UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017 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)

Delaware	**47-2564547**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
7910 Main Street, 2nd Floor	
Houma, LA	**70360**
(Address of Principal Executive Offices)	**(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)

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 x (Do not check if a smaller reporting company)	Smaller reporting company ☐	Emerging growth company x

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 November 9, 2017 was 17,671,356. The Registrant has no other class of common stock outstanding.

SEACOR MARINE HOLDINGS INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 130,357	$ 117,309
Restricted cash	1,619	1,462
Marketable securities	—	40,139
Receivables:		
Trade, net of allowance for doubtful accounts of $4,805 and $5,359 in 2017 and 2016, respectively	54,124	44,830
Due from SEACOR Holdings	—	19,102
Other	8,942	21,316
Inventories	3,786	3,058
Prepaid expenses and other	3,364	3,349
Total current assets	202,192	250,565
Property and Equipment:		
Historical cost	1,204,409	958,759
Accumulated depreciation	(558,919)	(540,619)
	645,490	418,140
Construction in progress	60,597	123,801
Net property and equipment	706,087	541,941
Investments, at Equity, and Advances to 50% or Less Owned Companies	89,984	138,311
Construction Reserve Funds	45,455	78,209
Other Assets	6,213	6,093
	$ 1,049,931	$ 1,015,119
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 30,858	$ 20,400
Accounts payable and accrued expenses	23,487	25,969
Due to SEACOR Holdings	663	—
Other current liabilities	54,210	34,647
Total current liabilities	109,218	81,016
Long-Term Debt	285,869	217,805
Conversion Option Liability on 3.75% Convertible Senior Notes	14,135	—
Deferred Income Taxes	106,389	124,945
Deferred Gains and Other Liabilities	36,314	41,198
Total liabilities	551,925	464,964
Equity:		
SEACOR Marine Holdings Inc. stockholders' equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued nor outstanding	—	—
Common stock, $.01 par value, 60,000,000 shares authorized; 17,671,356 shares issued in 2017 and 2016	177	177
Additional paid-in capital	302,952	306,359
Retained earnings	187,550	249,412
Accumulated other comprehensive loss, net of tax	(8,685)	(11,337)
	481,994	544,611
Noncontrolling interests in subsidiaries	16,012	5,544
Total equity	498,006	550,155
	$ 1,049,931	$ 1,015,119

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	$ 47,813	$ 54,125	$ 124,440	$ 171,275
Costs and Expenses:				
Operating	41,258	41,159	119,119	134,254
Administrative and general	10,318	10,588	43,849	34,915
Depreciation and amortization	15,622	14,213	42,758	44,305
	67,198	65,960	205,726	213,474
Losses on Asset Dispositions and Impairments, Net	(9,744)	(29,233)	(11,243)	(49,970)
Operating Loss	(29,129)	(41,068)	(92,529)	(92,169)
Other Income (Expense):				
Interest income	354	973	1,479	3,371
Interest expense	(4,295)	(2,512)	(12,023)	(7,455)
SEACOR Holdings management fees	—	(1,925)	(3,208)	(5,775)
SEACOR Holdings guarantee fees	(21)	(80)	(172)	(237)
Marketable security gains (losses), net	(698)	1,619	10,931	(4,458)
Derivative gains, net	13,022	16	12,720	3,077
Foreign currency losses, net	(106)	(1,084)	(1,389)	(3,463)
Other, net	—	1	(1)	266
	8,256	(2,992)	8,337	(14,674)
Loss Before Income Tax Benefit and Equity in Earnings (Losses) of 50% or Less Owned Companies	(20,873)	(44,060)	(84,192)	(106,843)
Income Tax Benefit	(5,823)	(15,263)	(23,045)	(35,831)
Loss Before Equity in Earnings (Losses) of 50% or Less Owned Companies	(15,050)	(28,797)	(61,147)	(71,012)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(7,306)	790	(5,297)	(364)
Net Loss	(22,356)	(28,007)	(66,444)	(71,376)
Net Loss attributable to Noncontrolling Interests in Subsidiaries	(1,881)	(74)	(4,582)	(904)
Net Loss attributable to SEACOR Marine Holdings Inc.	$ (20,475)	$ (27,933)	$ (61,862)	$ (70,472)
Basic Loss Per Common Share of SEACOR Marine Holdings Inc.	$ (1.17)	$ (1.58)	$ (3.51)	$ (3.99)
Diluted Loss Per Common Share of SEACOR Marine Holdings Inc.	$ (1.25)	$ (1.58)	$ (3.51)	$ (3.99)
Weighted Average Common Shares Outstanding:				
Basic	17,550,663	17,671,356	17,617,420	17,671,356
Diluted	21,621,163	17,671,356	17,617,420	17,671,356

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

SEACOR MARINE HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Loss	$ (22,356)	$ (28,007)	$ (66,444)	$ (71,376)
Other Comprehensive Income (Loss):				
Foreign currency translation gains (losses)	1,433	(1,355)	4,217	(6,780)
Reclassification of foreign currency translation losses to foreign currency losses, net	—	74	—	74
Derivative gains (losses) on cash flow hedges	91	(189)	(347)	(3,803)
Reclassification of derivative losses on cash flow hedges to interest expense	32	—	81	9
Reclassification of derivative losses on cash flow hedges to equity in earnings of 50% or less owned companies	49	772	384	2,067
	1,605	(698)	4,335	(8,433)
Income tax (expense) benefit	(541)	192	(1,428)	2,654
	1,064	(506)	2,907	(5,779)
Comprehensive Loss	(21,292)	(28,513)	(63,537)	(77,155)
Comprehensive Loss attributable to Noncontrolling Interests in Subsidiaries	(1,822)	(224)	(4,327)	(1,754)
Comprehensive Loss attributable to SEACOR Marine Holdings Inc.	$ (19,470)	$ (28,289)	$ (59,210)	$ (75,401)

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

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

	SEACOR Marine Holdings Inc. Stockholders' Equity					
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interests In Subsidiaries	Total Equity
December 31, 2016	$ 177	$ 306,359	$ 249,412	$ (11,337)	$ 5,544	$ 550,155
Distribution of SEACOR Marine restricted stock to Company personnel by SEACOR Holdings	—	(2,656)	—	—	—	(2,656)
Amortization of share awards	—	363	—	—	—	363
Purchase of subsidiary shares from noncontrolling interests	—	(1,114)	—	—	(2,579)	(3,693)
Consolidation of 50% or less owned companies	—	—	—	—	17,374	17,374
Net loss	—	—	(61,862)	—	(4,582)	(66,444)
Other comprehensive income	—	—	—	2,652	255	2,907
Nine Months Ended September 30, 2017	$ 177	$ 302,952	$ 187,550	$ (8,685)	$ 16,012	$ 498,006

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

SEACOR MARINE HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Net Cash Provided By (Used In) Operating Activities	$ 35,144	$ (16,498)
Cash Flows from Investing Activities:		
Purchases of property and equipment	(52,353)	(82,806)
Cash settlements on derivative transactions, net	(369)	(31)
Proceeds from disposition of property and equipment	9,797	4,119
Investments in and advances to 50% or less owned companies	(5,302)	(8,202)
Return of investments and advances from 50% or less owned companies	7,752	—
Payments received on third party notes receivable, net	—	504
Net increase in restricted cash	(157)	(1,120)
Net decrease in construction reserve funds	32,754	76,716
Cash assumed on consolidation of 50% or less owned companies	1,943	—
Business acquisitions, net of cash acquired	(9,751)	—
Net cash used in investing activities	(15,686)	(10,820)
Cash Flows from Financing Activities:		
Payments on long-term debt	(8,572)	(25,125)
Proceeds from issuance of long-term debt, net of issue costs	6,845	36,383
Distribution of SEACOR Marine restricted stock to Company personnel by SEACOR Holdings	(2,656)	—
Purchase of subsidiary shares from noncontrolling interests	(3,693)	—
Distributions to noncontrolling interests	—	(205)
Net cash provided by (used in) financing activities	(8,076)	11,053
Effects of Exchange Rate Changes on Cash and Cash Equivalents	1,666	(1,500)
Net Increase (Decrease) in Cash and Cash Equivalents	13,048	(17,765)
Cash and Cash Equivalents, Beginning of Period	117,309	150,242
Cash and Cash Equivalents, End of Period	$ 130,357	$ 132,477

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

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 Company's financial position as of September 30, 2017, its results of operations for the three and nine months ended September 30, 2017 and 2016, its comprehensive loss for the three and nine months ended September 30, 2017 and 2016, its changes in equity for the nine months ended September 30, 2017, and its cash flows for the nine months ended September 30, 2017 and 2016. The condensed consolidated financial information for the three and nine months ended September 30, 2017 and 2016 have not been audited by the Company's independent registered certified public accounting firm. 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 for the year ended December 31, 2016 included in the Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10, which was filed on May 4, 2017 (the "Registration Statement").

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 Registration Statement.

SEACOR Marine was previously a subsidiary of SEACOR Holdings Inc. (along with its other majority owned 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. Following the Spin-off, SEACOR Marine began to operate as an independent, publicly traded company.

Revenue Recognition. The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. Deferred revenues, included in other current liabilities in the accompanying condensed consolidated balance sheets, for the nine months ended September 30 were as follows (in thousands):

	2017	2016
Balance at beginning of period	$ 6,953	$ 6,953
Revenues deferred during the period	3,147	—
Balance at end of period	$ 10,100	$ 6,953

As of September 30, 2017, deferred revenues of $6.8 million were 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 September 30, 2017, deferred revenues of $3.1 million related to the time charter of an offshore support vessel to a customer from 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 September 30, 2017, 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 nine months ended September 30, 2017, capitalized interest totaled $3.1 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 nine months ended September 30, 2017, the Company recognized impairment charges of $15.7 million primarily associated with one leased-in supply vessel removed from service as it is not expected to be marketed prior to the expiration of its lease, one owned fast support vessel removed from service and two owned in-service specialty vessels.

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 that 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 nine months ended September 30, 2017, the Company recognized impairment charges of $8.8 million, net of tax, related to its 50% or less owned companies.

Income Taxes. During the nine months ended September 30, 2017, the Company's effective income tax rate of 27.4% was primarily due to losses of foreign subsidiaries not benefited, non-deductible expenses associated with the Company's participation in SEACOR Holdings' share award plans and non-deductible Spin-off related expenses reimbursed to SEACOR Holdings. During the nine months ended September 30, 2016, the Company's effective income tax rate of 33.5% was primarily due to losses of foreign subsidiaries not benefited and non-deductible expenses associated with the Company's participation in SEACOR Holdings' share award plans.

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 nine months ended September 30 was as follows (in thousands):

	2017	2016
Balance at beginning of period	$ 33,910	$ 43,298
Amortization of deferred gains included in operating expenses as a reduction to leased-in equipment expense	(6,109)	(6,149)
Amortization of deferred gains included in losses on asset dispositions and impairments, net	—	(36)
Other	(364)	(1,153)
Balance at end of period	$ 27,437	$ 35,960

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

	SEACOR Marine Holdings Inc. Stockholders' Equity			Noncontrolling Interests		
	Foreign Currency Translation Adjustments	Derivative Losses on Cash Flow Hedges, net	Total	Foreign Currency Translation Adjustments	Derivative Gains on Cash Flow Hedges, net	Other Comprehensive Income
December 31, 2016	$ (11,413)	$ 76	$ (11,337)	$ (1,614)	$ (17)	
Other comprehensive income	3,977	103	4,080	240	15	$ 4,335
Income tax expense	(1,392)	(36)	(1,428)	—	—	(1,428)
Nine Months Ended September 30, 2017	$ (8,828)	$ 143	$ (8,685)	$ (1,374)	$ (2)	$ 2,907

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 treasury stock and if-converted methods. Dilutive securities for this purpose assumes restricted stock grants have vested and common shares have been issued pursuant to the conversion of the 3.75% Convertible Senior Notes.

Computations of basic and diluted loss per common share of SEACOR Marine were as follows (in thousands, except share data):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	Net Loss attributable to SEACOR Marine	Average O/S Shares	Per Share	Net Loss Attributable to SEACOR Marine	Average O/S Shares	Per Share
2017						
Basic Weighted Average Common Shares Outstanding	$ (20,475)	17,550,663	$ (1.17)	$ (61,862)	17,617,420	$ (3.51)
Effect of Dilutive Share Awards:						
Options and Restricted Stock[(1)]	—	—		—	—	
Convertible Notes[(2)(3)]	(6,610)	4,070,500		—	—	
Diluted Weighted Average Common Shares Outstanding	$ (27,085)	21,621,163	$ (1.25)	$ (61,862)	17,617,420	$ (3.51)
2016						
Basic and Diluted Weighted Average Common Shares Outstanding	$ (27,933)	17,671,356	$ (1.58)	$ (70,472)	17,671,356	$ (3.99)

(1) For the three and nine months ended September 30, 2017, diluted loss per common share of SEACOR Marine excluded 120,693 of certain share awards as the effect of their inclusion in the computation would be anti-dilutive.

(2) For the three months ended September 30, 2017, adjusted net loss attributable to SEACOR Marine excluded interest expense on the 3.75% Convertible Senior Notes and derivative gains on the related conversion option liability.

(3) For the nine months ended September 30, 2017, diluted loss per common share of SEACOR Marine excluded 4,070,500 of common shares issuable pursuant to the 3.75% Convertible Senior Notes as the effect of their inclusion in the computation would be anti-dilutive.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. The Company will adopt the new standard on January 1, 2018 and expects to use the modified retrospective approach upon adoption. The Company is currently determining the impact, if any, the adoption of the new accounting standard will have on its consolidated financial position, results of operations or cash flows. Principal versus agent considerations of the new standard with respect to the Company's vessel management services and pooling arrangements may result in a gross presentation of operating revenues and expenses compared with its current net presentation for results from managed and pooled third party equipment.

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 new standard is effective for interim and annual periods beginning after December 15, 2018 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On August 26, 2016, the FASB issued an amendment to the accounting standard which amends or clarifies guidance on classification of certain transactions in the statement of cash flows, including classification of proceeds from the settlement of insurance claims, debt prepayments, debt extinguishment costs and contingent consideration payments after a business combination. This new standard is effective for the Company as of January 1, 2018 and early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On October 24, 2016, the FASB issued a new accounting standard, which requires companies to account for the income tax effects of intercompany sales and transfers of assets other than inventory. The new standard is effective for interim and annual periods beginning after December 31, 2017 and requires a modified retrospective approach to adoption. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On November 17, 2016, the FASB issued an amendment to the accounting standard which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.

