Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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The following discussion of risk factors contains forward- looking statements. These risk factors may be important to understanding other statements in this Form 10- K. The following information should be read in conjunction with Part II, Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and the Consolidated Financial Statements and related notes in Part II, Item 8, " Financial Statements and Supplementary Data " of this Form 10- K. Our business, financial condition and operating results can be affected by several factors, whether currently known or unknown, including but not limited to those described below, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from those anticipated, projected or assumed in the forward- looking statements. Any of these factors, in whole or in part, could materially and adversely affect our business, prospects, financial condition, results of operations, **cash flows and** stock price ~~and cash flows~~. These could also be affected by additional factors that apply to all companies generally which are not specifically mentioned below. Summary of Risk Factors Below is a summary of some of the principal risks and uncertainties that could materially adversely affect our business, financial condition, ~~and~~ results of operations **and future prospects**. You should read this summary together with the more detailed description of each risk factor contained below. Risks Relating to Our Business and Industry ● Demand for our services is substantially dependent on the level of capital spending by our customers. ~~Prior downturns~~ **Downturns** in the oil and gas industry have **often** resulted in lower expenditures by our customers and reduced demand for our services, which **in the past** has ~~in the past had~~, and ~~may~~ in the future **may** have, ~~a~~ material adverse ~~effect~~ **effects** on our financial condition, results of operations and cash flows. ● Factors associated with global climate change, including evolving and increasing regulations, increasing global concern and stakeholder scrutiny about climate change, and increasing frequency and / or severity of adverse weather **events or** conditions could adversely affect our business, reputation, results of operations and financial position. ● Failure to effectively and timely address the energy transition could adversely affect our business, results of operations and cash flows. ● In connection with implementing our business strategy, we face risks associated with identifying acquisition targets, integrating any acquisitions or mergers and growing the business from the acquisition. ● We derive a significant amount of revenue from a relatively small number of **customers. ● We may not be able to collect amounts owed to us by our** customers. ● Our customer base has undergone consolidation and additional consolidation is possible. ● The high level of competition in the offshore marine service industry could negatively impact pricing for our services. ● The rise in production of unconventional ~~crude~~ oil and ~~natural~~ gas resources could increase supply without a commensurate growth in demand which ~~would~~ **could** negatively impact oil and ~~natural~~ gas prices. ● Maintaining our current fleet and acquiring vessels required for additional future growth require significant capital. ● We may not be able to renew or replace expiring contracts for our vessels. ● Early termination of contracts on our vessels could have an adverse effect on our operations and our backlog may not be converted to actual operating results for any future period. ● We may record additional losses or impairment charges related to our vessels. ● We may not be able to sell vessels to improve our cash flow and liquidity because we may be unable to locate buyers with access to financing or to complete any sales on acceptable terms or within a reasonable timeframe. ● An increase in vessel supply without a corresponding increase in the working offshore rig count could lead to a decline in the charter day rates we can charge and negatively impact our revenue. ● Our insurance coverage and contractual indemnity protections may not be sufficient to protect us under all circumstances or against all risks. Risks Relating to Our International and Foreign Operations ● We operate throughout the world and are exposed to risks inherent in doing business in countries other than the U. S. **, including risks associated with foreign corrupt practices laws, acts of piracy, war, terrorist attacks and international hostilities.** ● Global or regional public health crises and other catastrophic events could reduce economic activity resulting in lower commodity prices and could affect our crew rotations and entry into ports. ● We may have disruptions or disagreements with our foreign joint venture partners, which could lead to an unwinding of the joint venture. ● Our international operations expose us to currency devaluation and fluctuation risk. Risks Relating to Our Human Capital ● Failure to attract and retain qualified personnel could impede our operations. ● We may be subject to additional unionization efforts, new collective bargaining agreements or work stoppages. ● Certain of our employees are covered by both state and federal laws that may subject us to job-related claims. Risks Relating to Our Indebtedness ● We may not be able to generate sufficient cash flow to meet our debt service and other obligations. ● Restrictive **covenants in our** debt ~~covenants~~ **agreements** may restrict our ability to raise capital ~~and~~ **, make distributions on our stock or** pursue our **other** business strategies **, which may have significant consequences for our operations and future prospects**. ● The amount of our debt could have significant consequences for our operations and future prospects. ● We may not be able to obtain debt financing if and when needed with favorable terms, if at all. Risks Relating to Governmental Regulation ● With our extensive international operations, we are subject to certain compliance risks under the **U. S.