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***Press release***

**05/10/2011**

## **TransAtlantic acquires SBS Marine and conducts a rights issue of approximately SEK 550 M**

**Rederi AB TransAtlantic ("TransAtlantic") acquires all shares in the British offshore shipping company SBS Marine (Holdings) Ltd ("SBS Marine") from Kistefos AS ("Kistefos") for a preliminary consideration of approximately SEK 340 M. SBS Marine has a net debt of approximately SEK 480 M. In connection with the acquisition, TransAtlantic conducts a rights issue of approximately SEK 550 M to finance the acquisition and to strengthen the company's financial position in advance of the forthcoming division of the group.**

**At the Extraordinary General Meeting, which will decide on the acquisition as well as the rights issue, Henning E. Jensen, new Chief Executive Officer of Kistefos, is proposed for election to TransAtlantic's Board of Directors, where he will replace Åge Korsvold, who has resigned as Chief Executive Officer of Kistefos and who will thus also resign from TransAtlantic's Board of Directors.**

SBS Marine is a British offshore shipping company based in Aberdeen. The company operates a fleet of five modern and one older PSV vessels (Platform Supply Vessel) with a current turnover of approximately SEK 220 M on an annual basis.

The acquisition of SBS Marine is a part of TransAtlantic's focus on the business area Offshore/Icebreaking in order to strengthen TransAtlantic's product offering in the business area.

To finance the acquisition and to strengthen the company's financial position in advance of the forthcoming division of the group, TransAtlantic conducts a rights issue of approximately SEK 550 M.

The Board of Directors<sup>1</sup> in TransAtlantic regards the transaction as beneficial for the company and its shareholders and unanimously recommends the shareholders to approve the acquisition and the rights issue at the Extraordinary General Meeting in TransAtlantic, which will take place on November 7, 2011.

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<sup>1</sup> Due to conflict of interest, Christen Sveaas and Åge Korsvold have not participated in the Board of Directors' handling of the proposed acquisition. Chief Executive Officer Rolf Skaarberg has also not participated in the handling of the acquisition for corresponding reasons.

Kistefos (through Viking Supply Ships AS ("VSS") and Folke Patriksson (through Enneff Rederi AB and Enneff Fastigheter i Skärhamn AB (jointly "Enneff")), which collectively hold approximately 65 per cent of the votes and approximately 54 per cent of the shares in TransAtlantic, have entered into commitments to vote in favour of the rights issue at the Extraordinary General Meeting as well as to subscribe for their pro rata shares in the rights issue. In addition, Lindéngruppen AB, holding approximately 8 per cent of the votes and 6 per cent of the shares in TransAtlantic, has expressed its support for the acquisition and the rights issue and declared its intention to vote in favour of the rights issue at the Extraordinary General Meeting as well as to subscribe for its pro rata share of the rights issue. Moreover, Kistefos has entered into a commitment to subscribe for shares for up to approximately SEK 260 M in addition to its pro rata share of the rights issue, in case the rights issue should not be fully subscribed for by the other shareholders. Consequently, subscription undertakings for the entire rights issue have been obtained. Kistefos will not receive any compensation for its commitment to subscribe for shares.

### **Background and reasons**

The International Energy Agency (IEA) estimates that the global demand for energy will increase by approximately 35 per cent by 2035. Since production in existing fields will gradually decline, new oil and gas fields must come online. According to the IEA estimates, approximately 50 per cent of oil and gas will come from new fields and production areas in 2035. The most rapid percentage increase in production is expected to come from offshore fields including fields in Arctic waters, which entail increased demands on ice breaking offshore vessels with specially trained crews where TransAtlantic has its unique competence.

According to the research institute Douglas Westwood, investments in oil and gas production are estimated to increase by more than 10 per cent per year during the period 2010–2013. In light of this, TransAtlantic has a positive view on the market outlook for the business area Offshore/Icebreaking and is therefore investing strategically in offshore.