2. BUSINESS ACQUISITIONS

Sea-Cat Crewzer II. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer II, which owns and operates two high-speed offshore catamarans, through the acquisition of its partners' 50% ownership interest for $11.3 million in cash (see Note 4). The Company performed a fair value analysis and the purchase price was allocated to the acquired assets and liabilities based on their fair values resulting in no goodwill being recorded.

Sea-Cat Crewzer. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer, which owns and operates two high-speed offshore catamarans, through the acquisition of its partners' 50% ownership interest for $4.4 million in cash (see Note 4). The Company performed a fair value analysis and the purchase price was allocated to the acquired assets and liabilities based on their fair values resulting in no goodwill being recorded.

Purchase Price Accounting. The allocation of the purchase price for the Company's acquisitions for the nine months ended September 30, 2017 was as follows (in thousands):

Trade and other receivables		235
Other current assets		4,148
Investments, at Equity, and Advances to 50% or Less Owned Companies		(15,700)
Property and Equipment		61,626
Accounts payable		747
Other current liabilities		(76)
Long-Term Debt		(41,186)
Other		(43)
Purchase price[(1)]	$	9,751

(1) Purchase price is net of cash acquired totaling $5.9 million.

3. EQUIPMENT ACQUISITIONS AND DISPOSITIONS

During the nine months ended September 30, 2017, capital expenditures and payments on fair value hedges were $52.7 million. Equipment deliveries during the nine months ended September 30, 2017 included six fast support vessels and one supply vessel.

During the nine months ended September 30, 2017, the Company sold two liftboats, one supply vessel, six offshore support vessels previously retired and removed from service and other equipment for net proceeds of $10.3 million ($9.8 million in cash and $0.5 million of previously received deposits) and gains of $4.4 million.

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

MexMar. MexMar owns and operates 15 offshore support vessels in Mexico. During the nine months ended September 30, 2017, the Company and its partner each received cash capital distributions of $7.4 million from MexMar.

Dynamic Offshore Drilling. Dynamic was established to construct and operate a jack-up drilling rig that was delivered in the first quarter of 2013. During the nine months ended September 30, 2017, the Company recognized an impairment charge of $8.3 million, net of tax, for an other than temporary decline in the fair value of its equity investment upon Dynamic's unsuccessful bid on a charter renewal with a customer. Its existing charter terminates in February 2018.

Falcon Global. Falcon Global was formed to construct and operate two foreign-flag liftboats. During the three months ended March 31, 2017, the Company and its partner each contributed additional capital of $0.4 million, and the Company made working capital advances of $2.0 million to Falcon Global. In March 2017, the Company's partner declined to participate in a capital call from Falcon Global and, as a consequence, the Company obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement. The impact of consolidating Falcon Global's net assets effective March 31, 2017 to the Company's financial position was as follows (in thousands):

Cash	$	1,943
Marketable securities		785
Trade and other receivables		(291)
Investments, at Equity, and Advances to 50% or Less Owned Companies		(19,374)
Property and Equipment		96,000
Accounts payable		3,201
Other current liabilities		1,153
Long-Term Debt		58,335
Other Liabilities		(1,000)
Noncontrolling interests in subsidiaries		17,374

Sea-Cat Crewzer II. Sea-Cat Crewzer II owns and operates two high-speed offshore catamarans. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer II through the acquisition of its partners' 50% ownership interest for $11.3 million in cash (see Note 2).

Sea-Cat Crewzer. Sea-Cat Crewzer owns and operates two high-speed offshore catamarans. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer through the acquisition of its partners' 50% ownership interest for $4.4 million in cash (see Note 2).

OSV Partners. OSV Partners owns and operates five offshore support vessels. OSV Partners is currently in non-compliance with its debt service coverage ratio and its maximum leverage ratio pursuant to its term loan facility and has received waivers from its lenders for these financial covenants through and including September 30, 2017. As of September 30, 2017, the remaining principal amount outstanding under the facility was $30.7 million. During the nine months ended September 30, 2017, the Company participated in a $6.0 million preferred equity offering of OSV Partners and invested $2.3 million in support of the venture. The lenders to OSV Partners have no recourse to the Company for outstanding amounts under the facility, and the Company is not obligated to any future fundings to OSV Partners.

Other. The Company's other 50% or less owned companies own and operate eight vessels. During the nine months ended September 30, 2017, the Company made working capital advances of $0.6 million to these 50% or less owned companies and received dividends of $2.4 million and advance repayments of $0.4 million from these 50% or less owned companies.

Guarantees. The Company has guaranteed the payment of amounts owed under a vessel charter by one of its 50% or less owned companies. As of September 30, 2017, the total amount guaranteed by the Company under this arrangement was $0.6 million. In addition, as of September 30, 2017, the Company had uncalled capital commitments to two of its 50% or less owned companies totaling $1.7 million.

5. LONG-TERM DEBT

3.75% Convertible Senior Notes. Certain features included in the 3.75% Convertible Senior Notes, including the Exchange Option and the 2018 Put Option, terminated upon the completion of the Spin-off.

Upon completion of the Spin-off, the Company bifurcated the embedded conversion option liability of $27.3 million from the 3.75% Convertible Senior Notes and recorded an additional debt discount. The adjusted unamortized debt discount and issuance costs are being amortized as additional non-cash interest expense over the remaining maturity of the debt (December 1, 2022) for an overall effective interest rate of 7.95%.

Falcon Global Term Loan Facility. On August 3, 2015, Falcon Global entered into a term loan facility to finance the construction of two foreign-flag liftboats. The facility consisted of two tranches: (i) a $62.5 million facility to fund the construction costs of the liftboats ("Tranche A") and (ii) a $18.0 million facility for certain project costs ("Tranche B"). Borrowings under the facility bear interest at variable rates based on LIBOR plus a margin ranging from 2.5% to 2.9%, or an average rate of 3.97% as of September 30, 2017. The facility is secured by the liftboats and is repayable over a five year period that began after the completion of the construction of the liftboats and matures no later than June 30, 2022. In March 2017, the Company's partner declined to participate in a capital call from Falcon Global and, as a consequence, the Company obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement. The Company has consolidated into its financial statements Falcon Global's debt under this facility of $58.3 million, net of issue costs of $1.0 million, effective March 31, 2017 (see Note 4). During April 2017, the Tranche B facility was canceled prior to any funding. During the nine months ended September 30, 2017, Falcon Global made scheduled payments of $3.0 million under Tranche A. As of September 30, 2017, the remaining principal amount outstanding under the facility was $56.4 million and is fully guaranteed by SEACOR Marine.

On November 3, 2017, Falcon Global executed an amendment to its term loan facility that requires Falcon Global to maintain a debt service coverage ratio and a minimum cash balance on hand in excess of defined thresholds. In addition, the amendment requires SEACOR Marine, as guarantor, to maintain a debt to capital ratio below a defined threshold and a minimum cash balance on hand in excess of a defined threshold. The amendment provides the Company the ability to retroactively cure any shortfalls in Falcon Global's debt service coverage ratio. As a result of the amendment and the Company's ability to meet its financial covenants for the next twelve months, the Company has reclassified outstanding amounts to long-term debt based on the contractual maturity schedule under this term loan facility.

Sea-Cat Crewzer II. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer II through the acquisition of its partners' 50% ownership interest (see Notes 2 and 4). Sea-Cat Crewzer II has a term loan facility that matures in 2019 which is secured by a first preferred mortgage on its vessels. The balance of this facility as of September 30, 2017 was $21.5 million. The facility calls for quarterly payments of principal and interest with a balloon payment of $17.3 million due at maturity. The interest rate is fixed at 1.52%, inclusive of an interest rate swap, plus a margin ranging from 2.10% to 2.75% subject to the level of funded debt (overall rate of 4.27% as of September 30, 2017). Since April 28, 2017, the Company made scheduled payments of $0.6 million under this facility.

Sea-Cat Crewzer. On April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer through the acquisition of its partners' 50% ownership interest (see Notes 2 and 4). Sea-Cat Crewzer has a term loan facility that matures in 2019 which is secured by a first preferred mortgage on its vessels. The balance of this facility as of September 30, 2017 was $19.0 million. The facility calls for quarterly payments of principal and interest with a balloon payment of $15.3 million due at maturity. The interest rate is fixed at 1.52%, inclusive of an interest rate swap, plus a margin ranging from 2.10% to 2.75% subject to the level of funded debt (overall rate of 4.27% as of September 30, 2017). Since April 28, 2017, the Company made scheduled payments of $0.5 million under this facility.

Other. During the nine months ended September 30, 2017, the Company borrowed $7.1 million under the Sea-Cat Crewzer III Term Loan Facility to fund capital expenditures and made scheduled payments on other long-term debt of $4.5 million. As of September 30, 2017, the Company had $4.7 million of borrowing capacity under subsidiary facilities.

Letters of Credit. As of September 30, 2017, the Company had outstanding letters of credit totaling $0.9 million for labor and performance guarantees.

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 September 30, 2017 were as follows (in thousands):

	Derivative Asset(1)	Derivative Liability(2)
Derivatives designated as hedging instruments:		
Forward currency exchange contracts (fair value hedges)	$ —	$ —
Interest rate swap agreements (cash flow hedges)	104	26
Derivatives not designated as hedging instruments:		
Conversion option liability on 3.75% Convertible Senior Notes	—	14,135
Forward currency exchange, option and future contracts	136	—
Interest rate swap agreements	—	363
	$ 240	$ 14,524

(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, except for the conversion option liability on the 3.75% Convertible Senior Notes.

Fair Value Hedges. From time to time, the Company may designate certain of its foreign currency exchange contracts as fair value hedges in respect of capital commitments denominated in foreign currencies. By entering into these foreign currency exchange contracts, the Company may fix a portion of its capital commitments denominated in foreign currencies in U.S. dollars to protect against currency fluctuations. During the nine months ended September 30, 2017, the Company recognized gains of $0.1 million on these contracts which were included as decreases to the corresponding hedged equipment included in construction in progress 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 losses on derivative instruments designated as cash flow hedges of $0.3 million and $3.8 million during the nine months ended September 30, 2017 and 2016, respectively. As of September 30, 2017, 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 ($17.7 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 $114.3 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 the Company to pay a fixed rate of interest of 1.52% on the amortized notional value of $21.5 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 the Company to pay a fixed rate of interest of 1.52% on the amortized notional value of $19.0 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 nine months ended September 30 as follows (in thousands):

	2017	2016
Conversion option liability on 3.75% Convertible Senior Notes	$ 13,119	$ —
Options on equities and equity indices	—	3,095
Forward currency exchange, option and future contracts	(78)	—
Interest rate swap agreements	(321)	(18)
	$ 12,720	$ 3,077

The conversion option liability relates to the bifurcated embedded conversion option in the 3.75% Convertible Senior Notes (see Note 5).

The Company may hold positions in publicly traded equity options that convey the right or obligation to engage in a future transaction on the underlying equity security or index. Historically, the Company's investment in equity options has primarily included positions in energy related businesses. These contracts are typically entered into to mitigate the risk of changes in market value of marketable security positions that the Company is either about to acquire, has acquired or is about to dispose.

The Company enters and settles forward currency exchange, option and future contracts with respect to various foreign currencies. These contracts enable the Company to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in currency exchange rates with respect to the Company's business conducted outside of the United States. The Company generally does not enter into contracts with forward settlement dates beyond twelve to eighteen months.

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 September 30, 2017, the interest rate swaps held by the Company or its 50% or less owned companies were as follows:

- Falcon Global 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 $57.8 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 $34.2 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 $66.7 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 September 30, 2017 that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments (included in other receivables)	$ —	$ 240	$ —
Construction reserve funds	45,455	—	—
LIABILITIES			
Derivative instruments (included in other current liabilities)	—	389	—
Conversion option liability on 3.75% Convertible Senior Notes	—	—	14,135

The fair value of the conversion option liability on the 3.75% 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 exchanging 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 September 30, 2017 were as follows (in thousands):

		Estimated Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
ASSETS				
Cash, cash equivalents and restricted cash	$ 131,976	$ 131,976	$ —	$ —
Investments, at cost, in 50% or less owned companies (included in other assets)	132	*see below*		
LIABILITIES				
Long-term debt, including current portion	$ 316,727	$ —	$ 297,227	$ —

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 by using discounted cash flow analysis based on estimated current rates for similar types of arrangements. 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 nine months ended September 30, 2017 were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Property and equipment:			
Fast support	$ —	$ 175	$ —
Specialty	—	750	—
Investments, at equity, and advances to 50% or less owned companies:			
Sea-Cat Crewzer and Sea-Cat Crewzer II	—	15,700	—
Falcon Global	—	—	19,374
Dynamic Offshore	—	5,038	—
Other	—	—	910

Property and equipment. During the nine months ended September 30, 2017, the Company recognized impairment charges of $10.3 million associated with certain owned offshore support vessels (see Note 1). The *Level 2* fair values were determined based on contracted sales prices, sales prices of similar equipment or scrap value, as applicable.

Investments, at equity, and advances to 50% or less owned companies. During the nine months ended September 30, 2017, the Company marked its investments in Sea-Cat Crewzer and Sea-Cat Crewzer II to fair value upon the acquisition of 100% controlling interests in the companies. The *Level 2* fair values were determined based on the purchase price of the acquired interests.

During the nine months ended September 30, 2017, the Company's partner declined to participate in a capital call from Falcon Global and, as a consequence, the Company obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement (see Note 4). Upon the change in control, the Company marked its investment in Falcon Global to fair value. Falcon Global's primary assets consist of two newly constructed foreign-flag liftboats. The estimated fair value of the liftboats was the primary input used by the Company in determining the fair value of its investment based on a third-party valuation using significant inputs that are unobservable in the market and therefore is considered a *Level 3* fair value measurement. Due to limited market transactions, the primary valuation methodology applied by the appraisers was an estimated cost approach less economic obsolescence based on utilization and rates per day worked trending over the prior year in the Middle East region where the vessels are intended to operate.

During the nine months ended September 30, 2017, the Company recognized an other than temporary decline in the fair value of its equity investment in Dynamic Offshore (see Note 4) and marked its investment to fair value. Dynamic's primary asset consists of a recently constructed foreign-flag jack-up drilling rig. The estimated fair value of the jack-up drilling rig was the primary input used by the Company in determining the fair value of its investment based on a third-party valuation primarily using sales prices of similar equipment and therefore is considered a *Level 2* fair value measurement. The fair value analysis is preliminary and is expected to be completed by December 31, 2017.

