Share Price for each Purchased Share.

Section 2.2 Closing. Pursuant to the terms of this Agreement, the consummation of the purchase and sale of the Purchased Shares hereunder (the "Closing") shall take place at the offices of Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, New York 10005 at 10:00 a.m. (Eastern Daylight Time) on April 26, 2018, or at such other time as the Company and Purchasers representing a majority of the aggregate Purchase Price determine (the date of such closing, the "Closing Date"). The parties agree that the Closing may occur via delivery of facsimiles, pdfs or photocopies of the Operative Documents and the other closing deliverables contemplated hereby and thereby including the BOE Receipts (which BOE Receipts may be provided at Closing or as soon as practicable thereafter). Notwithstanding anything to the contrary set forth herein, each Purchaser shall not be required to send its payment by wire transfer for the Common Shares being purchased by such Purchaser until it has received a BOE Receipt or an executed letter from the transfer agent stating that the Purchased Shares have been credited to such Purchaser's account. Unless otherwise provided herein, all proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken and executed simultaneously, and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken.

Section 2.3 Each Purchaser's Conditions. The obligation of each Purchaser to consummate the purchase of its Purchased Shares shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions (any or all of which may be waived by a particular Purchaser on behalf of itself in writing with respect to its Purchased Shares, in whole or in part, to the extent permitted by applicable Law):

(a) the Company shall have performed and complied with the covenants and agreements contained in this Agreement that are required to be performed and complied with by the Company on or prior to the Closing Date;

(b) (i) the representations and warranties of the Company (A) set forth in Sections 3.1, 3.2 (except for any de minimus inaccuracy), 3.5 and 3.12 and (B) contained in this Agreement that are qualified by materiality or a Material Adverse Effect shall be true and correct when made and as of the Closing Date and (ii) all other representations and warranties of the Company shall be true and correct in all material respects when made and as of the Closing Date, in each case as though made at and as of the Closing Date (except that representations and warranties made as of a specific date shall be required to be true and correct as of such date only);

(c) the NYSE shall have approved the Company's Supplemental Listing Application for the Purchased Shares and authorized, upon official notice of issuance, the listing of the Purchased Shares;

(d) no notice of delisting from the NYSE shall have been received by the Company with respect to the Common Shares; and

(e) the Company shall have delivered, or caused to be delivered, to such Purchaser at the Closing, the Company's closing deliveries described in Section 2.5.

Section 2.4 Company's Conditions. The obligation of the Company to consummate the issuance and sale of the Purchased Shares to each Purchaser shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions with respect to such Purchaser (any or all of which may be waived by the Company in writing, in whole or in part, to the extent permitted by applicable Law):

(a) (i) the representations and warranties of such Purchaser (A) set forth in Sections 4.1, 4.2 and 4.4 and (B) contained in this Agreement that are qualified by materiality shall be true and correct when made and as of the Closing Date and (ii) all other representations and warranties of such Purchaser shall be true and correct in all material respects as of the Closing Date (except that representations of such Purchaser made as of a specific date shall be required to be true and correct as of such date only);

(b) such Purchaser shall have performed and complied with the covenants and agreements contained in this Agreement that are required to be performed and complied with by that Purchaser on or prior to the Closing Date; and

(c) such Purchaser shall have delivered, or caused to be delivered, to the Company at the Closing such Purchaser's closing deliveries described in Section 2.6.

Section 2.5 Deliveries by the Company. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company will deliver (or cause to be delivered) the following:

(a) evidence that the Purchased Shares have been credited to book-entry accounts maintained by the Company's transfer agent (the "**BOE Receipts**"), in each case bearing the legend or restrictive notation set forth in Section 4.11, free and clear of any Liens, other than transfer restrictions under applicable federal and state securities laws;

(b) a certificate of the Secretary of State of the State of Delaware, dated a recent date, to the effect that the Company is in good standing;

(c) a cross-receipt executed by the Company and delivered to such Purchaser certifying that it has received the Purchase Price from such Purchaser as of the Closing Date;

(d) the Registration Rights Agreement with respect to the Purchased Shares, which shall have been duly executed by the Company;

(e) an opinion addressed to the Purchasers from Milbank, Tweed, Hadley & McCloy LLP, legal counsel to the Company, dated as of the Closing Date, in the form and substance attached hereto as Exhibit A; and

(f) a certificate of the Secretary of the Company, certifying as to (1) the Certificate of Incorporation of the Company and the Bylaws of the Company and (2) board resolutions authorizing the execution and delivery of the Operative Documents and the consummation of the transactions contemplated thereby, including the issuance of the Purchased Shares.

Section 2.6 Purchaser Deliveries. Upon the terms and subject to the conditions of this Agreement, each Purchaser is delivering (or causing to be delivered) the following:

(a) the Purchase Price payable by such Purchaser in accordance with Schedule A, by wire transfer of immediately available funds;

(b) a Form W-9, or W-8-IMY, as applicable, executed by such Purchaser;

(c) the Registration Rights Agreement with respect to the Purchased Shares, which shall have been duly executed by such Purchaser;

(d) a completed Investor Questionnaire in the form attached hereto as Schedule B (the "**Investor Questionnaire**"); and

(e) a cross-receipt executed by such Purchaser and delivered to the Company certifying that such Purchaser has received the Purchased Shares from the Company on the Closing Date.

Section 2.7 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Operative Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Operative Document and the performance by each Purchaser of its obligations is not conditioned on the performance of any other Purchaser's obligation; provided that investment funds affiliated with The Carlyle Group will only be required to close its purchase of the Purchased Shares if the Closing is with respect to no less than \$45,000,000 of Purchased Shares in the aggregate. Nothing contained herein or in any other Operative Document, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Operative Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement or out of the other Operative Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. The failure or waiver of performance by any Purchaser does not excuse performance by any other Purchaser. In no event will a Purchaser be liable to another Purchaser under this Agreement.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Purchaser as of the date of this Agreement and as of the Closing Date, as follows:

Section 3.1 Existence. The Company has been duly incorporated, is validly existing and in good standing as a corporation under the laws of the State of Delaware and is duly qualified to do business and in good standing as a foreign corporation in all other jurisdictions in which its ownership or lease of property or the conduct of its businesses requires such qualification, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, properties or business of the Company taken as a whole (a "**Material Adverse Effect**"). The Company has all power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged as described in the Company SEC Documents.

Section 3.2 Capitalization. The authorized capital stock of the Company consists of (i) 10,000,000 shares of preferred stock, par value \$0.01 per share ("**Preferred Shares**"), and (ii) 60,000,000 Common Shares. As of the close of business on April 16, 2018, there were (i) 17,692,062 Common Shares outstanding not counting shares of Company Restricted Stock, (ii) no Preferred Shares outstanding, (iii) 94,507 Common Shares subject to outstanding awards of Company Restricted Stock and (iv) 653,700 Common Shares subject to outstanding awards of Company Options.

Section 3.3 Subsidiaries. Each of the Company's Subsidiaries has been duly incorporated or formed, as applicable, and is existing and in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable, with power and authority (corporate or other) to own its properties and conduct its business as described in the Company SEC Documents. Each of the Company's Subsidiaries is duly qualified to do business as a foreign corporation or other entity in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be duly qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect. All of the issued and outstanding capital stock or limited liability company interest, as applicable, of each of the Company's Subsidiaries has been duly authorized and validly issued and, in the case of any such corporation, is fully paid and nonassessable.

Section 3.4 No Conflict. The execution, delivery and performance of this Agreement and the issuance and sale of the Purchased Shares will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Company or its Subsidiaries, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which the Company or its Subsidiaries is a party or by which the Company or its Subsidiaries is bound or to which any of the property or assets of the Company or its Subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of the Company or its Subsidiaries, or (iii) result in any violation of any statute or any judgment, order, decree, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or its Subsidiaries or their properties or assets, except, with respect to clauses (i) and (iii), conflicts, breaches, defaults or violations that would not reasonably be expected to have a Material Adverse Effect.

Section 3.5 Authority.

(a) Each of the Operative Documents has been or will be validly executed and delivered by the Company and, assuming due authorization, execution and delivery by each Purchaser or its Affiliate, as applicable (if either such Purchaser or its Affiliate is a party thereto), constitutes, or will constitute, the legal, valid and binding obligations of the Company enforceable in accordance with its terms, except as such enforceability may be limited by (A) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles (whether considered in a proceeding at law or in equity) relating to enforceability and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

(b) The Purchased Shares have been duly authorized and, when the Purchased Shares have been delivered and paid for in accordance with this Agreement on the Closing Date, such Purchased Shares will be validly issued, fully paid and nonassessable, free and clear of all Liens (except for restrictions on transfer imposed by applicable securities laws and except for liens created by the Purchasers). The stockholders of the Company have no preemptive rights with respect to the Purchased Shares. None of the outstanding shares of capital stock of the Company have been issued in violation of any preemptive or similar rights of any security holder.

Section 3.6 Approvals. No consent, approval, authorization or order of, or filing, registration or qualification with any court or governmental agency or body having jurisdiction over the Company or any of its properties or assets is required for the consummation of the transactions contemplated by this Agreement, except for (i) such as have been, or prior to the Closing Date, will be, obtained or made, (ii) such consents, approvals, authorizations, orders, filings, registrations or qualifications as may be required under state securities or blue sky laws in connection with the purchase and distribution of Purchased Shares, each of which has been obtained and is in full force and effect and (iii) for such consents that, if not obtained, have not or would not, in the aggregate reasonably be expected to have a Material Adverse Effect.