The acquisition of the outstanding shares in the joint venture company Trans Viking, which was completed during the third quarter 2010, was an important milestone in the development of the business area Offshore/Icebreaking. As a result of the acquisition the relative size of the business area within TransAtlantic increased at the same time as the company gained full access to the cash flow of the operations and the possibility to optimize the management of the business.

As part of TransAtlantic's focus on the business area Offshore/Icebreaking, the company has identified SBS Marine as an interesting complement to the existing operations in the business area.

British SBS Marine operates a fleet of five modern and one older PSV vessels. The vessels, which handle transportation to and from offshore platforms, enable TransAtlantic to offer additional services to existing customers. Through an increased product offering, TransAtlantic also believes it will be easier to attract new customers at the same time as a larger fleet is estimated to lead to certain economies of scale.

To ensure future focus and expansion within the business area Offshore/Icebreaking, parts of the operations in the business area will be moved to Denmark during 2011 and a new headquarters will be established in Copenhagen. In connection with a potential future division of TransAtlantic, the company is planning a listing of the business area Offshore/Icebreaking on the Oslo Stock Exchange.

To finance the acquisition of SBS Marine and to ensure flexibility for both the business area Offshore/Icebreaking and the business area Industrial Shipping in the current restructuring and strategic development, the Board of Directors in TransAtlantic has resolved, subject to approval at an Extraordinary General Meeting, to conduct a rights issue of approximately SEK 550 M.

### **Division of the group**

In press releases on March 31 and June 8, 2011 as well as in the interim report for the second quarter of 2011, which was published on August 4, 2011, it was announced that the Board of Directors is preparing a division of the group with the aim to establish two well capitalized and well positioned stand-alone entities, Rederi AB TransAtlantic and Trans Viking Offshore A/S. The work with the separation commenced during the first half of 2011 and is proceeding according to plan. The aim is to spin off Trans Viking Offshore A/S to the shareholders under the so called lex Asea rules and to list the company on the Oslo Stock Exchange during 2012. After the division, Rederi AB TransAtlantic will consist of the business area Industrial Shipping and will continue to be listed on NASDAQ OMX Stockholm.

### **SBS Marine in brief**

SBS Marine was founded in 2000 in Aberdeen, Scotland. Since 2006 the company is an indirectly wholly owned subsidiary of Kistefos.

In January 2001, SBS Marine acquired its first PSV vessel, the mid sized vessel SBS Cirrus, constructed in 1985. In September 2001, SBS Marine ordered two additional vessels from the Norwegian shipyard Karmsund, SBS Nimbus and SBS Stratus. On delivery of the two vessels in 2003, SBS Marine ordered three additional vessels, SBS Tempest, SBS Typhoon and SBS Torrent. The two latter vessels are leased on bareboat charter and SBS Marine holds call options for these vessels. In March 2011, SBS Marine exercised its call option for SBS Tempest and the vessel was transferred into the ownership of the company in June 2011.

SBS Nimbus and SBS Stratus are contracted for assignments in India until January 2012. SBS Torrent and SBS Tempest are both contracted for assignments in the North Sea until March and June 2012, respectively. SBS Typhoon and SBS Cirrus operate on short term assignments on the spot market in the North Sea.

SBS Marine has nine land based employees in Aberdeen and 132 employees at sea. Of the employees at sea, 72 are officers.

SBS Marine currently has a turnover of approximately SEK 220 M on an annual basis and has an EBITDA of approximately SEK 50 M for the twelve month period October 1, 2010 – September 30, 2011.