8. NONCONTROLLING INTERESTS IN SUBSIDIARIES

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

	Noncontrolling Interests	September 30, 2017	December 31, 2016
Falcon Global	50%	$ 12,872	$ —
Windcat Workboats	12.5%	2,853	5,266
Other	1.8%	287	278
		$ 16,012	$ 5,544

Falcon Global. Falcon Global owns and operates two foreign-flag liftboats. In March 2017, the Company's partner declined to participate in a capital call from Falcon Global and, as a consequence, the Company obtained 100% voting control of Falcon Global in accordance with the terms of the operating agreement and began consolidating Falcon Global's net assets effective March 31, 2017 (see Note 4). As of September 30, 2017, the net assets of Falcon Global were $25.7 million. During the six months ended September 30, 2017 (the period which Falcon Global has been consolidated into the Company's financial statements), the net loss of Falcon Global was $9.0 million, of which $4.5 million was attributable to noncontrolling interests.

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. During the nine months ended September 30, 2017, the Company acquired an additional 12.5% of Windcat Workboats from noncontrolling interests for $3.7 million. As of September 30, 2017, the net assets of Windcat Workboats were $22.8 million. During the nine months ended September 30, 2017, the net income of Windcat Workboats was $0.1 million with a net loss attributable to noncontrolling interests of $0.1 million. During the nine months ended September 30, 2016, the net loss of Windcat Workboats was $3.6 million, of which $0.9 million was attributable to noncontrolling interests.

9. RELATED PARTY TRANSACTIONS

In connection with 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.

Following the completion of the Spin-off, the Company is no longer charged management fees by SEACOR Holdings for their corporate costs. However, the Company continues to be supported by SEACOR Holdings for corporate services provided post Spin-off for a fixed net fee of $6.3 million per annum pursuant to the Transition Services Agreements with SEACOR Holdings. The fees incurred will decline as the services and functions provided by SEACOR Holdings are terminated and replicated within the Company. Fees incurred by the Company pursuant to the Transition Services Agreements are recognized as additional administrative and general expenses in the accompanying condensed consolidated statements of loss.

As of September 30, 2017, SEACOR Holdings has guaranteed $93.2 million for various obligations of the Company, including: debt facility and letter of credit obligations; performance obligations under sale-leaseback arrangements; and invoiced amounts for funding deficits under the MNOPF. 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 guaranteed obligations are settled by the Company. The Company recognized guarantee fees in connection with its sale-leaseback arrangements of $0.3 million for the nine months ended September 30, 2017 as additional leased-in equipment operating expenses in the accompanying condensed consolidated statements of loss. Guarantee fees paid to SEACOR Holdings for all other obligations are recognized as SEACOR Holdings guarantee fees in the accompanying condensed consolidated statements of loss.

Certain officers and employees of the Company received compensation through participation in SEACOR Holdings share award plans. Pursuant to the Employee Matters Agreement with SEACOR Holdings, participating Company personnel vested in all outstanding SEACOR Holdings share awards upon the Spin-off and received SEACOR Marine restricted stock from the Spin-off distribution in connection with outstanding SEACOR Holdings restricted stock held. As a consequence, the Company paid SEACOR Holdings $9.4 million upon completion of the Spin-off, including $2.7 million for the distribution of SEACOR Marine restricted stock, which is amortized over the participants' remaining vesting periods, and $6.7 million on the accelerated vesting of SEACOR Holdings share awards, which was immediately recognized as additional administrative and general expenses in the accompanying condensed consolidated statements of loss.

Pursuant to one of the Transitions Services Agreements with SEACOR Holdings, the Company is obligated to reimburse SEACOR Holdings up to 50% of the severance and restructuring costs actually incurred by SEACOR Holdings as a result of the Spin-off up to, but not in excess of, $6.0 million (such that the Company shall not be obligated to pay more than $3.0 million). As of September 30, 2017, the Company has reimbursed SEACOR Holdings severance and restructuring costs of $0.7 million recognized as additional administrative and general expenses in the accompanying condensed consolidated statements of loss.

Immediately preceding the Spin-off and pursuant to an Investment Agreement dated November 30, 2015 with the holders of the 3.75% Convertible Senior Notes, the Company reimbursed SEACOR Holdings for the final settlement of non-deductible Spin-off related expenses of $3.4 million recognized as additional administrative and general expenses in the accompanying condensed consolidated statements of loss.

10. COMMITMENTS AND CONTINGENCIES

As of September 30, 2017, the Company had unfunded capital commitments of $68.9 million that included four fast support vessels, three supply vessels and two wind farm utility vessels. The Company's capital commitments by year of expected payment are as follows (in thousands):

Remainder of 2017	$	5,195
2018		40,932
2019		21,106
2020		1,645
	$	68,878

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 Registration Statement. The following tables summarize the operating results, capital expenditures and assets of the Company’s reportable segments.

	United States (primarily Gulf of Mexico) $’000	Africa (primarily West Africa) $’000	Middle East and Asia $’000	Brazil, Mexico, Central and South America $’000	Europe (primarily North Sea) $’000	Total $’000
For the three months ended September 30, 2017						
Operating Revenues:						
Time charter	4,587	9,700	9,490	1,439	20,051	45,267
Bareboat charter	—	—	—	1,168	—	1,168
Other marine services	1,116	(310)	(341)	159	754	1,378
	5,703	9,390	9,149	2,766	20,805	47,813
Direct Costs and Expenses:						
Operating:						
Personnel	4,455	3,588	4,731	326	9,079	22,179
Repairs and maintenance	1,289	1,324	2,309	110	2,378	7,410
Drydocking	1,109	311	(102)	—	961	2,279
Insurance and loss reserves	598	157	363	75	203	1,396
Fuel, lubes and supplies	249	693	1,115	33	790	2,880
Other	123	704	1,192	69	190	2,278
	7,823	6,777	9,608	613	13,601	38,422
Direct Vessel Profit (Loss)	(2,120)	2,613	(459)	2,153	7,204	9,391
Other Costs and Expenses:						
Operating:						
Leased-in equipment	1,870	966	—	—	—	2,836
Administrative and general						10,318
Depreciation and amortization	5,224	2,456	4,320	1,025	2,597	15,622
						28,776
Losses on Asset Dispositions and Impairments, Net						(9,744)
Operating Loss						(29,129)

	United States (primarily Gulf of Mexico) $'000	Africa (primarily West Africa) $'000	Middle East and Asia $'000	Brazil, Mexico, Central and South America $'000	Europe (primarily North Sea) $'000	Total $'000
For the nine months ended September 30, 2017						
Operating Revenues:						
Time charter	12,471	23,333	22,728	1,439	54,829	114,800
Bareboat charter	—	—	—	3,467	—	3,467
Other marine services	3,140	97	645	396	1,895	6,173
	15,611	23,430	23,373	5,302	56,724	124,440
Direct Costs and Expenses:						
Operating:						
Personnel	11,768	9,624	12,001	487	25,667	59,547
Repairs and maintenance	2,963	5,102	6,832	230	6,303	21,430
Drydocking	1,992	2,051	414	—	3,140	7,597
Insurance and loss reserves	2,608	696	1,062	86	629	5,081
Fuel, lubes and supplies	1,104	1,956	2,547	60	2,745	8,412
Other	246	2,221	3,718	73	677	6,935
	20,681	21,650	26,574	936	39,161	109,002
Direct Vessel Profit (Loss)	(5,070)	1,780	(3,201)	4,366	17,563	15,438
Other Costs and Expenses:						
Operating:						
Leased-in equipment	6,286	2,905	862	—	64	10,117
Administrative and general						43,849
Depreciation and amortization	16,573	6,105	10,826	2,474	6,780	42,758
						96,724
Losses on Asset Dispositions and Impairments, Net						(11,243)
Operating Loss						(92,529)
As of September 30, 2017						
Property and Equipment:						
Historical cost	429,500	189,845	328,263	78,976	177,825	1,204,409
Accumulated depreciation	(237,210)	(54,052)	(93,535)	(42,590)	(131,532)	(558,919)
	192,290	135,793	234,728	36,386	46,293	645,490

	United States (primarily Gulf of Mexico) $'000	Africa (primarily West Africa) $'000	Middle East and Asia $'000	Brazil, Mexico, Central and South America $'000	Europe (primarily North Sea) $'000	Total $'000
For the three months ended September 30, 2016						
Operating Revenues:						
Time charter	6,440	8,593	12,763	—	19,677	47,473
Bareboat charter	—	—	—	1,967	—	1,967
Other marine services	1,083	238	2,566	220	578	4,685
	7,523	8,831	15,329	2,187	20,255	54,125
Direct Costs and Expenses:						
Operating:						
Personnel	4,865	3,195	4,778	198	9,827	22,863
Repairs and maintenance	768	441	1,394	20	2,194	4,817
Drydocking	(8)	617	719	—	696	2,024
Insurance and loss reserves	1,200	147	199	—	163	1,709
Fuel, lubes and supplies	533	748	961	—	957	3,199
Other	118	890	790	(56)	274	2,016
	7,476	6,038	8,841	162	14,111	36,628
Direct Vessel Profit	47	2,793	6,488	2,025	6,144	17,497
Other Costs and Expenses:						
Operating:						
Leased-in equipment	2,040	974	1,254	180	83	4,531
Administrative and general						10,588
Depreciation and amortization	6,489	1,678	3,063	929	2,054	14,213
						29,332
Losses on Asset Dispositions and Impairments, Net						(29,233)
Operating Loss						(41,068)

	United States (primarily Gulf of Mexico) $'000	Africa (primarily West Africa) $'000	Middle East and Asia $'000	Brazil, Mexico, Central and South America $'000	Europe (primarily North Sea) $'000	Total $'000
For the nine months ended September 30, 2016						
Operating Revenues:						
Time charter	26,208	28,634	31,470	196	61,772	148,280
Bareboat charter	—	—	—	7,664	—	7,664
Other marine services	3,048	274	9,295	1,104	1,610	15,331
	29,256	28,908	40,765	8,964	63,382	171,275
Direct Costs and Expenses:						
Operating:						
Personnel	18,995	9,604	14,014	2,093	31,556	76,262
Repairs and maintenance	2,170	1,934	4,887	227	7,320	16,538
Drydocking	209	1,201	2,112	—	4,168	7,690
Insurance and loss reserves	2,879	395	613	37	766	4,690
Fuel, lubes and supplies	1,280	1,722	3,413	193	3,041	9,649
Other	307	2,298	2,396	114	945	6,060
	25,840	17,154	27,435	2,664	47,796	120,889
Direct Vessel Profit	3,416	11,754	13,330	6,300	15,586	50,386
Other Costs and Expenses:						
Operating:						
Leased-in equipment	5,760	2,926	3,553	914	212	13,365
Administrative and general						34,915
Depreciation and amortization	20,523	4,871	9,040	3,328	6,543	44,305
						92,585
Losses on Asset Dispositions and Impairments, Net						(49,970)
Operating Loss						(92,169)
As of September 30, 2016						
Property and Equipment:						
Historical cost	455,374	165,375	206,018	61,153	170,128	1,058,048
Accumulated depreciation	(227,333)	(77,259)	(95,195)	(33,700)	(118,531)	(552,018)
	228,041	88,116	110,823	27,453	51,597	506,030

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 September 30, 2017, 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 $59.7 million and $30.3 million, respectively. Equity in earnings (losses) of 50% or less owned companies, net of tax, were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
MexMar	$ 793	$ 859	$ 3,382	$ 4,290
Other	(8,099)	(69)	(8,679)	(4,654)
	$ (7,306)	$ 790	$ (5,297)	$ (364)

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, including as a result of the recent vote in the U.K. to leave 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 to remediate the material weaknesses the Company has identified in its internal controls over financial reporting, 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 "Risk Factors" included in the Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10 and other reports filed by the Company with the 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. 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 Securities and Exchange Commission, 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 183 support and specialty vessels, of which 140 are owned or leased-in, 29 are joint ventured, 11 are managed on behalf of unaffiliated third parties and three are operated under pooling arrangements. 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 twelve-year low of less than $27 per barrel (on the New York Mercantile Exchange) in February 2016. This decline in oil and gas prices led to a decrease in offshore drilling and associated activity. The slow recovery in oil and gas prices in 2017 has not yet led to an overall increase in offshore activity, and the Company continued to experience difficult market conditions through the third quarter of 2017.

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 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 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.

The Spin-off. SEACOR Marine was previously a subsidiary of SEACOR Holdings Inc. (along with its other majority owned 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. Following the Spin-off, SEACOR Marine began to operate as an independent, publicly traded company.

Results of Operations

The sections below provide an analysis of the Company's results of operations for the three months ("Current Year Quarter") and nine months ("Current Nine Months") ended September 30, 2017 compared with the three months ("Prior Year Quarter") and nine months ("Prior Nine Months") ended September 30, 2016. For the periods indicated, the Company's consolidated results of operations were as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000	%	$'000	%	$'000	%	$'000	%
Operating Revenues:								
Time charter	45,267	95	47,473	88	114,800	92	148,280	87
Bareboat charter	1,168	2	1,967	3	3,467	3	7,664	4
Other marine services	1,378	3	4,685	9	6,173	5	15,331	9
	47,813	100	54,125	100	124,440	100	171,275	100
Costs and Expenses:								
Operating:								
Personnel	22,178	46	22,864	42	59,546	48	76,262	44
Repairs and maintenance	7,411	15	4,817	9	21,431	17	16,538	10
Drydocking	2,278	5	2,024	4	7,597	6	7,690	4
Insurance and loss reserves	1,396	3	1,709	3	5,081	4	4,690	3
Fuel, lubes and supplies	2,880	6	3,199	6	8,412	7	9,649	6
Other	2,278	5	2,016	4	6,935	6	6,060	4
Leased-in equipment	2,837	6	4,530	8	10,117	8	13,365	8
	41,258	86	41,159	76	119,119	96	134,254	79
Administrative and general	10,318	22	10,588	20	43,849	35	34,915	20
Depreciation and amortization	15,622	33	14,213	26	42,758	34	44,305	26
	67,198	141	65,960	122	205,726	165	213,474	125
Losses on Asset Dispositions and Impairments, Net	(9,744)	(20)	(29,233)	(54)	(11,243)	(9)	(49,970)	(29)
Operating Loss	(29,129)	(61)	(41,068)	(76)	(92,529)	(74)	(92,169)	(54)
Other Income (Expense), Net	8,256	17	(2,992)	(5)	8,337	7	(14,674)	(9)
Loss Before Income Tax Benefit and Equity in Earnings (Losses) of 50% or Less Owned Companies	(20,873)	(44)	(44,060)	(81)	(84,192)	(67)	(106,843)	(63)
Income Tax Benefit	(5,823)	(12)	(15,263)	(28)	(23,045)	(18)	(35,831)	(21)
Loss Before Equity in Earnings (Losses) of 50% or Less Owned Companies	(15,050)	(32)	(28,797)	(53)	(61,147)	(49)	(71,012)	(42)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(7,306)	(15)	790	1	(5,297)	(4)	(364)	—
Net Loss	(22,356)	(47)	(28,007)	(52)	(66,444)	(53)	(71,376)	(42)
Net Loss attributable to Noncontrolling Interests in Subsidiaries	(1,881)	(4)	(74)	—	(4,582)	(3)	(904)	(1)
Net Loss attributable to SEACOR Marine Holdings Inc.	(20,475)	(43)	(27,933)	(52)	(61,862)	(50)	(70,472)	(41)