** Foreign Corrupt Practices Act, the ~~United Kingdom~~ **U. K.** Bribery Act or similar worldwide anti- bribery laws. ● ~~There may be changes~~ **Changes** to **applicable** ~~complex and developing~~ laws ~~and~~ **or** regulations to which we are subject **may** ~~that would~~ increase our cost of compliance and operational risk. ● Changes **and developments** in U. S. and international tax laws and policies could adversely affect our financial results. ● ~~Any changes~~ **Changes** in environmental regulations, including climate change and greenhouse gas restrictions, ~~could~~ **and evolving environmental expectations may reduce demand for hydrocarbons,** increase ~~the~~ **our compliance** ~~cost~~ **costs** ~~of energy~~ **, harm our reputation** and **adversely affect our financial results** ~~future production of oil and natural gas~~. Risks Relating to Information Technology and Cybersecurity ● Cybersecurity attacks on any of our **vessels,** facilities, or those of third parties, may result in potential liability or reputational damage or otherwise adversely affect our business. Risks Relating to Our Securities ● Our common stock is subject to ~~restriction~~ **restrictions** on foreign ownership by non- U. S. Citizen stockholders. ● The market price of our securities is subject to volatility. ● ~~Because we~~ **We do not** currently ~~have no plans to~~ pay cash dividends **. As a result** ~~or other distributions on our common stock~~, you may not receive ~~any~~ **a** return on investment unless you sell your common stock for a price greater than that which you paid for it. ● Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements. ● Certain provisions and limitations on foreign ownership in our organizational documents could delay or prevent a change of control. ● The exercise of outstanding warrants or the issuance of stock- based awards may dilute our common stock. There may be a limited trading market for our New Creditor Warrants and GLF Creditor Warrants. ● You may have difficulty trading and obtaining quotations for New Creditor Warrants and GLF Creditor Warrants. ● ~~The~~ **Our stock price may never exceed the** exercise price of our ~~Series A Warrants, Series B Warrants and~~ GLF Equity Warrants ~~may never be greater than our stock price~~ (be in the money), and unexercised warrants may expire with limited or no value. Further, the terms of such warrants may be amended. ● We may not be able to maintain a listing of our common stock **on the NYSE or our** ~~, Series A Warrants, Series B Warrants and~~ GLF Equity Warrants on the NYSE ~~or NYSE~~ American **. ● Activist stockholders could divert the attention of our management team and / or negatively affect our business** . General Risks Factors ~~● The COVID-19 pandemic and resulting adverse economic conditions have had, and may continue to have, a material adverse effect on our financial condition, results of operations and cash flows.~~ ● Uncertain economic conditions may lead our customers to postpone capital spending or jeopardize our customers' or other counterparties' ability to perform their obligations. ● Severe weather events, including extreme weather conditions associated with climate change, have in the past and may in the future adversely affect our operations and financial results ~~. ● Activist stockholders could divert the attention of our management team and / or negatively affect our business~~. Demand for our services depends substantially on the capital spending of our customers for offshore exploration, development and production of oil and gas reserves. These expenditures are generally dependent on our customers' views of future demand for oil and gas and future oil and gas prices, as well as our customers' ability to access capital. In addition, the transition of the global energy sector from primarily a fossil fuel- based system to include more renewable energy sources could ~~affect~~ **impact the allocation of** our customers' **capital** ~~levels of~~ expenditures **to offshore oil and gas projects** . Fundamentally, the ~~crude~~ oil and ~~natural~~ gas industry is a commodity business impacted by changes in prices, which in turn depend on local, regional, and global events or conditions that affect supply and demand for oil and gas products. ~~Any actual~~ **Actual** or anticipated declines in oil and gas prices have **often** in the past resulted in lower capital expenditures, project modifications, delays or cancellations by our customers, which has historically led to lower demand for our services, delays in payment of, or nonpayment of, amounts that are owed to us. These effects have had, and ~~may~~ in the future **may** have, ~~a~~ material adverse ~~effect~~ **effects** on our financial condition, results of operations and cash flows. Historically, oil and gas prices have experienced significant volatility and can