Section 3.7 Compliance with Laws. Neither the Company nor its Subsidiaries is (i) in violation of its charter or by-laws (or similar organizational documents), (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant, condition or other obligation contained in any indenture, mortgage, deed of trust, loan agreement, license or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) in violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or its property or assets, except in the case of clauses (ii) and (iii), to the extent any such conflict, breach, violation or default would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.8 Periodic Reports; No Undisclosed Liabilities. All forms, registration statements, reports, schedules and statements required to be filed by the Company under the Exchange Act or the Securities Act (all such documents, including the exhibits thereto, prior to the date hereof, collectively the "**Company SEC Documents**") have been filed with the Commission on a timely basis. The Company SEC Documents, including, without limitation, any audited or unaudited financial statements and any notes thereto or schedules included therein (the "**Company Financial Statements**"), at the time filed (or in the case of registration statements, solely on the dates of effectiveness) (except to the extent corrected by a subsequent Company SEC Document) (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, (b) complied as to form in all material respects with the applicable requirements of the Exchange Act and the Securities Act, as the case may be, (c) complied as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect thereto, (d) with respect to the Company Financial Statements, were prepared in accordance with U.S. Generally Accepted Accounting Principles ("**GAAP**") applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, as permitted by Form 10-Q of the Commission) and (e) with respect to the Company Financial Statements, fairly present (subject in the case of unaudited statements to normal and recurring audit adjustments) in all material respects the financial condition, results of operations and cash flows of the entities purported to be shown thereby, at the dates and for the periods indicated. The Company and its Subsidiaries do not have any liabilities required by GAAP to be recognized on a condensed consolidated balance sheet of the Company, except (i) as reflected, reserved or disclosed in the Company Financial Statements included in the Company SEC Document as of and for the period ended December 31, 2017 (the "**Reference Date**"), (ii) as incurred since the Reference Date in the ordinary course of business or as have been otherwise disclosed in the Company SEC Documents, (iii) as have been discharged or paid in full in the ordinary course of business since the Reference Date, (iv) as incurred in connection with the transactions contemplated by this Agreement and (v) that are obligations to perform pursuant to the terms of any of material contracts. Grant Thornton LLP is an independent registered public accounting firm with respect to the Company and has not resigned or been dismissed as independent registered public accountants of the Company as a result of or in connection with any disagreement with the Company on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures.

Section 3.9 Internal Accounting Controls. There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated in connection therewith applicable to the Company. The Company maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls that are sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accounting for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as set forth in the Company SEC Documents, since the end of the Company's last audited fiscal year, there has not been (A) any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, (B) any change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting or (C) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Section 3.10 Litigation. Except as described or disclosed in the Company SEC Documents, there are no legal or governmental proceedings pending to which the Company or its Subsidiaries is a party or of which any property or assets of the Company or its Subsidiaries is the subject that would, in the aggregate, reasonably be expected to have a Material Adverse Effect or would, in the aggregate, reasonably be expected to have a material adverse effect on the performance by the Company of the performance of its obligations under this Agreement or the consummation of any of the transactions contemplated hereby. To the Company's knowledge, no such proceedings are threatened or contemplated by Governmental Authorities or others.

Section 3.11 No Material Adverse Effect. Since December 31, 2017, no event or circumstance has occurred that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

Section 3.12 Certain Fees. Other than as described in the Placement Agent Engagement Letter, no fees or commissions are or will be payable by the Company to brokers, finders, or investment bankers with respect to the sale of any of the Purchased Shares or the consummation of the transaction contemplated by this Agreement.

Section 3.13 No Side Agreements. Except as described or disclosed in the Company SEC Documents or as set forth on **Exhibit B**, there are no agreements by, among or between the Company or any of its Affiliates, on the one hand, and any Purchaser or any of their Affiliates, on the other hand, with respect to the transactions contemplated hereby other than the Operative Documents nor promises or inducements for future transactions between or among any of such parties.

Section 3.14 No General Solicitation; No Advertising. The Company has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, the Securities by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D or in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act

Section 3.15 No Registration Required. Assuming the accuracy of the representations and warranties of each Purchaser contained in Article IV and the Investor Questionnaire, the issuance and sale of the Purchased Shares pursuant to this Agreement is exempt from registration requirements of the Securities Act, and neither the Company nor, to the knowledge of the Company, any authorized Representative acting on its behalf (other than the Placement Agents as to whom no representation is made) has taken or will take any action hereafter that would cause the loss of such exemption.

Section 3.16 No Integration. Neither the Company nor any of its Affiliates have, directly or indirectly through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any “security” (as defined in the Securities Act of 1933, as amended) that is or will be integrated with the sale of the Purchased Shares in a manner that would require registration under the Securities Act.

Section 3.17 Investment Company Status. The Company is not an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 3.18 Foreign Corrupt Practices Act, OFAC and AML.

(a) None of the Company or any of its Subsidiaries, nor, to the knowledge of the Company, any of their directors, officers, agents or employees, has in the past five (5) years (i) violated or is in violation of any provision of the United States Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”), or similar law of a jurisdiction in which the Company or any of its Subsidiaries conduct their business and to which they are lawfully subject or (ii) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment. No part of the proceeds from the issuance and sale of the Purchased Shares pursuant to this Agreement will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any provision of the FCPA.

(b) Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company, any director, officer, agent, employee or Affiliate of the Company or any of its Subsidiaries, is currently subject to any comprehensive U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”), and the Company will not knowingly directly or indirectly use the proceeds from the issuance and sale of the Purchased Shares pursuant to this Agreement or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.

(c) The Company is in compliance in all material respects with the provisions of the USA PATRIOT Act. On or prior to the Closing Date, the Company has provided to the Purchasers all information related to the Company (including names, addresses and tax identification numbers (if applicable)) reasonably requested in writing by the Purchasers prior to the execution of this Agreement and mutually agreed to be required under “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act, to be obtained by the Purchasers.

Section 3.19 Licenses. The Company and its Subsidiaries hold all licenses, consents and approvals required by, and are in compliance with, all regulations of state, federal and foreign governmental authorities that regulate the conduct of the business of the Company and its Subsidiaries, except where the failure to hold any such license, consent or approval or to be in compliance with any such regulation would not have a Material Adverse Effect.

Section 3.20 Jones Act. The Company is a U.S. Citizen and is qualified to engage in the U.S. Coastwise Trade. Assuming the accuracy of the representations and warranties of each Purchaser contained in Article IV and the Investor Questionnaire, the issuance and sale of the Purchased Shares by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not cause the Company to cease to be a U.S. Citizen or cause the Company to cease to be qualified to engage in the U.S. Coastwise Trade.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each Purchaser, severally and not jointly, hereby represents and warrants to the Company that:

Section 4.1 Existence. Such Purchaser is duly organized and validly existing and in good standing under the Laws of its jurisdiction of organization, with all requisite power and authority to own, lease, use and operate its Properties and to conduct its business as currently conducted.

Section 4.2 Authorization, Enforceability. Such Purchaser has all necessary corporate, limited liability company or partnership power and authority to execute, deliver and perform its obligations under this Agreement and the Registration Rights Agreement and to consummate the transactions contemplated hereby and thereby, and the execution, delivery and performance by such Purchaser of this Agreement and the Registration Rights Agreement has been duly authorized by all necessary action on the part of such Purchaser; and this Agreement and the Registration Rights Agreement constitute the legal, valid and binding obligations of such Purchaser, enforceable in accordance with their terms, except as such enforceability may be limited (i) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally or by equitable principles (whether considered in a proceeding at law or in equity) relating to enforceability and (ii) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing.

Section 4.3 No Breach. The execution, delivery and performance of this Agreement and the Registration Rights Agreement by such Purchaser and the consummation by such Purchaser of the transactions contemplated hereby and thereby will not (a) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material agreement to which such Purchaser is a party or by which such Purchaser is bound or to which any of the property or assets of such Purchaser is subject, (b) conflict with or result in any violation of the provisions of the organizational documents of such Purchaser, or (c) violate any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over such Purchaser or the property or assets of such Purchaser, except in the cases of clauses (a) and (c), for such conflicts, breaches, violations or defaults as would not prevent the consummation of the transactions contemplated by this Agreement and the Registration Rights Agreement.

Section 4.4 Certain Fees. No fees or commissions are or will be payable by such Purchaser to brokers, finders, or investment bankers with respect to the purchase of any of the Purchased Shares or the consummation of the transaction contemplated by this Agreement.

Section 4.5 No Side Agreements. Except as set forth on Exhibit B, there are no other agreements by, among or between such Purchaser and any of its Affiliates, on the one hand, and the Company or any of its Affiliates, on the other hand, with respect to the transactions contemplated hereby other than the Operative Documents nor promises or inducements for future transactions between or among any of such parties.

Section 4.6 Investment. The Purchased Shares are being acquired for such Purchaser's own account, the account of its Affiliates, or the accounts of clients for whom such Purchaser exercises discretionary investment authority (all of whom such Purchaser hereby represents and warrants are "accredited investors" within the meaning of Rule 501(a) of Regulation D promulgated by the Commission pursuant to the Securities Act), not as a nominee or agent, and with no present intention of distributing the Purchased Shares or any part thereof, and such Purchaser has no present intention of selling or granting any participation in or otherwise distributing the same in any transaction in violation of the securities laws of the United States or any other jurisdiction, without prejudice, however, to such Purchaser's right at all times to sell or otherwise dispose of all or any part of the Purchased Shares under a registration statement under the Securities Act and applicable state and other jurisdiction securities laws or under an exemption from such registration available thereunder (including, without limitation, if available, Rule 144 promulgated thereunder). If such Purchaser should in the future decide to dispose of any of the Purchased Shares, the Purchaser understands and agrees (a) that it may do so only in compliance with the Securities Act and applicable state and other jurisdiction securities law, as then in effect, including a sale contemplated by any registration statement pursuant to which such securities are being offered, or pursuant to an exemption from the Securities Act, and (b) that stop-transfer instructions to that effect will be in effect with respect to such securities.

Section 4.7 Nature of Purchaser.

(a) Such Purchaser represents and warrants to the Company that, (i)(A) it is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated by the Commission pursuant to the Securities Act, or (B) a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act or, in the case of an Purchaser that is a non-U.S. Purchaser, is an entity acting on its own account that in the aggregate owns and invests on a discretionary basis at least \$100 million of securities of issuers that are not affiliated with such Purchaser, (iii) it will execute and deliver to the Company at Closing the Investor Questionnaire, which such Investor represents and warrants will be true, correct and complete and (iv) by reason of its business and financial experience it has such knowledge, sophistication and experience in making similar investments and in business and financial matters generally so as to be capable of evaluating the merits and risks of the prospective investment in the Purchased Shares, is able to bear the economic risk of such investment and, at the present time, would be able to afford a complete loss of such investment.