Time Charter Operating Data. The table below sets forth the average rates per day worked, utilization and available days data for the Company's owned and leased-in vessels available for time charter in the periods indicated. The rate per day worked is the ratio of total time charter revenues to the aggregate number of days worked. Utilization is the ratio of aggregate number of days worked to total available days for all vessels. Unless vessels have been retired and removed from service, available days represents the total calendar days for which vessels were owned or leased-in by the Company whether marketed, under repair, cold-stacked or otherwise out-of-service.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Anchor handling towing supply	$ 9,766	$ 16,469	$ 10,973	$ 20,034
Fast support	7,999	7,848	7,858	7,692
Supply	6,279	5,935	7,108	6,091
Standby safety	8,650	8,904	8,418	9,377
Specialty	—	30,593	12,000	20,926
Liftboats	11,899	16,822	11,308	14,831
Overall Average Rates Per Day Worked (excluding wind farm utility)	**8,565**	**10,089**	**8,439**	**10,336**
Wind farm utility	2,220	2,260	2,128	2,350
Overall Average Rates Per Day Worked	**6,006**	**6,834**	**5,806**	**7,356**
Utilization:				
Anchor handling towing supply	25%	27%	22%	35%
Fast support	49%	62%	45%	66%
Supply	65%	31%	43%	32%
Standby safety	84%	78%	81%	78%
Specialty	—%	58%	2%	61%
Liftboats	28%	8%	15%	6%
Overall Fleet Utilization (excluding wind farm utility)	**49%**	**47%**	**43%**	**50%**
Wind farm utility	89%	86%	82%	76%
Overall Fleet Utilization	**60%**	**58%**	**54%**	**57%**
Available Days:				
Anchor handling towing supply	1,288	1,483	3,822	4,213
Fast support	3,885	2,389	10,781	6,655
Supply	507	1,110	1,716	3,428
Standby safety	1,840	1,989	5,460	6,277
Specialty	276	276	819	822
Liftboats	1,380	1,380	4,010	4,110
Overall Fleet Available Days (excluding wind farm utility)	**9,176**	**8,627**	**26,608**	**25,505**
Wind farm utility	3,404	3,345	10,101	9,866
Overall Fleet Available Days	**12,580**	**11,972**	**36,709**	**35,371**

The composition of the Company's fleet as of September 30 was as follows:

	Owned[(1)]	Joint Ventured	Leased-in[(1)]	Pooled or Managed	Total
2017					
Anchor handling towing supply	11	1	4	7	23
Fast support	41	5	1	3	50
Supply	8	17	—	2	27
Standby safety	20	1	—	—	21
Specialty	3	1	—	2	6
Liftboats	13	—	2	—	15
Wind farm utility	37	4	—	—	41
	133	29	7	14	183
2016					
Anchor handling towing supply	13	1	4	9	27
Fast support	35	11	1	3	50
Supply	12	15	1	3	31
Standby safety	20	1	—	—	21
Specialty	3	1	—	3	7
Liftboats	13	—	2	—	15
Wind farm utility	37	3	—	—	40
	133	32	8	18	191

(1) Excludes four owned and one leased-in offshore support vessels as of September 30, 2017 that had been retired and removed from service.

Operating Loss

Consolidating segment tables of operating loss for each period presented below is included in "Item 1. Financial Statements—Note 11. Segment Information" included in Part I of this Quarterly Report on Form 10-Q.

United States, primarily Gulf of Mexico. For the periods indicated, the Company's direct vessel profit in the United States was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000's	%	$'000's	%	$'000's	%	$'000's	%
Operating revenues:								
Time charter	4,587	80	6,440	86	12,471	80	26,208	90
Other marine services	1,116	20	1,083	14	3,140	20	3,048	10
	5,703	100	7,523	100	15,611	100	29,256	100
Direct operating expenses:								
Personnel	4,455	78	4,865	65	11,768	75	18,995	65
Repairs and maintenance	1,289	23	768	10	2,963	19	2,170	7
Drydocking	1,109	19	(8)	—	1,992	13	209	1
Insurance and loss reserves	598	11	1,200	16	2,608	17	2,879	10
Fuel, lubes and supplies	249	4	533	7	1,104	7	1,280	4
Other	123	2	118	1	246	2	307	1
	7,823	137	7,476	99	20,681	133	25,840	88
Direct Vessel Profit (Loss)	(2,120)	(37)	47	1	(5,070)	(33)	3,416	12

Time Charter Operating Data. For the periods indicated, the Company's time charter operating data in the United States was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Anchor handling towing supply	$ —	$ 34,222	$ 35,496	$ 35,415
Fast support	7,170	8,512	8,013	8,734
Supply	7,400	—	7,400	—
Liftboats	7,257	16,822	8,656	14,831
Overall Average Rates Per Day Worked	**7,212**	**13,810**	**8,661**	**17,545**
Utilization:				
Anchor handling towing supply	—%	6%	1%	17%
Fast support	21%	41%	18%	42%
Supply	36%	—%	7%	—%
Liftboats	24%	8%	14%	6%
Overall Fleet Utilization	**16%**	**14%**	**12%**	**16%**
Available Days:				
Anchor handling towing supply	920	931	2,730	2,569
Fast support	1,696	718	5,151	1,890
Supply	47	234	228	733
Specialty	92	—	273	—
Liftboats	1,104	1,380	3,538	4,110
Overall Fleet Available Days	**3,859**	**3,263**	**11,920**	**9,302**

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Time charter revenues were $1.9 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to reduced utilization as a consequence of cold-stacking vessels. Available days for fast support vessels were higher in the Current Year Quarter primarily due to the acquisition of eleven vessels for $10.0 million at a bankruptcy auction during the third quarter of 2016. These vessels were idle when purchased, are still not working and are therefore contributing to the overall decline in fast support vessel utilization. As of September 30, 2017, the Company had 31 of 42 owned and leased-in vessels cold-stacked in the U.S. (nine anchor handling towing supply vessels, 12 fast support vessels, nine liftboats and one specialty vessel) compared with 37 of 45 vessels as of September 30, 2016. As of September 30, 2017, the Company had one anchor handling towing supply vessel, one fast support vessel and one supply vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $0.3 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, direct operating expenses were $1.5 million higher due to net fleet acquisitions, $0.6 million lower due to an increase in the average number of cold-stacked vessels during the Current Year Quarter and $0.6 million lower due to the repositioning of vessels between geographic regions. Drydocking expenses were $1.1 million higher due to increased drydocking activity during the Current Year Quarter.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Time charter revenues were $13.7 million lower in the Current Nine Months compared with the Prior Nine Months primarily due to reduced utilization as a consequence of cold-stacking vessels. Time charter revenues were $14.5 million lower for the anchor handling towing supply vessels, $0.4 million higher for the liftboat fleet, $0.3 million higher for the fast support vessels and $0.1 million higher for the supply vessels. Available days for fast support vessels charter were higher in the Current Nine Months primarily due to the acquisition of eleven vessels for $10.0 million at a bankruptcy auction during the third quarter of 2016. These vessels were idle when purchased, are still not working and are therefore contributing to the overall decline in fast support vessel utilization. As of September 30, 2017, the Company had 31 of 42 owned and leased-in vessels cold-stacked in the U.S. (nine anchor handling towing supply vessels, 12 fast support vessels, nine liftboats and one specialty vessel) compared with 37 of 45 vessels as of September 30, 2016. As of September 30, 2017, the Company had one anchor handling towing supply vessel, one fast support vessel and one supply vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $5.1 million lower in the Current Nine Months compared with the Prior Nine Months. On an overall basis, direct operating expenses were $2.1 million higher due to net fleet acquisitions, $5.8 million lower due to an increase in the average number of cold-stacked vessels during the Current Nine Months, $0.6 million lower due to the repositioning of vessels between geographic regions and $0.8 million lower for the active fleet and other marine services. Personnel costs were $6.9 million lower primarily as a consequence of cold-stacking an increased number of vessels, $0.3 million lower for the active fleet, $0.4 million lower due to the repositioning of vessels between geographic regions and $0.4 million higher due to net fleet additions. Drydocking expenses were $1.8 million higher due to increased drydocking activity partly attributable to the reactivation of eight liftboats during the Current Nine Months.

Africa, primarily West Africa. For the periods indicated, the Company's direct vessel profit in Africa was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000's	%	$'000's	%	$'000's	%	$'000's	%
Operating revenues:								
Time charter	9,700	103	8,593	97	23,333	100	28,634	99
Other marine services	(310)	(3)	238	3	97	—	274	1
	9,390	100	8,831	100	23,430	100	28,908	100
Direct operating expenses:								
Personnel	3,588	38	3,195	36	9,624	41	9,604	33
Repairs and maintenance	1,324	14	441	5	5,102	22	1,934	7
Drydocking	311	3	617	7	2,051	9	1,201	4
Insurance and loss reserves	157	2	147	2	696	3	395	1
Fuel, lubes and supplies	693	7	748	8	1,956	8	1,722	6
Other	704	8	890	10	2,221	9	2,298	8
	6,777	72	6,038	68	21,650	92	17,154	59
Direct Vessel Profit	2,613	28	2,793	32	1,780	8	11,754	41

Time Charter Operating Data. For the periods indicated, the Company's time charter operating data in Africa was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Anchor handling towing supply	$ 11,669	$ 14,997	$ 12,190	$ 15,485
Fast support	10,112	8,194	9,201	8,568
Supply	11,950	5,750	12,832	5,750
Specialty	—	9,900	—	10,571
Overall Average Rates Per Day Worked	**10,611**	**9,858**	**10,192**	**10,143**
Utilization:				
Anchor handling towing supply	100%	70%	71%	72%
Fast support	70%	64%	71%	67%
Supply	100%	54%	93%	62%
Specialty	—%	40%	—%	80%
Overall Fleet Utilization	**71%**	**62%**	**67%**	**68%**
Available Days:				
Anchor handling towing supply	184	368	636	1,096
Fast support	915	673	2,243	1,947
Supply	92	268	273	822
Specialty	92	92	273	274
Overall Fleet Available Days	**1,283**	**1,401**	**3,425**	**4,139**

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Time charter revenues were $1.1 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, time charter revenues were $4.1 million higher due to net fleet additions, $0.4 million higher due to the repositioning of vessels between geographic regions, $1.8 million lower due to a decrease in average day rates, $0.1 million lower due to reduced utilization of the active fleet and $0.7 million lower due to reduced utilization as a consequence of cold-stacking vessels. In addition, time charter revenues were $0.8 million lower in the Current Year Quarter due to the deferral of revenue for one anchor handling towing supply vessel on time charter (excluded from time charter operating data) to a customer as collection was not reasonably assured. As of September 30, 2017, the Company had one of 14 owned and leased-in vessels (one specialty vessel) cold-stacked in Africa compared with one of 14 vessels as of September 30, 2016. As of September 30, 2017, the Company had one fast support vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $0.7 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, operating costs were $2.0 million higher due to net fleet additions, $1.1 million lower due to the effect of cold-stacking and retiring and removing vessels from service and $0.2 million lower due to the repositioning of vessels between geographic regions and other changes in fleet mix.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Time charter revenues were $5.3 million lower in the Current Nine Months compared with the Prior Nine Months. On an overall basis, time charter revenues were $1.2 million lower due to reduced utilization of the active fleet, $5.8 million lower due to reduced utilization as a consequence of cold-stacking vessels and $4.3 million lower due to a decrease in average day rates. In addition, time charter revenues were $3.1 million lower in the Current Nine Months due to the deferral of revenue for one anchor handling towing supply vessel on time charter (excluded from time charter operating data) to a customer as collection was not reasonably assured. Time charter revenues were $8.8 million higher due to net fleet additions and $0.3 million higher due to the repositioning of vessels between geographic regions. As of September 30, 2017, the Company had one of 14 owned and leased-in vessels (one specialty vessel) cold-stacked in Africa compared with one of 14 vessels as of September 30, 2016. As of September 30, 2017, the Company had one fast support vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $4.5 million higher in the Current Nine Months compared with the Prior Nine Months. On an overall basis, operating costs were $5.9 million higher due to net fleet additions, $0.7 million higher for the active fleet, $1.6 million lower due to the effect of cold-stacking and retiring and removing vessels from service and $0.5 million lower due to the repositioning of vessels between geographic regions. Repairs and maintenance expenses were $3.2 million higher primarily from the replacement of main engines on one fast support vessel for $2.0 million during the Current Nine Months. Drydocking expenses were $0.8 million higher primarily due to increased drydocking activity during the Current Nine Months.

Middle East and Asia. For the periods indicated, the Company's direct vessel profit in the Middle East and Asia was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000's	%	$'000's	%	$'000's	%	$'000's	%
Operating revenues:								
Time charter	9,490	104	12,763	83	22,728	97	31,470	77
Other marine services	(341)	(4)	2,566	17	645	3	9,295	23
	9,149	100	15,329	100	23,373	100	40,765	100
Direct operating expenses:								
Personnel	4,731	52	4,778	31	12,001	51	14,014	34
Repairs and maintenance	2,309	25	1,394	9	6,832	29	4,887	12
Drydocking	(102)	(1)	719	5	414	2	2,112	5
Insurance and loss reserves	363	4	199	2	1,062	5	613	2
Fuel, lubes and supplies	1,115	12	961	6	2,547	11	3,413	8
Other	1,192	13	790	5	3,718	16	2,396	6
	9,608	105	8,841	58	26,574	114	27,435	67
Direct Vessel Profit (Loss)	(459)	(5)	6,488	42	(3,201)	(14)	13,330	33

Time Charter Operating Data. For the periods indicated, the Company's time charter operating data in the Middle East and Asia was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Anchor handling towing supply	$ 7,327	$ 8,478	$ 7,833	$ 8,477
Fast support	6,848	7,395	6,917	6,827
Supply	3,815	6,072	3,951	6,163
Specialty	—	36,878	12,000	28,915
Liftboats	36,252	—	36,252	—
Overall Average Rates Per Day Worked (excluding wind farm utility)	**7,188**	**10,357**	**6,935**	**8,688**
Wind farm utility	2,025	7,855	2,025	7,427
Overall Average Rates Per Day Worked	**7,138**	**10,179**	**6,916**	**8,602**
Utilization:				
Anchor handling towing supply	78%	47%	77%	49%
Fast support	78%	83%	77%	84%
Supply	60%	38%	38%	35%
Specialty	—%	67%	5%	52%
Liftboats	19%	—%	10%	—%
Overall Fleet Utilization (excluding wind farm utility)	**66%**	**65%**	**60%**	**63%**
Wind farm utility	7%	48%	2%	55%
Overall Fleet Utilization	**61%**	**63%**	**55%**	**62%**
Available Days:				
Anchor handling towing supply	184	184	456	548
Fast support	1,182	920	3,114	2,740
Supply	368	516	1,216	1,608
Specialty	92	184	273	548
Liftboats	184	—	366	—
Overall Fleet Available Days (excluding wind farm utility)	**2,010**	**1,804**	**5,425**	**5,444**
Wind farm utility	184	184	546	457
Overall Fleet Available Days	**2,194**	**1,988**	**5,971**	**5,901**

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Time charter revenues were $3.3 million lower in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, time charter revenues were $1.4 million lower due to reduced utilization as a consequence of cold-stacking vessels, $2.0 million lower due to net fleet dispositions and $0.5 million lower due to reduced average day rates. Time charter revenues were $0.3 million higher due to improved utilization of the active fleet and $0.3 million higher due to the repositioning of vessels between geographic regions. As of September 30, 2017, the Company had one of 25 owned and leased-in vessels cold-stacked in the Middle East and Asia (one windfarm utility vessel).