be affected by a variety of factors, including: ● domestic and foreign supply of and demand for hydrocarbons, which are affected by general worldwide economic and business conditions ; ● the cost of exploring for, developing, producing and delivering oil and ~~natural~~ gas ; ● the level of oil and gas exploration and production activity; ● the level of excess production capacity; ● the level of oil and gas inventories; ● the price and quantity of imports of foreign oil and gas, including the ability or willingness of the Organization of Petroleum Exporting Countries (OPEC) and the expanded alliance known as OPEC to set, maintain or change production levels for oil ; ● political and economic uncertainty and geopolitical unrest; ● the expected rates of decline in offshore production from existing and prospective wells and the discovery rates of new offshore oil and gas reserves; ● governmental laws, policies, regulations and subsidies, including initiatives to promote renewable energy sources; ● public pressure on, and legislative and regulatory interest within, federal, state and local governments to stop, significantly limit or regulate oil or ~~natural~~ gas production; ● extreme weather conditions, natural disasters, and global or regional public health crises, such as pandemics and epidemics, and other catastrophic events; ● incidents resulting from operating hazards inherent in offshore drilling, such as oil spills; ● political, military and economic instability and social unrest in **or near** oil and ~~natural~~ gas producing ~~countries~~ **nations** , including the impact of armed hostilities involving one or more oil and gas producing nations **or nations near such oil and gas production** ; ● advances in exploration, development and production technologies or in technologies affecting energy consumption ; ● the price and availability of, and public sentiment regarding, alternative fuel and energy sources ; ● speculation as to the future price of oil and gas and the speculative trading of oil and gas futures contracts; ● uncertainty in capital and commodities markets; and ● domestic and foreign tax policies, including those regarding tariffs and duties. The oil and gas industry has historically experienced periodic downturns, resulting in diminished demand for our services and downward pressure on the charter rates and prices that we are able to charge. Sustained market uncertainty can also result in lower demand for our services. Moreover, higher commodity prices will not necessarily translate into increased demand for offshore support services or sustained higher pricing for offshore support vessel services, in part because customer demand is often driven by capital expenditure programs focused on future commodity price expectations and not solely on current prices, along with customer opportunities to invest in onshore conventional and unconventional oil and gas production. Although commodity prices have recovered from historic lows seen in 2020, **many of** our customers ~~have generally lowered their~~ capital expenditure programs ~~considering market volatility~~ **are lower than would be expected given current commodity prices** and **supply and demand dynamics. The amounts previously allocated to capital expenditures have been re- allocated to several** competing priorities, including returning capital to ~~shareholders~~ **stockholders** and investing in alternative energy sources. A significant industry downturn, sustained market uncertainty, or increased availability of economical alternative energy sources could result in a reduction in demand for our services, which could adversely affect our business, financial condition, results of operations, and cash flows **. Factors associated with global climate change, including evolving and increasing regulations, increasing global concern and stakeholder scrutiny about climate change, and increasing frequency and / or severity of adverse weather conditions could adversely affect our business, reputation, results of operations and financial position** . Companies across all industries are facing increasing scrutiny from stakeholders related to their ESG practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, investors' increased focus and activism related to ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company' s ESG practices. Companies that do not adapt to or comply with investor or stakeholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and / or stock price of such a company could be materially and adversely affected. Further, the increasing attention to ESG and sustainability has resulted in governmental investigations, and public and private litigation, which could increase our costs or otherwise adversely affect our business or results of operations. Specifically, adverse effects upon the oil and gas industry related to the worldwide social and political environment, including uncertainty or instability resulting from climate change, changes in political leadership and environmental policies, changes in geopolitical- social views toward fossil fuels and renewable energy, concern about the environmental impact of climate change and investors' expectations regarding ESG matters, may also adversely affect demand for our services. In September 2021, a group of over 150 companies, including shipping companies, oil companies and port authorities, called on regulators to require the shipping industry to be fully decarbonized by 2050. Social and political attention to ESG matters has