(b) Such Purchaser and its Representatives have been furnished with materials relating to the business, finances and operations of the Company and relating to the offer and sale of the Purchased Shares that have been requested by such Purchaser or its Representatives. Such Purchaser and its Representatives has been afforded the opportunity to ask questions of the Company or its Representatives and all such questions have been answered to the Purchaser’s and its Representatives’ satisfaction. Such Purchaser understands and acknowledges that its purchase of the Purchased Shares involves a high degree of risk and uncertainty. Such Purchaser has sought such accounting, legal, financial and tax advice as it has considered necessary to make an informed investment decision with respect to its investment in the Purchased Shares.

Section 4.8 Restricted Securities. Such Purchaser understands that the Purchased Shares are characterized as “restricted securities” under the federal securities Laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such Laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, such Purchaser represents that it is knowledgeable with respect to Rule 144 of the Commission promulgated under the Securities Act. Such Purchaser acknowledges that as a result of the transfer restrictions applicable to the Purchased Shares it may be required to hold its Purchased Shares for an indefinite period of time.

Section 4.9 Reliance Upon such Purchaser’s Representations and Warranties. Such Purchaser understands and acknowledges that the Purchased Shares are being offered and sold in reliance on a private placement exemption from the registration requirements of federal and state securities laws, and that the Company is relying in part upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth in this Agreement in (i) concluding that the issuance and sale of the Purchased Shares is a “private offering” and, as such, is exempt from the registration requirements of the Securities Act and (ii) determining the applicability of such exemptions and the suitability of such Purchaser to purchase the Purchased Shares.

Section 4.10 Short Selling. Such Purchaser has not engaged in any Short Sales involving Common Shares owned by it between the time it first began discussions with the Company about the transaction contemplated by this Agreement and the date of execution of this Agreement.

Section 4.11 Legend; Restrictive Notation. Such Purchaser understands that the certificates evidencing the Purchased Shares or the book-entry account maintained by the transfer agent evidencing ownership of the Purchased Shares, as applicable, will bear the following legend or restrictive notation:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER AND, IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT OR THE ISSUER HAS RECEIVED DOCUMENTATION REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER SUCH ACT.”



Section 4.12 Ownership of Securities. Other than as previously disclosed in writing to the Company, such Purchaser and its Affiliates do not, as of the date hereof, own five percent (5%) or more of the Company's issued and outstanding capital stock.

Section 4.13 Placement Agent Reliance. Such Purchaser agrees that the Placement Agents may rely upon the representations and warranties made by such Purchaser to the Company in Sections 4.6, 4.7 and 4.9 of this Agreement.

Section 4.14 Jurisdiction of Organization. Such Purchaser is organized in the jurisdiction set forth on its signature page hereto.

## ARTICLE V

### COVENANTS

Section 5.1 Taking of Necessary Action. Each of the parties hereto shall use its commercially reasonable efforts promptly to take or cause to be taken all action and promptly to do or cause to be done all things necessary, proper or advisable under applicable Law and regulations to consummate and make effective the transactions between the Company and the Purchasers contemplated by this Agreement related specifically to the acquisition of the Purchased Shares. Without limiting the foregoing, each of the Company and each Purchaser shall use its commercially reasonable efforts to make all filings and obtain all consents of Governmental Authorities that may be necessary or, in the reasonable opinion of the other parties, as the case may be, advisable for the consummation of the transactions contemplated by the Operative Documents. Each Purchaser acknowledges its obligations under applicable state and federal securities laws, rules and regulations and the rules and regulations of the NYSE. The Company shall promptly and accurately respond, and shall use its commercially reasonable efforts to cause its transfer agent to respond, to reasonable requests for information (which is otherwise not publicly available) made by a Purchaser or its auditors relating to the actual holdings of such Purchaser or its accounts; *provided* that, the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law or conflict with the Company's insider trading policy or a confidentiality obligation of the Company.

Section 5.2 Non-Public Information. On or before 9:00 a.m., New York local time, on the Business Day immediately following the date hereof, the Company shall issue a press release (the "**Press Release**") or file a Form 8-K with the Commission announcing the entry into this Agreement and describing the terms of the transactions contemplated by the Operative Documents and any other material, nonpublic information that the Company may have provided any Purchaser at any time prior to the issuance of the Press Release. On or before the fourth Business Day following the date hereof, the Company shall file a Current Report on Form 8-K with the Commission describing the terms of the transactions contemplated by the Operative Documents, and including as an exhibit to such Current Report on Form 8-K the Operative Documents, in the form required by the Exchange Act.

## ARTICLE VI

### INDEMNIFICATION

Section 6.1 Indemnification by the Company. The Company agrees to indemnify each Purchaser and its Representatives (collectively, "**Purchaser Related Parties**") from costs, losses, liabilities, damages, or expenses of any kind or nature whatsoever, and hold each of them harmless against, any and all actions, suits, proceedings (including any investigations, litigation or inquiries), demands, and causes of action, and, in connection therewith, and promptly upon demand, pay or reimburse each of them for all costs, losses, liabilities, damages, or expenses of any kind or nature whatsoever, including, without limitation, the reasonable fees and disbursements of counsel and all other reasonable expenses incurred in connection with investigating, defending or preparing to defend any such matter that may be incurred by them or asserted against or involve any of them as a result of, arising out of, or in any way related to the breach of any of the representations, warranties or covenants of the Company contained herein, *provided* that such claim for indemnification relating to a breach of the representations or warranties is made prior to the expiration of such representations or warranties to the extent applicable; and *provided further*, that no Purchaser Related Party shall be entitled to recover special, consequential or punitive damages under this Section 6.1.

Section 6.2 Indemnification Procedure. Promptly after any Purchaser Related Party (hereinafter, the “**Indemnified Party**”) has received notice of any indemnifiable claim hereunder, or the commencement of any action, suit or proceeding by a third person, which the Indemnified Party believes in good faith is an indemnifiable claim under this Agreement, the Indemnified Party shall give the indemnitor hereunder (the “**Indemnifying Party**”) written notice of such claim or the commencement of such action, suit or proceeding, but failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability it may have to such Indemnified Party hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. Such notice shall state the nature and the basis of such claim to the extent then known. The Indemnifying Party shall have the right to defend and settle, at its own expense and by its own counsel who shall be reasonably acceptable to the Indemnified Party, any such matter as long as the Indemnifying Party pursues the same diligently and in good faith. If the Indemnifying Party undertakes to defend or settle, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in all commercially reasonable respects in the defense thereof and the settlement thereof. Such cooperation shall include, but shall not be limited to, furnishing the Indemnifying Party with any books, records and other information reasonably requested by the Indemnifying Party and in the Indemnified Party’s possession or control. Such cooperation of the Indemnified Party shall be at the cost of the Indemnifying Party. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability; *provided*, however, that the Indemnified Party shall be entitled (i) at its expense, to participate in the defense of such asserted liability and the negotiations of the settlement thereof and (ii) if (A) the Indemnifying Party has failed to assume the defense or employ counsel reasonably acceptable to the Indemnified Party or (B) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and counsel to the Indemnified Party shall have concluded that there may be reasonable defenses available to the Indemnified Party that are different from or in addition to those available to the Indemnifying Party or if the interests of the Indemnified Party reasonably may be deemed to conflict with the interests of the Indemnifying Party, then the Indemnified Party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the Indemnifying Party as incurred. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not settle any indemnified claim without the consent of the Indemnified Party, unless the settlement thereof imposes no liability or obligation on, and includes a complete release from liability of, and does not include any admission of wrongdoing or malfeasance by, the Indemnified Party. The Company agrees that, without the Indemnified Party’s prior written consent, it will not agree to any settlement of, compromise or consent to the entry of any judgment in or other termination of (each and collectively, a “**Settlement**”) any claim in respect of which indemnification could be sought hereunder, unless (i) such Settlement includes an unconditional release from the party bringing such claim of all Indemnified Parties and (ii) the parties agree that the terms of such Settlement shall remain confidential. The remedies provided for in this Section 6 are cumulative and are not exclusive of any remedies that may be available to a party at law or in equity or otherwise.

## ARTICLE VII

### MISCELLANEOUS

Section 7.1 Interpretation and Survival of Provisions. Article, Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The word “including” shall mean “including but not limited to.” Whenever any party has an obligation under the Operative Documents, the expense of complying with that obligation shall be an expense of such party unless otherwise specified. Whenever any determination, consent, or approval is to be made or given by any Purchaser, such action shall be in such Purchaser’s sole discretion unless otherwise specified in this Agreement. If any provision in the Operative Documents is held to be illegal, invalid, not binding, or unenforceable, such provision shall be fully severable and the Operative Documents shall be construed and enforced as if such illegal, invalid, not binding, or unenforceable provision had never comprised a part of the Operative Documents, and the remaining provisions shall remain in full force and effect. The Operative Documents have been reviewed and negotiated by sophisticated parties with access to legal counsel and shall not be construed against the drafter.

Section 7.2 Survival of Provisions. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing for a period of twelve (12) months following the Closing Date regardless of any investigation made by or on behalf of the Company or any Purchaser. All indemnification obligations of the Company and the Purchasers pursuant to this Agreement and the provisions of Article VI shall remain operative and in full force and effect unless such obligations are expressly terminated in a writing by the parties, regardless of any purported general termination of this Agreement.

Section 7.3 No Waiver; Modifications in Writing.

(a) Delay. No failure or delay on the part of any party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to a party at law or in equity or otherwise.

(b) Amendments and Waivers. Except as otherwise provided herein, no amendment, waiver, consent, modification, or termination of any provision of this Agreement or any other Operative Document shall be effective unless signed by each of the parties hereto or thereto affected by such amendment, waiver, consent, modification, or termination. Any amendment, supplement or modification of or to any provision of this Agreement or any other Operative Document, any waiver of any provision of this Agreement or any other Operative Document, and any consent to any departure by the Company from the terms of any provision of this Agreement or any other Operative Document shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

Section 7.4 Binding Effect; Assignment.