### **The acquisition in brief**

The board members who are independent of the main owner, Kistefos, have adopted a resolution, under which TransAtlantic has entered into an agreement to acquire SBS Marine, an indirectly wholly owned subsidiary in the Kistefos group.<sup>2</sup> The consideration for all shares in SBS Marine preliminarily totals approximately SEK 340 M and will be determined based on independent valuations of the vessels and valuations of the call options for vessels not owned, adjusted for debt and working capital, all as at September 30, 2011. As at September 30, 2011, SBS Marine had a net debt of approximately SEK 480 M, of which, approximately SEK 160 M are loans from Kistefos, which will be repaid in connection with the acquisition. In addition, SBS Marine has operational leases, which may be classified as financial leases by TransAtlantic. Should these leases be classified as financial, SBS Marine's debt would increase by approximately SEK 350 M, at the same time as the assets would increase by the same amount. TransAtlantic will gain access to SBS Marine on November 8, 2011, when half of the consideration will be paid. The remaining part of the consideration will be paid on December 15, 2011. During the period November 8 – December 15, 2011 Kistefos has right to half of the cash flow in the company. According to the purchase agreement, TransAtlantic has an option to sell the vessel SBS Cirrus back to Kistefos for approximately the same price that TransAtlantic is paying for the vessel. As support for its decision the Board of Directors has commissioned a Fairness Opinion from Carnegie, which supports the valuation of SBS Marine.

As a result of the acquisition and the rights issue, TransAtlantic's net indebtedness increases by a total of approximately SEK 280 M. The company estimates that the equity ratio pro forma for the acquisition and the rights issue increases from 40 per cent to 42 per cent. The acquisition is estimated to give a positive contribution to TransAtlantic's earnings per share as of next year.

The acquisition is subject to approval, at an Extraordinary General Meeting in TransAtlantic, of both the transaction and the rights issue, as well as to all permits and approvals from authorities, necessary for the acquisition, being obtained on terms and conditions acceptable to TransAtlantic and Kistefos, in each case in the opinion of the respective company's Board of Directors. The acquisition is also conditional upon the consent of concerned lenders, including the Norwegian limited partnerships, which finance SBS Torrent and SBS Typhoon. A physical inspection of the vessels shall be made prior to the acquisition taking effect. Adjustments shall be made for any potential discrepancies from the expected condition of the vessels under the purchase agreement.

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<sup>2</sup> Due to conflict of interest, Christen Sveaas and Åge Korsvold have not participated in the Board of Directors' handling of the proposed acquisition. Chief Executive Officer Rolf Skaarberg has also not participated in the handling of the acquisition for corresponding reasons.

### **Extraordinary General Meeting**

An Extraordinary General Meeting will take place on Monday, November 7, 2011, 4.00 pm, at Nordiska Akvarellmuseet, Södra Hamnen, 471 32 Skärhamn. A notice of the Extraordinary General Meeting will be published on October 7, 2011 and will be available on [www.rabt.se](http://www.rabt.se), please see separate press release.

### **Terms and conditions for the rights issue**

Shareholders have preferential rights to subscribe for shares in proportion to their existing holdings. Owners of shares of series A will be offered to subscribe for shares of series A and owners of shares of series B will be offered to subscribe for shares of series B. It will also be possible to subscribe for shares through subsidiary preferential rights. The record date at Euroclear Sweden AB, for participation in the rights issue, is November 10, 2011. The subscription period is November 15 – December 1, 2011, or until such later day as decided by TransAtlantic's Board of Directors.

Kistefos (through VSS) and Folke Patriksson (through Enneff), which collectively hold approximately 65 per cent of the votes and approximately 54 per cent of the shares in TransAtlantic, have entered into commitments to vote in favour of the rights issue at an Extraordinary General Meeting as well as to subscribe for their pro rata shares in the planned rights issue ("the Subscription Commitments"). In addition, Lindéngruppen AB, holding approximately 8 per cent of the votes and 6 per cent of the shares in TransAtlantic, has expressed its support for the acquisition and the rights issue and declared its intention to vote in favour of the rights issue at an Extraordinary General Meeting as well as to subscribe for its pro rata share of the planned rights issue. Moreover, Kistefos has entered into a commitment to subscribe for shares for up to SEK 260 M in addition to its pro rata share of the rights issue, in case the rights issue should not be fully subscribed by the remaining shareholders ("the Undertaking"). Consequently, subscription undertakings for the entire rights issue have been obtained.