Other operating revenues were $2.9 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to reduced earnings from revenue pooling arrangements.

Direct Operating Expenses. Direct operating expenses were $0.8 million higher in the Current Year Quarter compared with the Prior Year Quarter. On an overall basis, direct operating expenses were $1.7 million higher due to net fleet additions, $0.6 million higher due to the repositioning of vessels between geographic regions, $0.2 million lower due to the effect of cold-stacking vessels and $1.3 million lower for vessels in active service.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Time charter revenues were $8.7 million lower in the Current Nine Months compared with the Prior Nine Months. On an overall basis, time charter revenues were $0.9 million lower due to reduced utilization of the active fleet, $3.7 million lower due to reduced utilization as a consequence of cold-stacking vessels, $3.4 million lower due to net fleet dispositions and $1.2 million lower due to reduced average day rates. Time charter revenues were $0.5 million higher due to the repositioning of vessels between geographic regions. As of September 30, 2017, the Company had one of 25 owned and leased-in vessels cold-stacked in the Middle East and Asia (one windfarm utility vessel).

Other operating revenues were $8.7 million lower in the Current Nine Months compared with the Prior Nine Months primarily due to a decrease in other marine services revenues and reduced earnings from revenue pooling arrangements.

Direct Operating Expenses. Direct operating expenses were $0.9 million lower in the Current Nine Months compared with the Prior Nine Months. On an overall basis, direct operating expenses were $1.0 million lower due to the effect of cold-stacking vessels, $1.7 million higher due to net fleet dispositions, $2.5 million lower for vessels in active service and $0.9 million higher due to the repositioning of vessels between geographic regions. Personnel costs were $2.0 million lower primarily due to the effect of cold-stacking vessels and reduced activity for the active fleet. Drydocking expenses were $1.7 million lower primarily due to decreased drydocking activity and fleet dispositions. Repairs and maintenance expenses were $1.9 million higher primarily due to the replacement of main engines in one fast support vessel for $2.0 million during the Current Nine Months.

Brazil, Mexico, Central and South America. For the periods indicated, the Company's direct vessel profit in Brazil, Mexico, Central and South America was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000's	%	$'000's	%	$'000's	%	$'000's	%
Operating revenues:								
Time charter	1,439	52	—	—	1,439	27	196	2
Bareboat charter	1,168	42	1,967	90	3,467	65	7,664	86
Other marine services	159	6	220	10	396	8	1,104	12
	2,766	100	2,187	100	5,302	100	8,964	100
Direct operating expenses:								
Personnel	326	12	198	9	487	9	2,093	24
Repairs and maintenance	110	4	20	1	230	5	227	3
Insurance and loss reserves	75	3	—	—	86	2	37	—
Fuel, lubes and supplies	33	1	—	—	60	1	193	2
Other	69	2	(56)	(3)	73	1	114	1
	613	22	162	7	936	18	2,664	30
Direct Vessel Profit	2,153	78	2,025	93	4,366	82	6,300	70

Time Charter Operating Data. For the periods indicated, the Company's time charter operating data in Brazil, Mexico, Central and South America was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Fast support	$ —	$ —	$ —	$ —
Supply	—	—	—	18,986
Liftboats	16,060	—	16,060	—
Overall Average Rates Per Day Worked	**16,060**	**—**	**16,060**	**18,986**
Utilization:				
Fast support	—%	—%	—%	—%
Supply	—%	—%	—%	4%
Liftboats	97%	—%	85%	—%
Overall Fleet Utilization	**49%**	**—%**	**24%**	**3%**
Available Days:				
Fast support	92	78	273	78
Supply	—	92	—	266
Liftboats	92	—	106	—
Overall Fleet Available Days	**184**	**170**	**379**	**344**

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 due to the repositioning of one vessel between geographic regions. Bareboat charter revenues were $0.8 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to the completion of two bareboat charters in Mexico during 2016. As of September 30, 2017, the Company had one of four owned and leased-in vessels cold-stacked in Brazil, Mexico, Central and South America (one fast support vessel) compared with two of four vessels as of September 30, 2016. As of September 30, 2017, the Company had one supply vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $0.4 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the repositioning of one vessel between geographic regions.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Time charter revenues were $1.2 million higher in the Current Nine Months compared with the Prior Nine Months primarily due to the repositioning of one vessel between geographic regions. Bareboat charter revenues were $4.2 million lower in the Current Nine Months compared with the Prior Nine Months primarily due to the completion of two bareboat charters in Mexico during 2016. As of September 30, 2017, the Company had one of four owned and leased-in vessels cold-stacked in Brazil, Mexico, Central and South America (one fast support vessel) compared with two of four vessels as of September 30, 2016. As of September 30, 2017, the Company had one supply vessel retired and removed from service in this region.

Direct Operating Expenses. Direct operating expenses were $1.7 million lower in the Current Nine Months compared with the Prior Nine Months primarily due to redundancy costs incurred during the Prior Nine Months following the change in contract status for two vessels from time charter to bareboat charter, partially offset by higher Current Nine Month expenses on the repositioning of vessels between geographic regions.

Europe, primarily North Sea. For the periods indicated, the Company’s direct vessel profit in Europe was as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$’000’s	%	$’000’s	%	$’000’s	%	$’000’s	%
Operating revenues:								
Time charter	20,051	96	19,677	97	54,829	97	61,772	97
Other marine services	754	4	578	3	1,895	3	1,610	3
	20,805	100	20,255	100	56,724	100	63,382	100
Direct operating expenses:								
Personnel	9,079	44	9,827	49	25,667	45	31,556	50
Repairs and maintenance	2,378	11	2,194	11	6,303	11	7,320	11
Drydocking	961	5	696	3	3,140	6	4,168	7
Insurance and loss reserves	203	1	163	1	629	1	766	1
Fuel, lubes and supplies	790	4	957	5	2,745	5	3,041	5
Other	190	—	274	1	677	1	945	1
	13,601	65	14,111	70	39,161	69	47,796	75
Direct Vessel Profit	7,204	35	6,144	30	17,563	31	15,586	25

Time Charter Operating Data. For the periods indicated, the Company's time charter operating data in Europe was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Rates Per Day Worked:				
Standby safety	$ 8,650	$ 8,904	8,418	9,377
Wind farm utility	2,221	2,083	2,128	2,174
Overall Average Rates Per Day Worked	**4,390**	**4,519**	**4,328**	**5,074**
Utilization:				
Standby safety	84%	78%	81%	78%
Wind farm utility	94%	89%	86%	77%
Overall Fleet Utilization	**90%**	**85%**	**84%**	**78%**
Available Days:				
Standby Safety	1,840	1,989	5,460	6,277
Wind farm utility	3,220	3,161	9,555	9,409
Overall Fleet Available Days	**5,060**	**5,150**	**15,015**	**15,686**

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. For standby safety vessels, time charter revenues were $0.5 million lower in the Current Year Quarter compared with the Prior Year Quarter. Time charter revenues were $0.3 million lower due to reduced average day rates and $0.2 million lower due to fleet dispositions.

For wind farm utility vessels, time charter revenues were $0.9 million higher. Time charter revenues were $0.5 million higher due to improved utilization and $0.4 million higher due to increased average day rates.

Direct Operating Expenses. Direct operating expenses were $0.5 million lower in the Current Year Quarter compared with the Prior Year Quarter. Personnel costs were $0.7 million lower primarily due to net fleet dispositions.

Current Nine Months compared with Prior Nine Months

Operating Revenues. For standby safety vessels, time charter revenues were $8.7 million lower in the Current Nine Months compared with the Prior Nine Months. Time charter revenues were $1.4 million lower due to reduced utilization, $0.7 million lower due to reduced average day rates, $3.4 million lower due to unfavorable changes in currency exchange rates and $3.2 million lower due to fleet dispositions.

For wind farm utility vessels, time charter revenues were $1.7 million higher. Time charter revenues were $2.0 million higher due to improved utilization, $1.2 million higher due to increased average day rates and $1.5 million lower due to unfavorable changes in currency exchange rates.

Direct Operating Expenses. Direct operating expenses were $8.6 million lower in the Current Nine Months compared with the Prior Nine Months. On an overall basis, vessel operating expenses were $5.0 million lower due to net fleet dispositions and $3.6 million lower for vessels in active service primarily due to favorable changes in currency exchange rates. Personnel costs were $2.0 million lower primarily due to favorable changes in currency exchange rates, partially offset by increased seafarer compensation costs for vessels in active service and $3.9 million lower due to net fleet dispositions. Repairs and maintenance costs were $1.0 million lower primarily due to reduced expenditure related to the windfarm utility vessels during the Current Nine Months. Drydocking costs were $1.0 million lower primarily due to reduced expenditure for the standby safety vessels during the Current Nine Months.

Leased-in Equipment. Leased-in equipment expenses were $1.7 million and $3.3 million lower for the Current Year Quarter and Current Nine Months compared with the Prior Year Quarter and Prior Nine Months, respectively, due to the redelivery of vessels to their owners following the expiration of leases and the impairment of one leased-in vessel removed from service as it is not expected to be marketed prior to the expiration of its lease.

Administrative and general. Administrative and general expenses were $8.9 million higher for the Current Nine Months compared with the Prior Nine Months primarily due to one-time costs associated with the Spin-off. During the Current Nine Months, the Company incurred one-time costs of $6.7 million in connection with the Spin-off for the accelerated vesting of share awards previously granted to Company personnel by SEACOR Holdings and $3.4 million on non-deductible Spin-off related expenses reimbursed to SEACOR Holdings.

Depreciation and amortization. Depreciation and amortization expense was $1.4 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to net fleet additions, partially offset by lower depreciable values following impairment charges recognized during 2016.

Depreciation and amortization expense was $1.5 million lower in the Current Nine Months compared with the Prior Nine Months primarily due to lower depreciable values following impairment charges recognized during 2016, partially offset by net fleet additions.

Losses on Asset Dispositions and Impairments, Net. During the Current Year Quarter, the Company recognized impairment charges of $9.9 million related to one fast support vessel removed from service and two specialty vessels. In addition, the Company sold two offshore support vessels previously retired and removed from service and other equipment for net proceeds of $0.2 million and gains of $0.2 million. During the Prior Year Quarter, the Company recognized impairment charges of $29.2 million related to the anchor handling towing supply fleet and one specialty vessel. In addition, the Company sold four offshore support vessels and other equipment for net proceeds of $2.2 million and an immaterial gain.

During the Current Nine Months, the Company recorded impairment charges of $15.7 million primarily related to one leased-in supply vessel removed from service as it is not expected to be marketed prior to the expiration of its lease, one owned fast support vessel removed from service and two owned in-service specialty vessels. In addition, the Company sold two liftboats, one supply vessel, six offshore support vessels previously retired and removed from service and other equipment for net proceeds of $10.3 million and gains of $4.4 million. During the Prior Nine Months, the Company recognized impairment charges of $50.6 million related to its liftboat fleet, the anchor handling towing supply fleet and one specialty vessel. In addition, the Company sold real property, six offshore support vessels and other equipment for net proceeds of $4.1 million and gains of $0.6 million.

Other Income (Expense), Net

For the periods indicated, the Company’s other income (expense) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	$’000	$’000	$’000	$’000
Other Income (Expense):				
Interest income	354	973	1,479	3,371
Interest expense	(4,295)	(2,512)	(12,023)	(7,455)
SEACOR Holdings management fees	—	(1,925)	(3,208)	(5,775)
SEACOR Holdings guarantee fees	(21)	(80)	(172)	(237)
Marketable security gains (losses), net	(698)	1,619	10,931	(4,458)
Derivative gains, net	13,022	16	12,720	3,077
Foreign currency losses, net	(106)	(1,084)	(1,389)	(3,463)
Other, net	—	1	(1)	266
	8,256	(2,992)	8,337	(14,674)

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

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

Marketable security gains (losses), net. Marketable security gains of $10.9 million in the Current Nine Months and losses of $4.5 million in the Prior Nine Months were primarily due to a long security position exited by the Company during the first quarter of 2017.

Derivative gains, net. Net derivative gains during the Current Year Quarter and Current Nine Months was primarily due to a $13.0 million reduction in the fair value of the Company’s conversion option liability on its 3.75% Convertible Senior Notes. The reduction in the conversion option liability was primarily the result of declines in the Company’s share price and estimated credit spread. During the Prior Nine Months, net derivative gains were primarily due to unrealized gains on equity options.

Foreign currency losses, net. For all periods, foreign currency losses were primarily due to the weakening of the pound sterling in relation to the euro underlying certain of the Company’s debt balances.

Income Tax Benefit

During the Current Nine Months, the Company's effective income tax rate of 27.4% was primarily due to losses of foreign subsidiaries not benefited, non-deductible expenses associated with the Company's participation in SEACOR Holdings' share award plans and non-deductible Spin-off related expenses reimbursed to SEACOR Holdings. During the Prior Nine Months, the Company's effective income tax rate of 33.5% was primarily due to losses of foreign subsidiaries not benefited and non-deductible expenses associated with the Company's participation in SEACOR Holdings' share award plans.