(a) Binding Effect. This Agreement shall be binding upon the Company, the Purchasers, and their respective successors and permitted assigns. Except as expressly provided in this Agreement, this Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

(b) Assignment of Rights. All or any portion of the rights and obligations of any Purchaser under this Agreement may be transferred by such Purchaser to any Affiliate of such Purchaser that could provide the representations and warranties in Article IV without the consent of the Company by delivery of an agreement to be bound and a revised Schedule A. No portion of the rights and obligations of any Purchaser under this Agreement may be transferred by such Purchaser to a non-Affiliate without the written consent of the Company (which consent shall not be unreasonably withheld by the Company).

Section 7.5 Confidentiality. Notwithstanding anything herein to the contrary, to the extent that any Purchaser has executed or is otherwise bound by a confidentiality agreement in favor of the Company, such Purchaser shall continue to be bound by such confidentiality agreement until the earlier of such time as (i) the public dissemination or filing of the Press Release or Form 8-K pursuant to Section 5.2 and (ii) the termination of any such confidentiality agreement by its terms.

Section 7.6 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by registered or certified mail, return receipt requested, telecopy, air courier guaranteeing overnight delivery or personal delivery to the following addresses:

- (a) If to any Purchaser:

To the respective address listed on its signature page hereto.

- (b) If to SEACOR Marine Holdings Inc.:

7910 Main Street, 2nd Floor  
Houma, LA 70360  
Attention: General Counsel  
Email: Aeverett@seacormarine.com

with a copy to:

Milbank, Tweed, Hadley & McCloy LLP  
28 Liberty Street  
New York, NY 10005  
Attention: David Zeltner  
Brett Nadritch  
Email: dzeltner@milbank.com  
bnadritch@milbank.com

or to such other address as the Company or such Purchaser may designate in writing. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when notice is sent to the sender that the recipient has read the message, if sent by electronic mail; upon actual receipt if sent by certified mail, return receipt requested, or regular mail, if mailed; when receipt acknowledged, if sent via facsimile; and upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

Section 7.7 Removal of Legend. In connection with a sale of the Purchased Shares by a Purchaser in reliance on Rule 144, the applicable Purchaser or its broker shall deliver to the transfer agent and the Company a broker representation letter providing to the transfer agent and the Company any information the Company deems necessary to determine that the sale of the Purchased Shares is made in compliance with Rule 144, including, as may be appropriate, a certification that the Purchaser is not an Affiliate of the Company, regarding the length of time the Purchased Shares have been held and its compliance with the volume and manner of sale limitations of Rule 144. Upon receipt of such representation letter, the Company shall promptly direct its transfer agent to remove the notation of a restrictive legend in such Purchaser's certificates evidencing the Purchased Shares or the book-entry account maintained by the transfer agent, including the legend referred to in Section 4.11, and the Company shall bear all costs associated therewith. After any Purchaser or its permitted assigns have held the Purchased Shares for one year, if the book-entry account of such Purchased Shares still bears the notation of the restrictive legend referred to in Section 4.11, the Company agrees, upon request of the Purchaser or permitted assignee, to take all steps necessary to promptly effect the removal of the legend described in Section 4.11 from the Purchased Shares, and the Company shall bear all costs associated therewith, regardless of whether the request is made in connection with a sale or otherwise, so long as such Purchaser or its permitted assigns provide to the Company any information the Company deems reasonably necessary to determine that the legend is no longer required under the Securities Act or applicable state laws, including (if there is no such registration statement) a certification that the holder is not an Affiliate of the Company (and a covenant to inform the Company if it should thereafter become an Affiliate and to consent to the notation of an appropriate restriction) and regarding the length of time the Purchased Shares have been held.

Section 7.8 Entire Agreement. This Agreement, the other Operative Documents and the other agreements and documents referred to herein and on Exhibit B are intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein or the other Operative Documents with respect to the rights granted by the Company or any of its Affiliates or any Purchaser or any of its Affiliates set forth herein or therein. This Agreement, the other Operative Documents and the other agreements and documents referred to herein or therein supersede all prior agreements and understandings between the parties with respect to such subject matter, other than, with respect to the parties thereto, that certain (i) Convertible Senior Note Purchase Agreement dated November 30, 2015 (and the notes issued thereunder) by and among SEACOR Marine Holdings Inc. and the purchasers of the 3.75% Convertible Senior Notes, (ii) Registration Rights Agreement dated November 30, 2015, by and among SEACOR Marine Holdings Inc. and the holders of the 3.75% Convertible Senior Notes from time-to-time party thereto, each of which shall remain in effect in accordance with its terms and (iii) Investment Agreement, dated November 30, 2015 by and among SEACOR Marine Holdings Inc. and the investors party thereto.

Section 7.9 Governing Law. This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), will be construed in accordance with and governed by the laws of the State of New York without regard to principles of conflicts of laws that would require the application of the laws of any other jurisdiction. Any action against any party relating to the foregoing shall be brought in any federal or state court of competent jurisdiction located within the State of New York, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of New York over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection that they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

Section 7.10 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 7.11 Termination.

(a) Notwithstanding anything herein to the contrary, this Agreement shall automatically terminate at any time at or prior to the Closing if a statute, rule, order, decree or regulation shall have been enacted or promulgated, or if any action shall have been taken by any Governmental Authority of competent jurisdiction that permanently restrains, permanently precludes, permanently enjoins or otherwise permanently prohibits the consummation of the transactions contemplated by this Agreement or makes the transactions contemplated by this Agreement illegal.

(b) Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time by any Purchaser (with respect to the obligations of such Purchaser) or the Company, upon written notice to the other party, if the Closing shall not have occurred on or before April 30, 2018 (the "Outside Date"); *provided, however*, that the right to terminate this Agreement under this Section 7.11(b) shall not be available to any party whose (i) breach of any provision of this Agreement, (ii) failure to comply with their obligations under this Agreement or (iii) actions not taken in good faith, shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Outside Date or the failure of a condition in Section 2.3 or Section 2.4 to be satisfied at such time.

(c) In the event of the termination of this Agreement as provided in this Section 7.11, (i) this Agreement shall forthwith become null and void and (ii) there shall be no liability on the part of any party hereto, except as set forth in Article VI of this Agreement and except with respect to the requirement to comply with any confidentiality agreement in favor of the Company; *provided* that nothing herein shall relieve any party from any liability or obligation with respect to any willful breach of this Agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

SEACOR Marine Holdings Inc.

By: /s/ Andrew H. Everett II

Name: Andrew H. Everett II

Title: Senior Vice President, General  
Counsel and Secretary

*[Signature Page to Subscription Agreement]*

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Third Avenue Trust on behalf of Third Avenue Small Cap Value Fund

By: /s/ Michael A. Buono  
Name: Michael A. Buono  
Title: Chief Financial Officer

JMG GST LLC

By: /s/ John Gellert  
Name: John Gellert  
Title: Manager

Oppenheimer-Close Investment Partnership LP

By: /s/ Carl K. Oppenheimer  
Name: Carl K. Oppenheimer  
Title: Managing Member

Oppenheimer-Close International Ltd.

By: /s/ Carl K. Oppenheimer  
Name: Carl K. Oppenheimer  
Title: Director

ELCANO Inversiones Financieras, SICAV, SA

By: /s/ Gabriel Ximenez de Embun  
Name: Gabriel Ximenez de Embun  
Title: Head of Investment & Strategy Credit Suisse Gestion, SGIIC, SA

Brian P. Cheramie

By: /s/ Brian P. Cheramie  
Name: Brian P. Cheramie  
Title: Individual

Cheramie Futures LLC

By: /s/ Brian P. Cheramie  
Name: Brian P. Cheramie – Cheramie Futures LLC  
Title: Owner

*[Signature Page to Subscription Agreement]*

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T. Rowe Price Small-Cap Value Fund, Inc.  
T. Rowe Price U.S. Small-Cap Value Equity Trust  
T. Rowe Price U.S. Equities Trust  
MassMutual Select Funds – MassMutual Select T. Rowe Price Small and Mid  
Cap Blend Fund  
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as  
applicable

By: /s/ Francisco Alonso  
Name: Francisco Alonso  
Title: Vice President

CVI Investments, Inc., c/o Heights Capital Management, Inc., its authorized  
Agent

By: /s/ Martin Kobinger  
Name: Martin Kobinger  
Title: Investment Manager

Proyectos Globales de Energía y Servicios CME, S.A. de C.V.

By: /s/ Alfredo Miguel  
Name: Alfredo Miguel  
Title: CEO

CEO II DE I AIV, L.P.

By: CEO II DE AIV GP, LP, its general partner

By: CEO II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen  
Name: Rodney Cohen  
Title: Authorized Person

CEO II Coinvestment (DE), L.P.