Kistefos could, as a consequence of the Subscription Commitment and the Undertaking, come to increase its share of capital and votes in TransAtlantic. The maximum share of the capital and the votes that Kistefos could come to hold will be published when the final terms of the rights issue have been set by the Board of Directors (see below). Kistefos has been granted an exemption from the mandatory offering rules by the Swedish Securities Council (*Sw. Aktiemarknadsnämnden*) in case Kistefos' share of votes should increase, which under the earlier rulings by the Swedish Securities Council (AMN 2010:27 and AMN 2010:28) would otherwise trigger the mandatory offering rules. The Swedish Securities Council's ruling to grant an exemption from the mandatory offering rules, insofar as concerns the Undertaking, is conditioned upon approval of the Board of Directors' resolution on the rights issue by shareholders representing not less than two-thirds of the votes cast and shares represented at the Meeting, with disregard from the shares that are held and represented by Kistefos at the Extraordinary General Meeting.

The final terms and conditions for the rights issue, such as the size of the increase in share capital, the number of shares issued and the issue price for the newly issued shares will be announced on November 3, 2011, at the latest.

The rights issue is subject to approval at the Extraordinary General Meeting, which will take place on Monday, November 7, 2011 (see above). Due to the rights issue the Board of Directors has decided to propose additional resolutions to the Extraordinary General Meeting, including changes to the Articles of Association. To enable the planned lex Asea distribution, the Board of Directors has further decided to propose a resolution to adjust the share capital and the statutory reserve, including changes to the Articles of Association at the Extraordinary General Meeting.

### **Election of new member to the Board of Directors**

In connection with the Extraordinary General Meeting, Henning E. Jensen, is proposed for election to TransAtlantic's Board of Directors. Åge Korsvold has resigned as Chief Executive Officer of Kistefos and will as a result also resign from TransAtlantic's Board of Directors. Henning E. Jensen is the new Chief Executive Officer of Kistefos and has long experience from leading positions in listed companies. Henning E. Jensen holds an MBA from the University of San Francisco, has undertaken post graduate studies at the University of St. Gallen in Switzerland and has attended executive studies at Wharton, University of Pennsylvania. Before Henning E. Jensen started his industrial career, he was a Professor of Finance at the University of San Francisco for five years.

### **Information to shareholders**

The acquisition of SBS Marine is a transaction with a closely related party under section 4.1 in NASDAQ OMX Stockholm's rule book for issuers. The Board of Director's report on the acquisition as well as a Fairness Opinion from Carnegie will, accordingly, be available at least three weeks prior to the Extraordinary General Meeting in TransAtlantic. The documents are meant to serve as a basis for decisions for the shareholders at the Extraordinary General Meeting, who will resolve on the acquisition and the rights issue. The documents as well as the Board of Director's complete proposal on the rights issue will be available on the company's web page: [www.rabt.se](http://www.rabt.se), and will be sent to those shareholders who so request and state their postal address.

**Preliminary timetable**

October 7, 2011	Notice for the Extraordinary General Meeting in TransAtlantic
November 3, 2011	The interim report for the period January-September 2011 is published Issue price and subscription ratio is set by the Board of Directors and is communicated through a press release
November 7, 2011	Extraordinary General Meeting in TransAtlantic
November 8, 2011	First day of trading in TransAtlantic's shares without right to participate in the rights issue
November 9, 2011	Estimated date for publication of the prospectus
November 10, 2011	Record date for the right to participate in the rights issue, i.e. shareholders who are registered in the share register on this day will receive subscription rights to participate in the rights issue
November 15 – 28, 2011	Trading in subscription rights
November 15, 2011 – December 1, 2011	Subscription period

The Board of Directors in TransAtlantic have decided to postpone the report for the third quarter of 2011 until November 3, 2011. The previously communicated date was October 27, 2011.

**Advisers**

Nordea and SEB Enskilda are financial advisers and Advokatfirman Lindahl is legal adviser to TransAtlantic.

Skärhamn, October 5, 2011

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*TransAtlantic is obliged to make this information public according the Financial Markets Act and the Financial Instruments Trading Act (Sw: lagen om värdepappersmarknaden and lagen om handel med finansiella instrument). The information was submitted for publication on October 5, 2011 at 2.00 pm.*