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

For the periods indicated, the Company's equity in earnings (losses) of 50% or less owned companies, net of tax, was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
MexMar	793	859	3,382	4,290
Sea-Cat Crewzer	—	334	234	837
Sea-Cat Crewzer II	—	197	99	(466)
Dynamic Offshore	(7,553)	379	(6,936)	939
OSV Partners	(208)	(409)	(628)	(2,092)
SEACOR Grant DIS	(484)	(235)	(519)	(1,903)
Falcon Global	—	(104)	(1,559)	(1,431)
Other	146	(231)	630	(538)
	(7,306)	790	(5,297)	(364)

<u>Current Year Quarter compared with Prior Year Quarter</u>

Dynamic Offshore. During the Current Year Quarter, the Company recognized an impairment charge of $8.3 million, net of tax, for an other than temporary decline in the fair value of its equity investment upon Dynamic's unsuccessful bid on a charter renewal with a customer. Its existing charter terminates in February 2018.

<u>Current Nine Months compared with Prior Nine Months</u>

Dynamic Offshore During the Current Nine Months, the Company recognized an impairment charge of $8.3 million, net of tax, for an other than temporary decline in the fair value of its equity investment upon Dynamic's unsuccessful bid on a charter renewal with a customer. Its existing charter terminates in February 2018.

OSV Partners. During the Prior Nine Months, equity in losses of $2.1 million were primarily due to reduced utilization following the cold-stacking of three OSV Partners' vessels as a result of continued weak market conditions and a loss of $1.0 million for the Company's proportionate share of asset impairment charges.

Seacor Grant DIS. During the Prior Nine Months, equity in losses of $1.9 million were primarily due to a loss of $2.0 million for the Company's proportionate share of asset impairment charges.

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, par value $0.01 per share ("Common Stock") or common stock of its subsidiaries, preferred stock or a combination thereof.

As of September 30, 2017, the Company had unfunded capital commitments of $68.9 million that included four fast support vessels, three supply vessels and one wind farm utility vessel. The Company's capital commitments by year of expected payment are as follows (in thousands):

Remainder of 2017	$	5,195
2018		40,932
2019		21,106
2020		1,645
	$	68,878

As of September 30, 2017, the Company had outstanding debt of $316.7 million, net of debt discount and issue costs. The Company's contractual long-term debt maturities are as follows (in thousands):

Remainder of 2017	$	19,096
2018		14,865
2019		46,798
2020		47,439
2021		28,678
Years subsequent to 2021		194,227
	$	351,103

As of September 30, 2017, the Company held balances of cash, cash equivalents, restricted cash, marketable securities and construction reserve funds totaling $177.4 million. As of September 30, 2017, construction reserve funds of $45.5 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 $4.7 million available under subsidiary credit facilities for future capital commitments.

Summary of Cash Flows

	Nine Months Ended September 30,	
	2017	**2016**
	$'000	**$'000**
Cash flows provided by or (used in):		
Operating Activities	35,144	(16,498)
Investing Activities	(15,686)	(10,820)
Financing Activities	(8,076)	11,053
Effects of Exchange Rate Changes on Cash and Cash Equivalents	1,666	(1,500)
Increase in Cash and Cash Equivalents	13,048	(17,765)

Operating Activities

Cash flows provided by (used in) operating activities increased by $51.6 million in the Current Nine Months compared with the Prior Nine Months. The components of cash flows provided by (used in) operating activities during the Current Nine Months and Prior Nine Months were as follows:

	Nine Months Ended September 30,	
	2017	2016
	$'000	$'000
Regional DVP:		
United States, primarily Gulf of Mexico	(5,070)	3,416
Africa, primarily West Africa	1,780	11,754
Middle East and Asia	(3,201)	13,330
Brazil, Mexico, Central and South America	4,366	6,300
Europe, primarily North Sea	17,563	15,586
Operating, leased-in equipment (excluding amortization of deferred gains)	(16,226)	(19,514)
Administrative and general (excluding provisions for bad debts and amortization of restricted stock)	(44,002)	(34,915)
SEACOR Holdings management and guarantee fees	(3,380)	(6,012)
Other, net	(1)	266
Dividends received from 50% or less owned companies	2,442	371
	(45,729)	(9,418)
Changes in operating assets and liabilities before interest and income taxes	29,110	(12,280)
Purchases of marketable securities	—	(8,679)
Proceeds from sale of marketable securities	51,877	9,169
Cash settlements on derivative transactions, net	(372)	(1,147)
Interest paid, excluding capitalized interest[(1)]	(4,745)	(418)
Interest received	3,001	4,164
Income taxes (paid) refunded, net	2,002	2,111
Total cash flows provided by (used in) operating activities	35,144	(16,498)

(1) During the Current Nine Months and Prior Nine Months, capitalized interest paid and included in purchases of property and equipment was $3.1 million and $5.1 million, respectively.

Cumulative regional DVP was $34.9 million lower in the Current Nine Months compared with the Prior Nine Months. See “Results of Operations” included above for a detailed discussion.

Administrative and general expenses were $9.1 million higher in the Current Nine Months compared with the Prior Nine Months. See “Results of Operations” included above for a detailed discussion.

Changes in operating assets and liabilities before interest and income taxes in the Current Nine Months improved compared with the Prior Nine Months primarily due to reductions in working capital as a result of lower activity levels and settlements with SEACOR Holdings.

Investing Activities

During the Current Nine Months, net cash used in investing activities was $15.7 million, primarily as a result of the following:

- Capital expenditures and payments on fair value hedges were $52.7 million. Six fast support vessels and one platform supply vessel were delivered during the period.
- The Company sold two liftboats, one supply vessel, six offshore support vessels previously retired and removed from service and other equipment for net proceeds of $10.3 million ($9.8 million in cash and $0.5 million of previously received deposits).
- Construction reserve funds account transactions included deposits of $6.3 million and withdrawals of $39.1 million.

- The Company made investments in, and advances to, its 50% or less owned companies of $5.3 million, including $2.4 million to Falcon Global and $2.3 million to OSV Partners.
- The Company received capital distributions of $7.4 million from MexMar.
- Effective March 31, 2017, the Company consolidated Falcon Global and assumed cash of $1.9 million.
- Effective April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer II LLC through the acquisition of its partners' 50% ownership interest for $9.6 million, net of cash acquired.
- Effective April 28, 2017, the Company acquired a 100% controlling interest in Sea-Cat Crewzer LLC through the acquisition of its partners' 50% ownership interest for $0.1 million, net of cash acquired.

During the Prior Nine Months, net cash used in investing activities was $10.8 million, primarily as a result of the following:

- Capital expenditures were $82.8 million. Equipment deliveries during the period included twelve fast support vessels, one supply vessel and two wind farm utility vessels.
- The Company sold two supply vessels, four standby safety vessels and other property and equipment for net proceeds of $4.1 million.
- The Company made investments in, and advances to, its 50% or less owned companies of $8.2 million, including $6.8 million to Falcon Global and $1.2 million in OSV Partners.
- Construction reserve funds account transactions included withdrawals of $76.7 million.
- The Company received $0.5 million of net payments on third party notes receivable.

Financing Activities

During the Current Nine Months, net cash used in financing activities was $8.1 million. The Company:

- borrowed $7.1 million under the Sea-Cat Crewzer III Term Loan Facility;
- made scheduled payments on long-term debt and capital lease obligations of $8.6 million;
- incurred issue costs on various facilities of $0.2 million;
- purchased subsidiary shares from noncontrolling interests for $3.7 million; and
- paid SEACOR Holdings $2.7 million for the distribution of SEACOR Marine restricted stock to Company personnel.

During the Prior Nine Months, net cash provided by financing activities was $11.1 million. The Company:

- made scheduled payments on long-term debt of $2.3 million;
- borrowed $23.5 million (€21.0 million) under the Windcat Credit Facility and repaid all of the subsidiary's then outstanding debt totaling $22.9 million;
- borrowed $16.1 million under the Sea-Cat Crewzer III Term Loan facility;
- incurred issuance costs on various debt facilities of $3.2 million; and
- made distributions to non-controlling interests of $0.2 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 Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10. There has been no material change in the Company's off-balance sheet arrangements during the Current Nine Months, except for the impact of consolidating Falcon Global's outstanding debt of $58.3 million effective March 31, 2017, which was previously disclosed as guaranteed by the Company.

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 Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10. There has been no material change in the Company's contractual obligations and commercial commitments during the Current Nine Months, except for the assumption of the Sea-Cat Crewzer and Sea-Cat Crewzer II debt facilities and a reduction in SEACOR Holdings' guarantees made on behalf of the Company, totaling $93.2 million as of September 30, 2017.

Contingencies

As of September 30, 2017, SEACOR Holdings has guaranteed $93.2 million for various obligations of the Company, including: debt facility and letter of credit obligations; performance obligations under sale-leaseback arrangements; and invoiced amounts for funding deficits under the MNOPF. 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 guaranteed 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 Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10. There has been no material change in the Company's exposure to market risk during the Current Nine Months.

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 September 30, 2017. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2017 solely as a result of the material weaknesses in the Company's internal control over financial reporting noted in the Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed on May 4, 2017 and described in detail below.

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.

In connection with the preparation of its Annual Report on Form 10-K for the year ended December 31, 2016, SEACOR Holdings identified certain material weaknesses in its internal control over financial reporting. Prior to the Spin-off, the Company was a consolidated subsidiary of SEACOR Holdings and its system of internal controls over financial reporting was part of the broader SEACOR Holdings control system. The following material weaknesses were identified by SEACOR Holdings and are also present in the Company's control environment:

Manual journal entries. SEACOR Holdings and the Company's management did not design and maintain effective controls over the review and approval of manual journal entries made to the general ledger. In addition, management did not maintain effective controls designed to limit super user access within its information technology system supporting the general ledger to appropriately address segregation of duties and to restrict financial users' access to the ledgers, functions and data commensurate with their job responsibilities.

Impairments. SEACOR Holdings and the Company’s management concluded there were material weaknesses in the vessel impairment assessments and other-than-temporary impairment assessments for its equity method investments. For these assessments, management did not design and maintain controls over the review of assumptions, data and calculations used in the impairment analysis. Additionally, management did not maintain controls over its assessment of the qualifications of third party specialists, or review of the methodologies and assumptions they employed related to estimates of fair value used in the impairment assessments.

Management and the board of directors are deeply committed to maintaining internal controls over financial reporting and have no higher priority than the integrity of the Company’s financial statements. Management and the board of directors are equally focused on ensuring that the identified material weaknesses will be remediated promptly and effectively. Management has developed a remediation plan that is currently being implemented, which includes an improved approval process of certain manual journal entries, limiting access to the Company’s information technology system, and enhanced review and documentation controls relating to estimates of fair value and related impairment assessments. The Company is monitoring the effectiveness of the steps taken to ensure they are adequately addressing the identified weaknesses. The material weaknesses cannot be considered remediated until the applicable remedial controls have been fully implemented and have operated for a sufficient period of time to allow management to conclude, through testing, that these controls are operating effectively.

Notwithstanding the identified material weaknesses, management believes the condensed consolidated financial statements as included in this Quarterly Report on Form 10-Q fairly represent, in all material respects, the Company’s financial condition, results of operations and cash flows as of and for the periods presented in accordance with generally accepted accounting principles in the United States.

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 Current Year Quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting, except those related to addressing the Company’s material weaknesses as described above.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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 1A. RISK FACTORS

For a discussion of the Company's risk factors, refer to "Risk Factors" included in the Information Statement filed as Exhibit 99.1 to Amendment No. 3 to the Company's Registration Statement on Form 10. There have been no material changes in the Company's risk factors during the Current Nine Months.

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

None.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.1	Omnibus Amendment Agreement relating to the Loan Agreement, dated as of August 3, 2015, by and among Falcon Global LLC, Falcon Pearl LLC and Falcon Diamond LLC, as joint and several borrowers, DNB Markets, Inc., Clifford Capital PTE. Ltd. and NIBC Bank N.V. as mandated lead arrangers and DNB Markets, Inc. as book runner and DNB Bank ASA, New York Branch, as Facility Agent and Security Trustee and the financial institutions identified on Schedule 1 thereto, as Lenders (incorporated by reference to Exhibit 4.5 of SEACOR Marine Holdings Inc.'s Amendment No. 3 to its Registration Statement on Form 10 filed with the Commission on May 4, 2017).
31.1	Certification by the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification by the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32	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.
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: November 9, 2017	By:	/s/ JOHN GELLERT
		John Gellert, *President and Chief Executive Officer* *(Principal Executive Officer)*
DATE: November 9, 2017	By:	/S/ MATTHEW CENAC
		Matthew Cenac, *Executive Vice President* *and Chief Financial Officer* *(Principal Financial Officer)*

Exhibit 10.1

OMNIBUS AMENDMENT AGREEMENT

RELATING TO

LOAN AGREEMENT
PROVIDING FOR A
SENIOR SECURED TERM LOAN OF
UP TO $80,500,000

TO BE MADE AVAILABLE TO

FALCON GLOBAL LLC, FALCON PEARL LLC AND FALCON DIAMOND LLC,
as Joint and Several Borrowers

BY

DNB MARKETS, INC., CLIFFORD CAPITAL PTE. LTD. and NIBC BANK N.V.
as Mandated Lead Arrangers

and

DNB MARKETS, INC.
as Book Runner

and

DNB BANK ASA, New York Branch,
as Facility Agent and Security Trustee

and

THE FINANCIAL INSTITUTIONS IDENTIFIED ON SCHEDULE 1,
as Lenders

dated as of August 3, 2015

November 3, 2017

<u>OMNIBUS AMENDMENT AGREEMENT RELATING TO LOAN AGREEMENT</u>

THIS OMNIBUS AMENDMENT AGREEMENT RELATING TO LOAN AGREEMENT (this "**Agreement**") is made as of the 3rd day of November, 2017, by each of the Borrowers, the SEACOR Guarantor, the SEACOR Parent, the MONTCO Parent, the Lenders, the Facility Agent and the Security Trustee (as each such term is hereinafter defined) and amends and is supplemental to (1) that certain senior secured loan agreement dated as of the 3rd day of August, 2015, as amended by an amendment no. 1 thereto ("**Amendment No. 1**") dated as of April 28, 2017, and as further amended by those certain letter agreements dated as of April 28, 2017, and June 30, 2017 (as amended, the "**Loan Agreement**"), by and among (i) FALCON GLOBAL LLC ("**Falcon Global**"), FALCON PEARL LLC ("**Falcon Pearl**") and FALCON DIAMOND LLC ("**Falcon Diamond**"), each a limited liability company organized under the laws of the Republic of the Marshall Islands, as joint and several borrowers (each, a "**Borrower**" and collectively, the "**Borrowers**"), (ii) DNB MARKETS, INC. ("**DNB Markets**"), CLIFFORD CAPITAL PTE. LTD. and NIBC BANK N.V. as mandated lead arrangers, (iii) DNB Markets as book runner, (iv) DNB BANK ASA, New York Branch ("**DNB Bank**"), as facility agent for the Creditors (in such capacity, the "**Facility Agent**") and as security trustee for the Creditors (in such capacity, the "**Security Trustee**"), and (v) the banks, financial institutions and institutional lenders whose names and addresses are set out in Schedule 1 thereto, as lenders (together with any assignee pursuant to the terms of Section 10 thereof, the "**Lenders**", and each separately, a "**Lender**"), (2) that certain amended & restated guaranty dated as of April 28, 2017 (the "**A&R Guaranty**"), made by SEACOR Marine Holdings, Inc., a Delaware corporation (the "**SEACOR Guarantor**") in favor of the Security Trustee, (3) that certain membership interest pledge agreement dated as of August 3, 2015 (the "**Seacor Pledge Agreement**"), made by and between (i) SEACOR LB Offshore (MI) LLC, a limited liability company organized under the Republic of the Marshall Islands (the "**SEACOR Parent**"), as pledgor, and (ii) the Security Trustee, as pledgee, (4) that certain membership interest pledge agreement dated as of August 3, 2015 (the "**Montco Pledge Agreement**"), made by and between (i) MONTCO Global, LLC, a limited liability company organized under the Republic of the Marshall Islands (the "**MONTCO Parent**", and together with the Borrowers, the SEACOR Guarantor and the SEACOR Parent, collectively, the "**Security Parties**"), as pledgor, and (ii) the Security Trustee, as pledgee and (5) that certain subordination agreement dated as of April 28, 2017, as amended by an amendment no. 1 thereto dated as of June 30, 2017 (as amended, the "**Subordination Agreement**"), made by and between the SEACOR Parent and the Facility Agent.