By: CEO II DE AIV GP, LP, its general partner

By: CEO II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen  
Name: Rodney Cohen  
Title: Authorized Person

*[Signature Page to Subscription Agreement]*

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CEO II Coinvestment B (DE), L.P.  
By: CEO II DE AIV GP, LP, its general partner  
By: CEO II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen  
Name: Rodney Cohen  
Title: Authorized Person

*[Signature Page to Subscription Agreement]*

**SCHEDULE A – List of Purchasers, Purchase Price and Purchased Shares**

| <b>Purchaser Name</b>  | <b>Purchase Price</b>  | <b>Purchased Shares</b> |
|--|------------------------|-------------------------|
| Oppenheimer-Close Investment Partnership LP  | <b>\$500,000.00</b>    | <b>25,000</b>           |
| Oppenheimer-Close International LTD  | <b>\$55,000.00</b>     | <b>2,750</b>            |
| JMG GST LLC  | <b>\$1,000,000.00</b>  | <b>50,000</b>           |
| Brian P. Cheramie  | <b>\$4,563,280.00</b>  | <b>228,164</b>          |
| Cheramie Futures LLC   | <b>\$436,720.00</b>    | <b>21,836</b>           |
| ELCANO Inversiones Financieras, SICAV, SA  | <b>\$3,000,000.00</b>  | <b>150,000</b>          |
| Third Avenue Small Cap Value Fund  | <b>\$1,300,000.00</b>  | <b>65,000</b>           |
| Proyectos Globales de Energia y Servicios CME, S.A. de C.V.                            | <b>\$20,000,000.00</b> | <b>1,000,000</b>        |
| CVI Investments, Inc.  | <b>\$3,000,000.00</b>  | <b>150,000</b>          |
| T. Rowe Price U.S. Small-Cap Value Equity Trust  | <b>\$1,143,300.00</b>  | <b>57,165</b>           |
| T. Rowe Price Small-Cap Value Fund, Inc.   | <b>\$6,717,400.00</b>  | <b>335,870</b>          |
| T. Rowe Price U.S. Equities Trust  | <b>\$102,980.00</b>    | <b>5,149</b>            |
| MassMutual Select Funds – MassMutual Select T. Rowe Price Small and Mid Cap Blend Fund | <b>\$36,320.00</b>     | <b>1,816</b>            |
| CEOF II DE I AIV, L.P.   | <b>\$14,212,500.00</b> | <b>710,625</b>          |
| CEOF II Coinvestment (DE), L.P.  | <b>\$727,660.00</b>    | <b>36,383</b>           |
| CEOF II Coinvestment B (DE), L.P.  | <b>\$59,840.00</b>     | <b>2,992</b>            |
| <b>Total:</b>  | <b>\$56,855,000.00</b> | <b>2,842,750</b>        |

**SCHEDULE B – Investor Questionnaire**

Name of investor: \_\_\_\_\_

State or jurisdiction of residence: \_\_\_\_\_

With respect to a potential investment in SEACOR Marine Holdings Inc., a corporation organized under the laws of the State of Delaware (the “*Company*”), the undersigned represents and warrants that he/she/it qualifies as (please check the box that applies):

- an “*accredited investor*” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “*Act*”); or
- a “*qualified institutional buyer*” as that term is defined in Rule 144A of the Act.

If the undersigned has selected the box above for “*accredited investor*,” he/she/it is an accredited investor because:

- He/she is a natural person whose individual net worth, or joint net worth with his/her spouse, at the time of his/her purchase of securities of the Company, exceeds \$1,000,000, excluding the value of his/her primary residence; or
  - He/she is a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or had a joint income with his/her spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
  - He/she is a director, executive officer or general partner of the Company or a director, executive officer or general partner of a general partner of the Company; or
  - It is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation, Massachusetts or similar business trust, or partnership that was not formed for the specific purpose of acquiring the securities of the Company being offered in this offering, with total assets in excess of \$5,000,000; or
  - It is a “private business development company” as defined in Section 202(a)(22) of the Investment Advisers Act of 1940; or
  - It is a “bank” as defined in Section 3(a)(2) of the Act; or
  - It is a “savings and loan association” or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; or
  - It is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; or
  - It is an “insurance company” as defined in Section 2(a)(13) of the Act; or
  - It is an investment company registered under the Investment Company Act of 1940; or
-

- It is a “business development company” as defined in Section 2(a)(48) of the Investment Company Act of 1940; or
- It is a “Small Business Investment Company” licensed by the U.S. Small Business Administration under either Section 301(c) or (d) of the Small Business Investment Act of 1958; or
- It is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; or
- It is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is one of the following:
  - A bank;
  - A savings and loan association;
  - An insurance company; or
  - A registered investment adviser; or
- It is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 with total assets in excess of \$5,000,000; or
- It is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 that is a self-directed plan with investment decisions made solely by persons that are accredited investors; or
- It is a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered by the Company in this offering, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); or
- It is an entity in which all of the equity owners are accredited investors.

With respect to a potential investment in the Company, the undersigned represents and warrants that he/she/it qualifies as a citizen of the United States within the meaning of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations (including but not limited to 46 CFR Part 67, subpart C and 46 CFR 4.80(a)) with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade (a “**Coastwise Citizen**”), because (please check the box that applies):

- He/she (a) was born in the United States, born abroad to parents who are citizens of the United States, was naturalized as a citizen of the United States, was naturalized as a citizen of the United States during minority through the naturalization of a parent, or became a citizen of the United States as otherwise authorized by law<sup>1</sup>; (b) will own and hold any equity securities in the Company, for his or her own account, directly or indirectly, including through an Individual Retirement Account, free from any trust or fiduciary obligation in favor of any Person not a Coastwise Citizen and (c) satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade, including but not limited to 46 CFR 67.33; or
- It is a corporation (a) incorporated under the laws of the United States or the laws of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States, (b) the chairman of the board of directors and the chief executive officer (by whatever title) of which are Coastwise Citizens, and all other officers of which and other Persons authorized to act in the absence or disability of the chairman or chief executive officer are Coastwise Citizens, (c) no more of the directors of which than a minority of the number necessary to constitute a quorum of the board of directors are non-Coastwise Citizens, (d) in which at least 75% of each class or series of the stock and the voting power are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (e) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade, including but not limited to 46 CFR 67.39(c); or

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<sup>1</sup> Permanent residents of the United States (green card holders) are not Coastwise Citizens.

- It is a limited liability company (a) formed under the laws of the United States or of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States, (b) which, if it is (x) a manager-managed limited liability company (i) the members of which have delegated total management authority and control over and responsibility for such limited liability company to a single manager or a board of directors or managers (or equivalent management committee or supervisory or governing body), (ii) the chairman of the board of directors or managers (or equivalent management committee or supervisory or governing body) and the chief executive officer (by whatever title) of which, and all other officers of which and other Persons authorized to act in the absence or disability of the chairman or chief executive officer are Coastwise Citizens, and (iii) no more of the directors or managers (or equivalent management committee or supervisory or governing body) of which are non-Coastwise Citizens than a minority of the number necessary to constitute a quorum of that body, or (y) a member-managed limited liability company (i) each member of which is a Coastwise Citizen, and (ii) to the extent that it has officers, the chief executive officer, by whatever title, of such limited liability company is a Coastwise Citizen, and all other officers and other Persons authorized to act in the absence or disability of the chief executive officer are Coastwise Citizens, (c) in which at least 75% of each class or series of the limited liability company interests or units and the voting power are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (d) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade; or
  - It is a partnership (a) formed under the laws of the United States or the laws of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States (b) of which all of the general partners are Coastwise Citizens, (c) to the extent that it has officers, the chief executive officer, by whatever title, of such partnership is a Coastwise Citizen, and all other officers and other Persons authorized to act in the absence or disability of the chief executive officer are Coastwise Citizens, (d) in which at least 75% of each class or series of the equity interests or partnership interests and the voting power are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (e) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade, including but not limited to 46 CFR 67.35(c); or
  - It is a trust (a) formed under the laws of the United States or the laws of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States, (b) of which all of the trustees are Coastwise Citizens, (c) of which all beneficiaries with an enforceable interest in it are Coastwise Citizens, (d) to the extent appointed, the chairman of the board of directors and the chief executive officer (by whatever title) of which are Coastwise Citizens, and all other officers of which and other Persons authorized to act in the absence or disability of the chairman or chief executive officer are Coastwise Citizens, (e) to the extent appointed, no more of the directors of which than a minority of the number necessary to constitute a quorum of the board of directors are non-Coastwise Citizens, (f) in which at least 75% of the equity interests are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (g) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade, including but not limited to 46 CFR 67.36(c); or
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- It is a joint venture or association (a) formed under the laws of the United States or the laws of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States, (b) of which all of its members are Coastwise Citizens, (c) to the extent appointed, the chairman of the board of directors and the chief executive officer (by whatever title) of which are Coastwise Citizens, and all other officers of which and other Persons authorized to act in the absence or disability of the chairman or chief executive officer are Coastwise Citizens, (d) to the extent appointed, no more of the directors of which than a minority of the number necessary to constitute a quorum of the board of directors are non-Coastwise Citizens, (e) in which at least 75% of each class or series of the interests and the voting power are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (e) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade, including but not limited to 46 CFR 67.37(c)
  
  - It is a pension or benefit plan, foundation or mutual insurance company that is not organized as a corporation, limited liability company, partnership, trust, joint venture or association and is (a) formed under the laws of the United States or the laws of any state of the United States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands and any other territory or possession of the United States, (b) of which all of its members are Coastwise Citizens, (c) to the extent appointed, the chairman of the board of directors and the chief executive officer (by whatever title) of which are Coastwise Citizens, and all other officers of which and other Persons authorized to act in the absence or disability of the chairman or chief executive officer are Coastwise Citizens, (d) to the extent appointed, no more of the directors of which than a minority of the number necessary to constitute a quorum of the board of directors are non-Coastwise Citizens, (e) in which at least 75% of each class or series of the interests or policies, as applicable, and the voting power are owned and controlled by Coastwise Citizens, at each tier of the ownership chain to all levels of direct and indirect ownership therein, and (e) that satisfies the requirements of 46 U.S.C. § 50501 (a), (b) and (d) and related regulations with respect to the ownership and operation of U.S.-flag vessels in the United States coastwise trade; or
  
  - He/she/it is not a Coastwise Citizen.
-

Date: \_\_\_\_\_

PARTNERSHIP, CORPORATION, TRUST  
OR OTHER ENTITY INVESTORS:

\_\_\_\_\_  
Print Name of Partnership, Corporation,  
Trust or Other Entity

By: \_\_\_\_\_  
Signature of Authorized  
Representative

\_\_\_\_\_  
Print Name of Authorized  
Representative

\_\_\_\_\_  
Title of Authorized  
Representative

*[Signature Page to Investor Questionnaire]*

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## EXHIBIT A

### FORM OF OPINION OF MILBANK, TWEED, HADLEY & MCCLOY LLP

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Subscription Agreement (the "**Subscription Agreement**"). The Company shall furnish to the Purchasers at the Closing an opinion of Milbank, Tweed, Hadley & McCloy LLP, counsel for the Company, addressed to the Purchasers and dated the Closing Date in form satisfactory to the Purchasers, stating that:

1. The Company has been duly incorporated and is validly existing as a corporation, and is in good standing under the laws of the State of Delaware, with the corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct the businesses in which it is currently engaged.
  2. The Purchased Shares have been duly authorized in accordance with the Company's Certificate of Incorporation and Bylaws and, when issued and delivered by the Company to the Purchasers upon payment therefor in accordance with the Subscription Agreement, will be validly issued, fully paid and non-assessable.
  3. The Company has the corporate power to execute, deliver and perform its obligations under the Subscription Agreement and the Registration Rights Agreement.
  4. No approvals from any Governmental Authority is required for the Company to execute and deliver the Subscription Agreement or the Registration Rights Agreement and for the Company to issue the Purchased Shares in accordance with the Subscription Agreement and for the sale of the Purchased Shares by the Company to the Purchasers under the Subscription Agreement, except (i) for such approvals that have already been obtained, (ii) for such approvals as may be required under applicable state securities laws, (iii) for any filing the Company is required to make under the Securities Exchange Act of 1934, as amended (the "Exchange Act") on Form 8-K or the Securities Act pursuant to the Registration Rights Agreement and (iv) to the extent the failure to obtain such approvals likely would not have a Material Adverse Effect.
  5. The execution and delivery by the Company of the Subscription Agreement and the Registration Rights Agreement, and the issuance and sale of the Purchased Shares by the Company to the Purchasers under the Subscription Agreement does not (x) result in a breach or violation of the certificate of incorporation or by-laws of the Company or (y) constitute a breach or violation of, or a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to any applicable Law, except in the case of clause (y), as would not likely have a Material Adverse Effect.
  6. The Company is not required to, and, immediately after giving effect to the offering and sale of the Purchased Shares, the Company will not be required to, register as an investment company under the Investment Company Act of 1940, as amended.
  7. Assuming the accuracy of the representations and warranties of the Purchasers and the Company contained in the Subscription Agreement and the Investor Questionnaire, and the representations and warranties of the Placement Agents in the Placement Agent Engagement Letter, the offer, issuance and sale of the Purchased Shares by the Company to the Purchasers solely in the manner contemplated by the Subscription Agreement are exempt from the registration requirements of the Securities Act; *provided* that such counsel will express no opinion as to any subsequent sale.
-



## EXHIBIT B

### AGREEMENTS WITH AFFILIATES OF THE CARLYLE GROUP

On April 17, 2018, SEACOR Marine Holdings Inc. (the “Company”) entered into a letter agreement with affiliates of The Carlyle Group (collectively, “Carlyle”) that hold all of the Company’s outstanding \$175.0 million principal amount of 3.75% Convertible Senior Notes due 2022 (the “Convertible Notes”). The Company and Carlyle agreed as follows:

1. As soon as practicable after the Closing of the sale of Purchased Shares pursuant to the Subscription Agreement (the “Private Placement”), Carlyle will exchange \$50,000,000 in aggregate principal amount of its Convertible Notes for 1,886,792 shares of the Company’s common stock (representing a conversion rate and conversion price of 37.73 and \$26.50 per \$1,000 in principal amount notes, respectively).
2. Carlyle will purchase in the Private Placement, for a purchase price of \$15,000,000, a number of shares equal to 15,000,000 divided by the dollar price per share paid by investors in the Private Placement; provided, however, in the event that either (i) the dollar price per share paid by the investors in the Private Placement is equal to or greater than \$25.00 per share or (ii) the aggregate purchase price to be paid by investors in the PIPE Offering is less than \$45,000,000 (inclusive of Carlyle’s \$15,000,000), Carlyle may, but will not be required to, participate in the Private Placement.
3. As soon as practicable, the Note Purchase Agreement relating to the Convertible Notes will be amended to (a) extend the maturity date of the Convertible Notes from December 1, 2022 to December 1, 2023 and (b) increase the interest rate payable on the Convertible Notes from 3.75% to 4.25% per annum.

### AGREEMENTS WITH PROYECTOS GLOBALES DE ENERGIA Y SERVICIOS CME, S.A. DE C.V.

On the date of this Agreement, the Company entered into a letter agreement with Proyectos Globales de Energia y Servicios CME, S.A. de C.V (“CME”), whereby the Company and CME agreed as follows:

1. The Company will issue such number of Common Shares to CME or its Affiliates so that, upon the consummation of the transactions contemplated in the Subscription Agreement, including subscription by all other Purchasers in accordance thereunder, CME and its Affiliates will own in the aggregate (i.e., taking into account Common Shares currently owned by them) 4.89% of the total issued and outstanding Common Shares, and in lieu of delivering the remaining portion of the Common Shares to CME pursuant to the Subscription Agreement (the “Undelivered Shares”), the Company will deliver to CME warrants entitling CME to purchase a number of Common Shares equal to the number of Undelivered Shares, and thereafter CME’s right to receive delivery of the Undelivered Shares shall be extinguished. Subject to limitations on the aggregate number of Common Shares that can be owned by non-U.S. citizens under its certificate of incorporation, the Company shall assist CME and its Affiliates with respect to the exercise of such warrants to enable CME and its Affiliates to own in the aggregate 4.89% of the issued and outstanding Common Shares from time to time. With respect to the exercise of such warrants, the Company shall take all required action under the warrants so that upon CME transferring any of its Common Shares, the Company can promptly issue the applicable Common Shares under the warrant so that CME and its Affiliates can own in the aggregate 4.89% of the issued and outstanding Common Shares upon such exercise.

**REGISTRATION RIGHTS AGREEMENT**

**BY AND AMONG**

**SEACOR MARINE HOLDINGS INC.**

**AND**

**THE PURCHASERS**

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## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made and entered into as of April 26, 2018, by and among SEACOR Marine Holdings Inc., a Delaware corporation (the “Company”), and each of the Persons set forth on Schedule A to the Subscription Agreement and signatory hereto (as defined below) (each, a “Purchaser” and collectively, the “Purchasers”).

WHEREAS, this Agreement is made in connection with the Closing of the issuance and sale of the Purchased Shares pursuant to the Subscription Agreement, dated as of April 20, 2018, by and among the Company and the Purchasers (the “Subscription Agreement”); and

WHEREAS, the Company has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Purchasers pursuant to the Subscription Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Subscription Agreement. The terms set forth below are used herein as so defined:

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning specified therefor in the introductory paragraph of this Agreement.

“Business Day” means any day other than a Saturday, Sunday, any federal holiday or any other day on which banking institutions in the State of New York are authorized or required to be closed by law or governmental action.

“Commission” means the U.S. Securities and Exchange Commission.

“Common Share Price” means the volume weighted average closing price of the shares of common stock of the Company (as reported by Bloomberg L.P. (or if not available via Bloomberg L.P. another mutually agreed upon source)) for the ten trading days immediately preceding the date on which the determination is made.

“Company” has the meaning specified therefor in the introductory paragraph of this Agreement.

“Effectiveness Deadline” has the meaning specified therefor in Section 2.02(b) of this Agreement.

“Effectiveness Period” has the meaning specified therefor in Section 2.01(a) of this Agreement.

“Holder” means the record holder of any Registrable Securities or the holder of any Warrant exercisable for Registrable Securities.

“Liquidated Damages” has the meaning specified therefor in Section 2.02(a) of this Agreement.

“Liquidated Damages Multiplier” means the product obtained by multiplying (x) the Common Share Price by (y) the number of Registrable Securities held by a Holder that may not be disposed of without restriction and without the need for current public information pursuant to any section of Rule 144 (or any successor rule or regulation to Rule 144 then in force) under the Securities Act of 1933, as amended (the “Securities Act”). .

“Mandatory Shelf Filing Date” has the meaning specified therefor in Section 2.01(a) of this Agreement.

“Person” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“Purchaser” and “Purchasers” have the meanings specified therefor in the introductory paragraph of this Agreement.

“Registrable Securities” means the Common Shares to be acquired by the Purchasers pursuant to the Subscription Agreement and any Common Shares issuable upon exercise of the Warrants, and, in each case includes any type of interest issued to the Holder as a result of Section 3.04.

“Registration Expenses” has the meaning specified therefor in Section 2.06(b) of this Agreement.

“Registration Statement” has the meaning specified therefor in Section 2.01(a) of this Agreement.

“Selling Holder” means a Holder who is selling Registrable Securities pursuant to a registration statement.

“Subscription Agreement” has the meaning specified therefor in the recitals of this Agreement.

“Warrants” means warrants to purchase 674,164 Common Shares at an exercise price of \$0.01 (as such share amount and exercise price may be adjusted pursuant to the terms thereof) acquired by Proyectos Globales de Energia y Servicios CME, S.A. de C.V. in lieu of the Common Shares that such Purchaser subscribed for pursuant to the Subscription Agreement.

Section 1.02 Registrable Securities. Any Registrable Security will cease to be a Registrable Security (a) when a registration statement covering such Registrable Security becomes or has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) when such Registrable Security has been disposed of pursuant to any section of Rule 144 (or any similar provision then in effect) under the Securities Act; (c) when such Registrable Security is held by the Company or one of its subsidiaries or Affiliates; (d) when such Registrable Security has been sold or disposed of in a private transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of such securities pursuant to Section 2.09 hereof or (e) when such Registrable Security becomes eligible for resale without restriction and without the need for current public information pursuant to any section of Rule 144 (or any similar provision then in effect) under the Securities Act, if the Holder of such Registrable Security is not an affiliate (as defined in Rule 144(a)(1)) of the Company.