<u>W I T N E S S E T H</u>

WHEREAS, as a condition to the granting of certain waivers (as specified in that certain letter agreement dated as of April 28, 2017 (the "**April 2017 Letter Agreement**") entered into by the Creditors and consented and agreed to by, among others, the Borrowers), the parties hereto entered into Amendment No.1;

WHEREAS, pursuant to that certain letter agreement dated as of June 30, 2017 (the "**June 2017 Letter Agreement**" and together with the April 2017 Letter Agreement, collectively, the "**Letter Agreements**"), entered into by the Creditors and consented and agreed to by, among others, the Borrowers, the Creditors agreed to the granting of certain additional waivers including the Extended Temporary Liquidity Waiver and the Temporary Financial Covenants Waiver (each as defined in the June 2017 Letter Agreement), WHEREAS, the Borrowers have requested that the Loan Agreement be amended in order to, among other things, allow Falcon Global to change its name to "Falcon Global International LLC" and amend and restate its limited liability company agreement, permanently increase the Margin to 3.5%, modify certain financial covenants, and release the MONTCO Guarantor from its Guaranty, and the Creditor Parties have consented to such amendments and the release of the MONTCO Guarantor subject to the Security Parties entering into this Agreement and complying with the terms hereof; and

NOW, THEREFORE, in consideration of the premises set forth above, the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Unless otherwise defined herein, words and expressions defined in the Loan Agreement have the same meanings when used herein, including in the recitals hereto.

2. Representations and Warranties.

(a) Each Security Party hereby reaffirms, as of the date hereof, each and every representation and warranty made thereby in the Loan Agreement, the Note, the Security Documents and any Interest Rate Agreement (updated mutatis mutandis and as amended hereby) to which it is a party, provided that nothing contained herein shall be deemed to be a reaffirmation of any representation or warranty relating to financial covenants referenced in Sections 9.3(a) and (c) of the Loan Agreement, which are, by their terms, to be tested on a quarterly basis.

(b) Each Security Party hereby represents and warrants that it is not necessary for the legality, validity, enforceability or admissibility into evidence of this Agreement that this Agreement or any document relating thereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction other than certain amendments to be made to the Uniform Commercial Code financing statements filed in connection with certain of the Security Documents, including, with respect to the change of Falcon Global's name as provided herein.

3. No Defaults. Each Security Party hereby represents and warrants that, other than the events of default specified in the April 2017 Letter Agreement (the "**Disclosed Events of Default**"), as of the date hereof no Event of Default (as such term is defined in the Loan Agreement, as amended hereby) or event which, with the passage of time, giving of notice or both would become an Event of Default, has occurred.

4. Performance of Covenants. Each Security Party hereby reaffirms that it has, unless waived pursuant to the waivers in the Letter Agreements, duly performed and observed the covenants and undertakings set forth in the Loan Agreement, the Note, the Security Documents and any Interest Rate Agreement (updated mutatis mutandis and as amended hereby) to which it is a party, on its part to be performed (unless such covenant or undertaking was waived pursuant to one or more of the Letter Agreements), and each Security Party covenants and undertakes from the date hereof to duly to perform and observe the covenants and undertakings contained in the Loan Agreement, the Note, the Security Documents and any Interest Rate Agreement (updated mutatis mutandis and as amended hereby), including, upon the effectiveness of this Agreement, the financial covenants, so long as the Loan Agreement, the Note, the Security Documents and any such Interest Rate Agreement, as the same is amended hereby and may hereafter further be amended or supplemented, shall remain in effect.

5. Amendment of the Loan Agreement. The parties hereto agree that as of the effectiveness of this Agreement:

(a) All references to "this Agreement" shall be deemed to refer to the Loan Agreement as amended hereby.

(b) Exhibit B to the Loan Agreement, with respect to the MONTCO Guarantor only, shall be deleted in its entirety.

(c) Exhibit P to the Loan Agreement shall be deleted in its entirety and replaced with form of Compliance Certificate attached hereto as Exhibit P.

(d) Section 1.1 of the Loan Agreement is hereby amended as follows:

i. The definition of "Acceptable Accounting Firm" shall be deleted in its entirety and replaced with the following:

"means Ernst & Young, LLP, Grant Thornton LLP or such other Public Company Accounting Oversight Board recognized national or international accounting firm as shall be approved by the Facility Agent

ii. The definition of "Change of Control" shall be deleted in its entirety and replaced with the following:

"means:

(i) with respect to Falcon Global, the aggregate of the voting power or ownership interests of such Borrower directly, indirectly or beneficially owned by the SEACOR Guarantor and any affiliate of the SEACOR Guarantor shall cease to own more than 50% of the total voting power or ownership interest of such Borrower;

(ii) with respect to Falcon Pearl and Falcon Diamond, Falcon Global ceases to own directly 100% of the total voting power or ownership interest;

(iii) with respect to the Guarantor, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power or ownership interest of the Guarantor, and

(iv) with respect to the Vessel Manager, none of Falcon Global, nor the Guarantor (or an Affiliate of any such Person) has voting control of the Vessel Manager;"

iii. The definition of "Debt Service Coverage Ratio" shall be deleted in its entirety and replaced with the following:

"means, at the relevant time of determination, (1), when calculating this ratio at all times other than with respect to an Authorized Distribution, the ratio of (i) the sum of (x) all capital contributions (by way of equity or subordinated debt, in each case, effected in a manner acceptable to the Lenders) to the Borrowers, on an aggregate basis, made in the last four fiscal quarters (but after the delivery date of the relevant Vessels), (y) all of the Borrowers' EBITDA, on an aggregate basis, for the last four fiscal quarters, and (z) any cash balances at the end of the reporting period in excess of the Minimum Liquidity covenant of Section 9.3(b), to (ii) all of the Borrowers' Interest Expense for the last four fiscal quarters plus the scheduled principal payments made on the Borrowers' Indebtedness hereunder during the last four fiscal quarters, and (2) when calculating this ratio with respect to an Authorized Distribution, the ratio of (i) all of the Borrowers' EBITDA, on an aggregate basis, for the last four fiscal quarters, to (ii) all of the Borrowers' Interest Expense for the last four fiscal quarters plus the scheduled principal payments made on the Borrowers' Indebtedness hereunder during the last four fiscal quarters;";

iv. The definition of "Guaranty" shall be deleted in its entirety and replaced with the following:

"means the amended and restated guaranty to be executed by the Guarantor, substantially in the form of Exhibit B hereto;";

v. The definition of "Guarantor(s)" shall be deleted in its entirety and replaced with the following:

"means the SEACOR Guarantor;";

vi. The definition of "Margin" shall be deleted in its entirety and replaced with the following:

"means, with respect to each Tranche, 3.5%;";

vii. The definition of "MONTCO Guarantor" shall be deleted in its entirety; and

viii. The definition of "Required MONTCO Guarantor Prepayment Amount" shall be deleted in its entirety.

(e) The following definitions are hereby added to Section 1.1 of the Loan Agreement in alphabetical order:

""<u>Authorized Distribution</u>" has the meaning given such term in Section 9.2(k)";

""<u>Cure Amount</u>" has the meaning given such term in Section 9.4(a)";

""<u>Cure Deadline</u>" has the meaning given such term in Section 9.4(a)";

““Cure Right” has the meaning given such term in Section 9.4(a)”;

““Omnibus Agreement” means that certain omnibus amendment agreement related to loan agreement dated as of November 3, 2017 and made by and among, inter alios, (i) the Borrowers, (ii) the Guarantor, (iii) Montco Global, LLC, (iv) the Lenders, (v) the Facility Agent, and (vi) the Security Trustee, pursuant to which, among other things, this Agreement and the Guaranty were amended thereby”.

(f) Section 1.3 of the Loan Agreement shall be amended by adding the following sentence at the end of such Section:

“Notwithstanding the foregoing, in calculation of the financial covenants set forth herein only, all accounting terms relating to operating leases shall be construed in accordance with GAAP in effect on August 3, 2015.”.

(g) Section 8.1(t) (Change of Control) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

“(t) Change of Control. A Change of Control shall occur.”

(h) Section 9.1(d)(i) (Financial Information) shall be deleted in its entirety and replaced with the following:

“as soon as available but not later than one hundred twenty (120) days after the end of each fiscal year of each Borrower, complete copies of the consolidated financial reports of the Borrowers (together with a calculation of cash and Cash Equivalents and a Compliance Certificate), all in reasonable detail, unaudited, which shall include such financial information relating to profits and losses, cash flow details and the listing of contingent liabilities for the Borrowers as would be presented in audited financial statements as well as the consolidated balance sheet of each of the Borrowers as of the end of such year and the related consolidated statements of income and sources and uses of funds for such year;”.

(i) Section 9.1(d)(ii) (Financial Information) shall be deleted in its entirety and replaced with the following:

“as soon as available but not later than sixty (60) days after the end of each of its fiscal quarters of each Borrower, the interim consolidated balance sheet of the Borrowers (together with a Compliance Certificate), and the related consolidated profit and loss statements and sources and uses of funds and such financial information relating to profits and losses, cash flow details and the listing of contingent liabilities for the Borrowers as would be presented in audited financial statements, all in reasonable detail, unaudited, but certified to be true and complete by the chief financial officer of each Borrower;”.

(j) Section 9.2(k) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

"(k) Distributions on Membership Interests. Permit Falcon Global to directly or indirectly declare or make any distribution on its membership interests; provided, however, that, notwithstanding the foregoing, Falcon Global shall be permitted to make distributions on its membership interests to its respective owners if all of the following conditions are met, which shall be evidenced by financial reports together with a Compliance Certificate (an "Authorized Distribution"): (A) annually if the ratio of EBITDA Backlog for the subsequent four fiscal quarters to all of the Borrowers' Future Debt Service, as certified by an authorized officer of Falcon Global with supporting calculations is greater than 1.25:1:00; provided that all covenants in Sections 9.1, 9.2, and 9.3, are met before and after such distribution, and also that a Funded Debt Ratio of no more than 4:1 is maintained at all times, and met before and after such distribution, (B) at least the one (1) year has passed since the Delivery Date of the second Vessel, (C) both Vessels shall have been delivered to the respective Borrowers, and (D) no Default or Event of Default has occurred and is continuing or would result from such distribution or payment. If any event of default under any other Indebtedness of the Guarantor has occurred and such Indebtedness is in the aggregate of Ten Million Dollars ($10,000,000), the Borrowers shall be required to maintain not less than $10,000,000.00 in cash to be held in the Operating Account for so long as such event of default is continuing.".

(k) Section 9.3(c) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

"(c) [INTENTIONALLY LEFT BLANK]".

(l) The last sentence of Section 9.3(d) (Maximum Loan to Value Ratio) of the Loan Agreement shall be deleted in its entirety.

(m) A new Section 9.4 (Equity Cure) shall be added to the Loan Agreement to read as follows:

"9.4 Equity Cure.

(a) Financial Covenants Cure Right. Notwithstanding anything to the contrary contained in Section 9.3, if the Borrowers fail, or any of them fails, to comply with the financial covenants contained in Section 9.3(a) (Debt Service Coverage Ratio), then (x) the Borrowers or any of them shall be permitted on or prior to the twentieth (20^{th}) day following the earlier of (i) the date the certificate calculating compliance with such financial covenants is required to be delivered pursuant to Section 9.1(d) and (ii) the date of receipt of a notice from the Facility Agent that the Borrowers are, or any of them is, not in compliance with such financial covenants (the "Cure Deadline"), to cure such failure to comply by receiving cash proceeds from a cash capital contribution or funds from a loan subordinated on terms acceptable to the Lenders (collectively, the "Cure Right"), and (y) upon receipt by the Borrower of such cash proceeds or subordinated loan (such cash or subordinated loan amount used to cure a financial covenant default, the "Cure Amount") pursuant to the exercise of such Cure Right, the Debt Service Coverage Ratio shall be recalculated by increasing Borrowers' EBITDA and Cash Equivalents,; *provided* that such cash capital contribution or funds from a subordinated loan shall be deemed to have been contributed or paid in the fiscal quarter to which the Cure Right applies for all purposes.

(b) Treatment of Cure Amount. The parties hereby acknowledge that this Section 9.4 may not be relied on for purposes of calculating any financial ratios other than with respect to 9.3(a) (Debt Service Coverage Ratio), except as such section relates to Authorized Distributions under Section 9.2(k), and shall not result in any adjustment to any baskets or other amounts other than the amount of Borrowers' EBITDA and Cash Equivalents.

(c) Cure of Financial Covenant Default. If a financial covenant Default has occurred and is continuing and if, after giving effect to the recalculation of the Debt Service Coverage Ratio pursuant to this Section 9.4, the Borrower is in compliance with the Debt Service Coverage Ratio, the Borrowers and each of them shall be deemed to have satisfied the financial covenants as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the financial covenant Default shall be deemed cured for the purposes of this Agreement."

(n) Section 16 of the Loan Agreement shall be amended by deleting the references to the MONTCO Guarantor.