## ARTICLE II

### REGISTRATION RIGHTS

Section 2.01 Mandatory Registration. No later than June 30, 2018 (such date, except as noted in the first proviso below, the “Mandatory Shelf Filing Date”), the Company shall prepare and use its commercially reasonable efforts to file a registration statement with the Commission on Form S-3 under the Securities Act providing for registration and resale, on a continuous or delayed basis and from time to time pursuant to Rule 415 under the Securities Act, of all of the Registrable Securities then outstanding; provided, however, that if the Company is not eligible to file and use a Form S-3 to register resales by the Purchasers of Registrable Securities by the Mandatory Shelf Filing Date it shall prepare and use its commercially reasonable efforts to file such form of registration statement as is then available to permit resales by the Purchasers of Registrable Securities on a continuous or delayed basis (including a Form S-1) and in such cases the Mandatory Shelf Filing Date shall be deemed to be July 15, 2018; provided, further, that if the Company has filed the registration statement on a form other than Form S-3 and subsequently becomes eligible to use Form S-3 or any equivalent or successor form or forms, the Company may elect, in its sole discretion, to (i) file a post-effective amendment to the registration statement converting such registration statement to a registration statement on Form S-3 or any equivalent or successor form or forms or (ii) withdraw such registration statement and file a registration statement on Form S-3 or any equivalent or successor form or forms, (the registration statement on such form, as amended or supplemented, the “Registration Statement”). The Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act by the Commission as soon as reasonably practicable after the Mandatory Shelf Filing Date. The Company shall use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the earlier of (A) the date when all of the Registrable Securities covered by such Registration Statement have been sold, and (B) the date on which all of the Purchased Shares cease to be Registrable Securities hereunder (such period, the “Effectiveness Period”). The Registration Statement when effective (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any prospectus contained in such Registration Statement, in the light of the circumstances under which a statement is made). As soon as practicable following the date that the Registration Statement becomes effective, but in any event within two (2) Business Days of such date, the Company shall provide the Holders with written notice of the effectiveness of the Registration Statement.

Section 2.02 Failure to File or Become Effective; Liquidated Damages. If the Company has not filed the Registration Statement with the Commission on or prior to the applicable Mandatory Shelf Filing Date, then each Holder shall be entitled to a payment (with respect to each Registrable Security held by the Holder), as liquidated damages and not as a penalty, in an amount equal to 0.25% of the Liquidated Damages Multiplier of such Holder for the first 30-day period and (ii) an additional 0.25% of the Liquidated Damages Multiplier of such Holder with respect to each subsequent 30-day period, up to a maximum amount of 1% of the Liquidated Damages Multiplier of such Holder (the "Liquidated Damages"), which shall accrue daily until such date that the Company has filed the Registration Statement with the Commission. To the extent that during any 30-day period a Holder is no longer entitled to receive Liquidated Damages, the Company shall only be required to pay the Liquidated Damages that have accrued to such date.

(b) If the Registration Statement is not declared effective by the Commission on or before the earlier of (i) if the Registration Statement is subject to review by the Commission, ninety (90) days following the date on which the Company has filed the Registration Statement with the Commission, and (ii) if the Registration Statement is not subject to review by the Commission, ten (10) days following the date of receipt of such notice from the Commission (such earlier date, the "Effectiveness Deadline"), then each Holder shall be entitled to a payment (with respect to each Registrable Security held by the Holder), as liquidated damages and not as a penalty, of Liquidated Damages of such Holder, which shall accrue daily until such date that the Registration Statement is declared effective by the Commission.

(c) The Liquidated Damages shall be paid to each Holder in cash within ten (10) Business Days following the last day of 30-day period that the Holders are entitled to such Liquidated Damages. Any payments made pursuant to this Section 2.02 shall constitute the Holders' exclusive remedy for such events. Any Liquidated Damages due under this Section 2.02 shall be paid to the Holders in immediately available funds. The obligation to pay the Liquidated Damages to a Holder pursuant to this Section 2.02 shall cease at such time as the Registrable Securities become eligible for resale by such Holder under Rule 144 of the Securities Act without regard to any volume or manner of sale restrictions.

Section 2.03 Blackout and Delay Rights. Notwithstanding anything to the contrary contained herein:

(a) the Company shall not be required to (i) file a Registration Statement (or any amendment thereto) or, (ii) if a Registration Statement has been filed but not declared effective by the Commission, request effectiveness of such Registration Statement, for a period of up to 60 days, if the Company in its sole discretion determines (A) in good faith that a postponement is in the best interest of the Company and its stockholders generally due to a pending transaction involving the Company (including a pending securities offering by the Company, or any proposed financing, acquisition, merger, tender offer, business combination, corporate reorganization, consolidation or other significant transaction involving the Company), (B) such registration would render the Company unable to comply with applicable securities laws, (C) such registration would require disclosure of material information that the Company has a bona fide business purpose for preserving as confidential, or (D) audited financial statements as of a date other than the fiscal year end of the Company would be required to be prepared; *provided, however*, that in no event shall any such period exceed an aggregate of 90 days in any 365-day period; and

(b) the Company may, upon written notice to any Selling Holder whose Registrable Securities are included in the Registration Statement or other registration statement contemplated by this Agreement, suspend such Selling Holder's use of any prospectus which is a part of the Registration Statement or other registration statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Registration Statement or other registration statement contemplated by this Agreement but may settle any previously made sales of Registrable Securities) if (i) the Company determines that it would be required to make disclosure of material information in the Registration Statement that the Company has a bona fide business purpose for preserving as confidential, (ii) the Company has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of the Company, would adversely affect the Company or (iii) the Company determines that it is required to amend or supplement the affected Registration Statement or the related prospectus so that such Registration Statement or prospectus does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the case of the prospectus in light of the circumstances under which they were made, not misleading (an "Allowed Delay"); provided, however, in no event shall the Selling Holders be suspended from selling Registrable Securities pursuant to the Registration Statement or other registration statement for a period that exceeds an aggregate of 60 days in any 180-day period or 105 days in any 365-day period. Upon disclosure of such information or the termination of the condition described above, the Company shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other reasonable actions to permit registered sales of Registrable Securities as contemplated in this Agreement.

Section 2.04 Sale Procedures. In connection with its obligations under this Article II, the Company will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be necessary to keep the Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by the Registration Statement;

(b) make available to each Selling Holder (i) as far in advance as reasonably practicable before filing the Registration Statement or any other registration statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits but excluding each document incorporated by reference), and provide each such Selling Holder the opportunity to reasonably object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing the Registration Statement or such other registration statement or supplement or amendment thereto, and (ii) such number of copies of the Registration Statement or such other registration statement and the prospectus included therein and any supplements and amendments thereto as such Selling Holder may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Registration Statement or other registration statement;



(c) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by the Registration Statement or any other registration statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders shall reasonably request in writing by the time the Registration Statement is declared effective by the Commission; *provided, however*, that the Company will not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify, take any action that would subject itself to general taxation in any jurisdiction where it would not otherwise be so subject or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject;

(d) promptly notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered by any of them under the Securities Act in connection with a resale of Registrable Securities, of (i) the filing of the Registration Statement or any other registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Registration Statement or any other registration statement or any post-effective amendment thereto, when the same has become effective; and (ii) the receipt of any written or verbal comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to the Registration Statement or any other registration statement or any prospectus or prospectus supplement thereto;

(e) immediately notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in the Registration Statement or any other registration statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any prospectus contained therein, in the light of the circumstances under which a statement is made); (ii) the issuance or express threat of issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any other registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Company agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other commercially reasonable action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(f) upon request and subject to appropriate confidentiality obligations, furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to the Registration Statement;

(g) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(h) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which similar securities issued by the Company are then listed;

(i) use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(j) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(k) if requested by a Selling Holder, (i) incorporate in a prospectus supplement or post-effective amendment such information as such Selling Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor, information regarding the underwriters, and any other terms of the offering of the Registrable Securities to be sold in such offering and (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and

(l) if requested by a Selling Holder, enter into a customary underwriting agreement relating to the sale and distribution of Registrable Securities.

The Company will not name a Holder as an underwriter as defined in Section 2(a)(11) of the Securities Act in any Registration Statement without such Holder's consent. If the staff of the Commission requires the Company to name any Holder as an underwriter as defined in Section 2(a)(11) of the Securities Act, and such Holder does not consent thereto, then such Holder's Registrable Securities shall not be included on the Registration Statement and the Company shall have no further obligations hereunder with respect to Registrable Securities held by such Holder or be required to pay any Liquidated Damages to the Holder.

Each Selling Holder, upon receipt of notice from the Company of the happening of any event of the kind described in subsection (e) of this Section 2.04 or the exercise of its rights pursuant to Section 2.03, shall forthwith discontinue offers and sales of the Registrable Securities by means of a prospectus or prospectus supplement until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.04 or until it is advised in writing by the Company that the use of the prospectus may be resumed and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by the Company, such Selling Holder will deliver to the Company (at the Company's expense) all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 2.05 Obligations of the Purchasers.

(a) Each Purchaser shall furnish in writing to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. At least ten (10) Business Days prior to the first anticipated filing date of any Registration Statement, the Company shall notify each Purchaser of the information the Company requires from such Purchaser if such Purchaser elects to have any of the Registrable Securities included in such Registration Statement. A Purchaser shall provide such information to the Company at least five (5) Business Days prior to the first anticipated filing date of such Registration Statement if such Purchaser elects to have any of the Registrable Securities included in such Registration Statement.

(b) Each Purchaser, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless such Purchaser has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

(c) Each Purchaser covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to any Registration Statement.

Section 2.06 Expenses. The Company will pay all reasonable Registration Expenses as determined in good faith. In addition, except as otherwise provided in Section 2.07 hereof, the Company shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder.

(b) Certain Definitions. "Registration Expenses" means all expenses incident to the Company's performance under or compliance with this Agreement to effect the registration of Registrable Securities on the Registration Statement pursuant to Section 2.01, and the disposition of such Registrable Securities, including, without limitation, all registration, filing, securities exchange listing and fees associated with the New York Stock Exchange, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, fees of transfer agents and registrars, all word processing, duplicating and printing expenses, any transfer taxes and the fees and disbursements of counsel and independent public accountants for the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance.

Section 2.07 Indemnification. Indemnification by the Company. In the event of any registration of any securities of the Company under the Securities Act pursuant to this Agreement, the Company will, and hereby does, indemnify and hold harmless the seller of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates in the offering or sale of such securities and each other Person, if any, who controls such seller, within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such seller or any such director or officer or controlling person may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto (in all cases, including documents incorporated by reference), or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such seller and each such director, officer, and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; *provided* that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with information regarding such seller furnished by such seller (or any representative of such seller) to the Company in writing or electronically specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any such director, officer or controlling person and shall survive the transfer of such securities by such seller.

(b) Indemnification by the Sellers. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2.01 above, that the Company shall have received an undertaking satisfactory to it from the prospective seller of such securities, to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 2.07(a) above) the Company, each director of the Company, each officer of the Company and each other Person, if any, who controls the Company within the meaning of the Securities Act, with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information regarding such seller furnished by such seller (or any representative of such seller) to the Company in writing or electronically specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. The maximum liability of each seller for any such indemnification shall not exceed the amount of proceeds received by such seller from the sale of his/its Registrable Securities. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling Person and shall survive the transfer of such securities by such seller.

(c) Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Section 2.07(a) or (b) above, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 2.07(a) or (b) above, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation. No indemnified party shall settle any claim for which indemnity maybe sought under this Agreement without the consent of the indemnifying party.

(d) Other Indemnification. Indemnification similar to that specified in Sections 2.07(a), (b) and (c) above (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority other than the Securities Act.

(e) Indemnification Payments. The indemnification required by this Section 2.07 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

Section 2.08 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) make and keep public information regarding the Company available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after the date hereof;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at all times from and after the date hereof;

(c) furnish at the Company's expense legal opinions or instruction letters regarding the removal of restrictive legends in connection with a sale under Rule 144; and

(d) so long as a Holder owns any Registrable Securities, furnish, unless otherwise available via EDGAR, to such Holder forthwith upon request a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration.

Section 2.09 Transfer or Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities granted to the Purchasers by the Company under this Article II may be transferred or assigned by any Purchaser to one or more transferees or assignees of Registrable Securities; *provided, however*, that (a) unless the transferee or assignee is an Affiliate of, and after such transfer or assignment continues to be an Affiliate of, such Purchaser, the amount of Registrable Securities transferred or assigned to such transferee or assignee shall represent at least \$3.5 million of Registrable Securities (based on the Common Share Price), (b) the Company is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, and (c) each such transferee or assignee assumes in writing responsibility for its portion of the obligations of such Purchaser under this Agreement.

**ARTICLE III**

**MISCELLANEOUS**

Section 3.01 Communications. All notices and other communications provided for or permitted hereunder shall be made in writing by electronic mail, courier service or personal delivery:

(a) if to a Purchaser:

To the respective address listed on Schedule B to the Subscription Agreement

(b) if to a transferee of an Purchaser, to such Holder at the address provided pursuant to Section 2.09 above; and

(c) if to the Company:

SEACOR Marine Holdings Inc.

7910 Main Street, 2<sup>nd</sup> Floor  
Houma, Louisiana 70360  
Attention: General Counsel  
Email: aeverett@seacormarine.com

with a copy to:

Milbank, Tweed, Hadley & McCloy LLP  
28 Liberty Street  
New York, New York 10005-1413  
Attention: David Zeltner  
Email: dzeltner@milbank.com

and

Milbank, Tweed, Hadley & McCloy LLP  
28 Liberty Street  
New York, New York 10005-1413  
Attention: Brett D. Nadritch  
Email: bnadritch@milbank.com

All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or sent via Internet electronic mail; and when actually received, if sent by courier service or any other means.

Section 3.02 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Assignment of Rights. All or any portion of the rights and obligations of any Purchaser under this Agreement may be transferred or assigned by such Purchaser only in accordance with Section 2.09 hereof.

Section 3.04 Recapitalization, Exchanges, Etc. Affecting the Shares. The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all shares of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, share splits, recapitalizations, pro rata distributions of shares and the like occurring after the date of this Agreement.

Section 3.05 Aggregation of Registrable Securities. All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights and applicability of any obligations under this Agreement.

Section 3.06 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity that such Person may have.

Section 3.07 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.08 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.09 Governing Law. **THIS AGREEMENT, AND ALL CLAIMS OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT) THAT MAY BE BASED UPON, ARISE OUT OF OR RELATE TO THIS AGREEMENT OR THE NEGOTIATION, EXECUTION OR PERFORMANCE OF THIS AGREEMENT (INCLUDING ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY REPRESENTATION OR WARRANTY MADE IN OR IN CONNECTION WITH THIS AGREEMENT), WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. ANY ACTION AGAINST ANY PARTY RELATING TO THE FOREGOING SHALL BE BROUGHT IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE OF NEW YORK, AND THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED WITHIN THE STATE OF NEW YORK OVER ANY SUCH ACTION. THE PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH DISPUTE BROUGHT IN SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE. EACH OF THE PARTIES HERETO AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**

Section 3.10 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.11 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by the Company set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter, other than that certain Registration Rights Agreement dated November 30, 2015, by and among SEACOR Marine Holdings Inc. and the holders of the 3.75% Convertible Senior Notes from time-to-time party thereto which shall remain in effect in accordance with its terms.

Section 3.12 Amendment. This Agreement may be amended only by means of a written amendment signed by the Company and the Holders of a majority of the then outstanding Registrable Securities; *provided, however*, that no such amendment shall materially and adversely affect the rights of any Holder hereunder without the consent of such Holder.



Section 3.13 No Presumption. If any claim is made by a party relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.14 Obligations Limited to Parties to Agreement. Each of the Parties hereto covenants, agrees and acknowledges that no Person other than the Purchasers (and their permitted transferees and assignees) and the Company shall have any obligation hereunder and that, notwithstanding that one or more of the Purchasers may be a corporation, partnership or limited liability company, no recourse under this Agreement or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the Purchasers or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of the Purchasers under this Agreement or any documents or instruments delivered in connection herewith or therewith or for any claim based on, in respect of or by reason of such obligation or its creation, except in each case for any transferee or assignee of a Purchaser hereunder.

Section 3.15 Independent Nature of Purchaser's Obligations. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement. Nothing contained herein, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

Section 3.16 Interpretation. Article and Section references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to." Whenever any determination, consent or approval is to be made or given by an Purchaser under this Agreement, such action shall be in such Purchaser's sole discretion unless otherwise specified.

***[Signature pages to follow]***

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

SEACOR Marine Holdings Inc.

By: /s/ Andrew H. Everett II  
Name: Andrew H. Everett II  
Title: Senior Vice President, General Counsel and  
Secretary

*[Signature Page to Registration Rights Agreement]*

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Third Avenue Trust on behalf of Third Avenue Small Cap Value Fund

By: /s/ Michael A. Buono  
Name: Michael A. Buono  
Title: Chief Financial Officer

JMG GST LLC

By: /s/ John Gellert  
Name: John Gellert  
Title: Manager

Oppenheimer-Close Investment Partnership LP

By: /s/ Carl K. Oppenheimer  
Name: Carl K. Oppenheimer  
Title: Managing Member

Oppenheimer-Close International Ltd.

By: /s/ Carl K. Oppenheimer  
Name: Carl K. Oppenheimer  
Title: Director

ELCANO Inversiones Financieras, SICAV, SA

By: /s/ Gabriel Ximenez de Embun  
Name: Gabriel Ximenez de Embun  
Title: Head of Investment & Strategy Credit Suisse Gestion, SGIC,  
SA

Brian P. Cheramie

By: /s/ Brian P. Cheramie  
Name: Brian P. Cheramie  
Title: Individual

Cheramie Futures LLC

By: /s/ Brian P. Cheramie  
Name: Brian P. Cheramie – Cheramie Futures LLC  
Title: Owner

[Signature Page to Registration Rights Agreement]

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T. Rowe Price Small-Cap Value Fund, Inc.  
T. Rowe Price U.S. Small-Cap Value Equity Trust  
T. Rowe Price U.S. Equities Trust  
MassMutual Select Funds – MassMutual Select T. Rowe Price Small and Mid  
Cap Blend Fund  
Each account, severally not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser or Subadviser, as  
applicable

By: /s/ Francisco Alonso  
Name: Francisco Alonso  
Title: Vice President

CVI Investments, Inc., c/o Heights Capital Management, Inc., its authorized  
Agent

By: /s/ J. Brad Alles  
Name: J. Brad Alles  
Title: Authorized Signatory

Proyectos Globales de Energía y Servicios CME, S.A. de C.V.

By: /s/ Alfredo Miguel Bejos  
Name: Alfredo Miguel Bejos  
Title: CEO

CEO II DE I AIV, L.P.

By: CEO II DE AIV GP, LP, its general partner  
By: CEO II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen  
Name: Rodney Cohen  
Title: Authorized Person

CEO II Coinvestment (DE), L.P.

By: CEO II DE AIV GP, LP, its general partner  
By: CEO II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen  
Name: Rodney Cohen  
Title: Authorized Person

[Signature Page to Registration Rights Agreement]

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CEOF II Coinvestment B (DE), L.P.

By: CEOF II DE AIV GP, LP, its general partner

By: CEOF II DE GP AIV, L.L.C., its general partner

By: /s/ Rodney Cohen \_\_\_\_\_

Name: Rodney Cohen

Title: Authorized Person

*[Signature Page to Registration Rights Agreement]*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED**

I, John Gellert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 10, 2018

/s/ John Gellert

Name: John Gellert

Title: Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, Jesus Llorca, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 10, 2018

/s/ Jesus Llorca

Name: Jesus Llorca

Title: *Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of SEACOR Marine Holdings Inc. (the "Company"), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended March 31, 2018 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: May 10, 2018

/s/ John Gellert

Name: John Gellert  
Title: *Chief Executive Officer*  
*(Principal Executive Officer)*

Date: May 10, 2018

/s/ Jesus Llorca

Name: Jesus Llorca  
Title: *Executive Vice President and*  
*Chief Financial Officer*  
*(Principal Financial Officer)*