6. Amendment of A&R Guaranty. The parties hereto agree that as of the effectiveness of this Agreement:

(a) A new Exhibit A (Compliance Certificate) to the A&R Guaranty shall be inserted in the form of the Compliance Certificate attached hereto as Exhibit A.

(b) Section 1 (DEFINITIONS) shall be deleted in its entirety and replaced as follows:

"1. DEFINITIONS.

1.1 Definitions. In this Guaranty, unless the context otherwise requires:

(a) "Capital" means Gross Interest Bearing Debt plus shareholders' equity of the Guarantor;

(b) "Chase Facility" means the exit financing facility to be entered into among (i) Falcon Global USA LLC, as borrower, (ii) subsidiary guarantors of Falcon Global USA LLC (iii) the lenders party thereto, and (iv) JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and security trustee, to replace the existing Chase facility of MONTCO Offshore and related companies, and the "DIP facility" provided to MONTCO Offshore and Montco Oilfield Contractors, LLC;

(c) “Compliance Certificate” means a certificate certifying the compliance by the Guarantor with all of its covenants contained herein and delivered by the chief financial officer of the Guarantor to the Facility Agent from time to time pursuant to Sections 4(f) hereof and substantially in the same form as the form of “Compliance Certificate” set out as Exhibit A hereto

(d) “Gross Interest Bearing Debt” means the consolidated total amount of Indebtedness of the Guarantor outstanding on the date of any calculation *minus* the aggregate of all debt under all Warehouse Financing Facilities and the Chase Facility;

(e) “MONTCO Offshore” means MONTCO OFFSHORE, INC., a corporation organized and existing under the laws of the State of Louisiana;

(f) “SEACOR Guarantor Total Debt” means the sum of Gross Interest Bearing Debt, *plus* any lease obligations of the Guarantor on a consolidated basis, *plus* the amount of guaranteed obligations under any guarantee by the Guarantor of the Chase Facility; and

(g) “Warehouse Financing Facilities” means financings of special purpose vehicles, directly or indirectly wholly-owned by the Guarantor or otherwise consolidated in the financial statements of the Guarantor in accordance with GAAP, that are non-recourse to the Guarantor.

1.2 Other Defined Terms. Except as otherwise defined herein, terms defined in the Loan Agreement shall have the same meaning when used herein.”

(c) A new Section 4(c) is added to the A&R Guaranty to read as follows:

“(c) the Guarantor hereby covenants and undertakes to promptly notify the Facility Agent if the Guarantor enters into or agrees to enter into any facility agreement with any financial institution pursuant to which the Guarantor is an obligor and which has the benefit of any term or provision that is more favorable than the terms and provisions relating to the Guarantor in the Loan Agreement or any of the other Transaction Documents. If requested by the Facility Agent acting upon the instructions of any Lender, the terms of this Guarantee and any other relevant Transaction Document to which the Guarantor is a party shall be amended and/or supplemented to incorporate such more favorable terms and provisions with respect to the Guarantor in a manner satisfactory to the Facility Agent. This clause is for the benefit of the Lenders and the other Creditors only.”.

(d) A new Section 4(d) is added to the A&R Guaranty to read as follows:

"(d) the Guarantor hereby covenants and undertakes to maintain at all times after the date of the effectiveness of the Omnibus Agreement, minimum cash and Cash Equivalents of the greater of (x) 10% of SEACOR Guarantor Total Debt and (y) $50,000,000.".

(e) A new Section 4(e) is added to the A&R Guaranty to read as follows:

"(e) the Guarantor hereby covenants and undertakes to maintain at all times after the date of the effectiveness of the Omnibus Agreement, a ratio of Gross Interest Bearing Debt to Capital of no greater than (x) 60% from such effective date thereof until and including December 31, 2019 and (y) 55% thereafter.".

(f) A new Section 4(f) is added to the A&R Guaranty to read as follows:

"(f) the Guarantor hereby covenants and undertakes to deliver to the Facility Agent

"(i) as soon as available but not later than one hundred twenty (120) days after the end of each fiscal year of the Guarantor, complete copies of the consolidated financial reports of the Guarantor (together with a Compliance Certificate), all in reasonable detail, which shall include at least the consolidated balance sheet of the Guarantor as of the end of such year and the related consolidated statements of income and sources and uses of funds for such year, which shall be audited reports prepared by an Acceptable Accounting Firm;

(ii) as soon as available but not later than sixty (60) days after the end of each of its fiscal quarters of the Guarantor, the interim consolidated balance sheet of the Guarantor (together with a Compliance Certificate), and the related consolidated profit and loss statements and sources and uses of funds, all in reasonable detail, unaudited, but certified to be true and complete by the chief financial officer of the Guarantor;

(iii) within ten (10) Banking Days of the Guarantor's receipt thereof, copies of all audit letters or other correspondence from any external auditors including material financial information in respect of the Guarantor;

(iv) such other statements (including, without limitation, monthly consolidated statements of operating revenues and expenses), lists of assets and accounts, budgets, forecasts, reports and other financial information and otherwise as to the condition, business or operations of the Guarantor as the Facility Agent may from time to time request, certified to be true and complete by the chief financial officer of the Guarantor as the case may be; and

(v) as soon as they become available, but in any event not less than thirty (30) days from the end of the Guarantor's fiscal year, its board approved budget.

7. Amendment of Subordination Agreement. The parties hereto agree that as of the effectiveness of this Agreement:

(a) Recital 1 to the Subordination Agreement shall be deleted in its entirety and replaced with the following:

> "1. Debtor and Subordinated Creditor have entered into a second amended and restated subordinated loan agreement wherein Subordinated Creditor has agreed to provide Debtor a voluntary $24,500,000 working capital loan (together with such other documents and instruments entered in connection thereof, the "**Subordinated Debt Documents**").".

8. Other Documents. By the execution and delivery of this Agreement, each of the Borrowers, the SEACOR Guarantor, the SEACOR Parent and the MONTCO Parent and the Creditors hereby consents and agrees that all references in the Note and the other Transaction Documents (as defined in the Loan Agreement, as amended hereby) to which it is a party to the Loan Agreement, the A&R Guaranty, the SEACOR Pledge Agreement, the MONTCO Pledge Agreement and the Subordination Agreement shall be deemed to refer to the Loan Agreement, the A&R Guaranty, the SEACOR Pledge Agreement, the MONTCO Pledge Agreement and the Subordination Agreement, as the case may be, as amended and supplemented by this Agreement. By the execution and delivery of this Agreement, the Borrowers, the SEACOR Guarantor, the SEACOR Parent and the MONTCO Parent hereby consent and agree that the Security Documents (as defined in the Loan Agreement, as amended hereby) and the Subordination Agreement to which any of them is party and any other documents that have been or may be executed as security for the Loan and all of their respective obligations under the Loan Agreement, the Note or any other Transaction Documents (as defined in the Loan Agreement, as amended hereby) shall remain in full force and effect notwithstanding the amendments contemplated hereby.

9. Conditions Precedent to the effectiveness of this Agreement. The effectiveness of this Agreement shall be expressly subject to the following conditions precedent:

(i). Agreement. Each of the Borrowers, the SEACOR Guarantor, the SEACOR Parent and the MONTCO Parent shall have executed and delivered to the Facility Agent this Agreement;

(ii). Mortgage Amendments. A duly executed and notarized original Amendment No. 1 to First Preferred Marshall Islands Mortgage in relation to each Vessel made by each of Falcon Pearl and Falcon Diamond and the Security Trustee, each in form and substance satisfactory to the Security Trustee and its legal advisers, each duly recorded with the Deputy Commissioner of Maritime Affairs of the Republic of the Marshall Islands together with a copy of a Certificate of Ownership and Encumbrance confirming such recordations;

(iii). UCC Filings. Each relevant Security Party shall have duly delivered to the Facility Agent amendments to the Uniform Commercial Code financing statements relating to the change of Falcon Global's name for filing with the State of Delaware, the District of Columbia, Terrebonne Parish Louisiana, and in such other jurisdictions as the Facility Agent may reasonably require;

(iv). Corporate Documents. The Facility Agent shall have received such evidence as it may reasonably require as to the authority of the officers or attorneys-in-fact executing this Agreement and the Mortgage Amendments, including, but not limited to, the following:

A. copies, certified as true and complete by an officer of each Security Party, of the constitutional documents of each Security Party;

B. copies, certified as true and complete by an officer of each Security Party, of the resolutions of the board of directors and shareholders, manager or members thereof, as the case may be, evidencing approval of this Agreement, and the Mortgage Amendments, as applicable, and authorizing an appropriate officer or attorney-in-fact to execute the same on its behalf, or other evidence of such approvals and authorizations;

C. copies, certified as true and complete by an officer of each Security Party, of all documents evidencing any other necessary action (including actions by such parties thereto other than the Security Parties as may be required by the Creditors), approvals or consents with respect to this Agreement and the Mortgage Amendments; and

D. if applicable, the Facility Agent shall have received a certified copy of any power of attorney under which this Agreement and any other document to be executed pursuant to this Agreement (including the Mortgage Amendments) was or is to be executed on behalf of each Security Party;

(v). Resignation Letters. Fully executed but undated resignation letters for any newly appointed director or officer of each Borrower.

(vi). Amended & Restated Subordinated Working Capital Loan. Falcon Global and the SEACOR Parent shall have entered into a second amended and restated subordinated loan agreement which shall amend and restate that certain working capital loan dated as of April 28, 2017, as amended and restated by a first amended and restated subordinated loan agreement dated as of June 30, 2017, pursuant to which Falcon Global shall receive from the SEACOR Parent a working capital loan in the amount of $24,500,000;

(vii). No Event of Default. The Creditors shall be satisfied that, other than the Disclosed Events of Default, no Event of Default (as defined in the Loan Agreement, as amended hereby) or event which, with the passage of time, giving of notice or both would become an Event of Default under the Loan Agreement (as amended hereby) has occurred and be continuing and the representations and warranties of the Security Parties contained in the Loan Agreement (as amended hereby), this Agreement, and the other Security Documents (as defined in the Loan Agreement, as amended hereby), shall be true on and as of the date of this Agreement.

(viii). Legal Opinions. The Facility Agent shall have received legal opinions addressed to the Lenders from Watson Farley & Williams LLP, special counsel to the Security Parties in such form as the Facility Agent may require, as well as such other legal opinions as the Facility Agent shall have required as to all or any matters under the laws of the United States of America, the State of New York, the State of Delaware and the Republic of the Marshall Islands in a form acceptable to the Facility Agent and its counsel;

(ix). Fees and expenses. (i) The Facility Agent shall have received from the Borrowers an amendment fee in the amount of $150,000 to be shared equally among the Lenders and (ii) legal counsel for the Creditor Parties shall have received from the Borrowers payment in full of their invoiced fees and disbursements relating to the Loan Agreement and any amendments thereto including this Agreement; and

(x). Additional Information. The Facility Agent shall have received all such other agreements, instruments, documents, certificates (including a certificate of good standing), and information of each Security Party as the Creditors deem reasonably necessary or advisable.

10. Name Change and Amendment & Restatement of Limited Liability Company Agreement. Falcon Global is hereby authorized as of the date hereof to (i) amend and restate its limited liability company agreement (the "**LLC Agreement**") in a form satisfactory to the Lenders (such consent not to be unreasonably withheld) and (ii) amend its certificate of formation and the LLC Agreement in order to change its name to "Falcon Global International LLC". Falcon Global shall promptly provide certified copies of (i) its amended certificate of formation as soon as it becomes available from the Marshall Islands corporate registry, (ii) the amended and restated LLC Agreement as soon as it has been adopted by the SEACOR Parent and the MONTCO Parent, (iii) an officer or director certificate certifying who the officer and directors are of Falcon Global and (iv) fully executed and undated resignation letters from each officer and director of Falcon Global.

11. No Other Amendment. All other terms and conditions of the Loan Agreement, the A&R Guaranty, the SEACOR Pledge Agreement, the MONTCO Pledge Agreement and the Subordination Agreement shall remain in full force and effect and the Loan Agreement, the A&R Guaranty, the SEACOR Pledge Agreement, the MONTCO Pledge Agreement Subordination Agreement shall be read and construed as if the terms of this Agreement were included therein by way of addition or substitution, as the case may be.

12. Release of MONTCO Guarantor. Upon the effectiveness of this Agreement, the Creditors agree that the MONTCO Guarantor is hereby released from any and all of its obligations under the Guaranty.

13. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

14. Transaction Document. This Agreement is a Transaction Document.

15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

[*Signature Page Follows***]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized representatives as of the date first above written.

FALCON GLOBAL LLC, as a borrower

By: */s/ Jesus Llorca*
Name: Jesus Llorca
Title: Vice President

FALCON PEARL LLC, as a borrower

By: */s/ Jesus Llorca*
Name: Jesus Llorca
Title: Vice President

FALCON DIAMOND LLC, as a borrower

By: */s/ Jesus Llorca*
Name: Jesus Llorca
Title: Vice President

SEACOR MARINE HOLDINGS INC., as guarantor

By: */s/ Jesus Llorca*
Name: Jesus Llorca
Title: Executive Vice President

SEACOR LB OFFSHORE (MI) LLC, as a relevant parent

By: */s/ Jesus Llorca*
Name: Jesus Llorca
Title: Vice President

MONTCO GLOBAL, LLC, as a relevant parent

By: */s/ Derek Boudreaux*
Name: Derek Boudreaux
Title: Director

DNB BANK ASA, as Facility Agent, Securities Trustee and Swap Bank

By: */s/ Philippe Wulfers*
Name: Philippe Wulfers
Title: Vice President

By: */s/ Andrew J. Shohet*
Name: Andrew J. Shohet
Title: Vice President

DNB CAPITAL LLC, as lender

By: */s/ Philippe Wulfers*
Name: Philippe Wulfers
Title: Vice President

By: */s/ Andrew J. Shohet*
Name: Andrew J. Shohet
Title: Vice President

CLIFFORD CAPITAL PTE. LTD., as lender

By: */s/ Richard Desai*
Name: Richard Desai
Title: Chief Risk Officer

NIBC BANK N.V., as lender and swap bank

By: */s/ M.J. van West*
Name: M.J. van West
Title: Managing Director

By: */s/ Ekaterina Kouznetsova*
Name: Ekaterina Kouznetsova
Title: VP Oil & Gas Services

Exhibit 31.1

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) 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

   c) 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: November 9, 2017

/s/ JOHN GELLERT

Name: John Gellert

Title: *Chief Executive Officer*
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Matthew Cenac, 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) 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

   c) 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: November 9, 2017

/s/ MATTHEW CENAC

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

Exhibit 32

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 September 30, 2017 (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: November 9, 2017

/s/ JOHN GELLERT

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

Date: November 9, 2017

/s/ MATTHEW CENAC

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