resulted in both existing and pending international agreements and national, regional or local legislation and regulatory measures to limit greenhouse gas emissions ~~and has been stated in the U. S. to be a priority of the Biden Administration, as well as other initiatives~~ . These agreements and measures, including the Paris Climate Accord, the Kyoto Protocol, the European Union Emission Trading System, the United Kingdom' s Carbon Reduction Commitment, the International Maritime Organization' s MARPOL Annex VI amendments, and, in the U. S., the Regional Greenhouse Gas Initiative, the Western Regional Climate Action Initiative, and other various state programs, may require, or could result in future legislation and regulatory measures that require significant equipment and fleet modifications, operational changes, taxes, or purchase of emission credits to reduce emission of greenhouse gases from our operations, which may result in substantial capital expenditures and compliance, operating, maintenance and remediation costs. Any long- term material adverse effect on the oil and gas industry would likely have a significant financial and operational adverse impact on our business. Because we primarily support the oil and gas industry and our vessels utilize fossil fuels for internal power generation, the impact of such increased attention and regulation may have adverse effects on our and our customers' operations and financial results. In addition, some institutional investors are placing an increased emphasis on ESG factors when allocating their capital. These investors may **seek** ~~be seeking~~ enhanced ESG disclosures or ~~may~~ implement policies that discourage investment in the hydrocarbon industry. Organizations that provide information to institutional and retail investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to negative investor sentiment toward us and our industry and to the diversion of investment to other industries. To the extent certain institutions implement policies that discourage investments in our industry, it could have an adverse effect on our financing costs, liquidity and access to capital. Moreover, climate change may cause more extreme weather conditions such as hurricanes, thunderstorms, tornadoes and snow or ice storms, as well as rising sea levels and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with our or our customers' and suppliers' operations and increase our costs, and damage resulting from extreme weather may not be fully insured. However, at this time, we are unable to determine the extent to which climate change may lead to increased weather hazards affecting our operations. Our long- term success depends on our ability to effectively navigate the energy transition, which will require adapting our vessels and technology portfolio to potentially changing government requirements and customer preferences, as well as engaging with our customers to develop solutions to support their oil and gas operations through this transition. If the energy transition landscape changes faster than anticipated or in a manner that we do not anticipate, demand for our services could be adversely affected. Furthermore, if we fail or are perceived to not effectively implement an energy transition strategy, or if investors or financial institutions shift funding away from companies in fossil fuel- related industries, our results of operations, liquidity and access to capital or the market for our securities could be adversely impacted. In connection with implementing our business strategy, we face risks associated with identifying acquisition targets, integrating any acquisitions or mergers and growing the business from the acquisition, including our ability to finance any such acquisitions. Mergers and acquisitions have historically been and continue to be a key element of our business strategy. The success of this strategy is dependent upon our ability to identify appropriate acquisition targets, negotiate transactions on favorable terms, finance transactions, complete transactions, and successfully integrate them into our existing business. Subject to the terms of our indebtedness, we may finance future acquisitions with cash from operations, additional indebtedness, and / or by issuing additional equity or debt securities. In addition, we could face financial risks associated with incurring additional indebtedness such as reducing our liquidity, limiting our access to financing markets, and increasing the amount of service on our debt. Such additional debt service requirements may impose a significant burden on our results of operations and financial condition, and any equity issuance could have a dilutive impact on our stockholders. See " Risks Related to Our Indebtedness " below. We cannot be certain that we will be able to successfully consolidate the operations and assets of any acquired business with our own business. Acquisitions may not perform as expected when the transaction was consummated and may be dilutive to our overall operating results. **These types of significant transactions may present other material risks and uncertainties, including distraction of management from current operations, insufficient revenue to offset liabilities assumed, potential loss of significant revenue and income streams, unexpected expenses, inadequate return of capital, regulatory or compliance issues, triggering of certain covenants in our debt instruments and other unidentified issues not discovered in due diligence.** In addition, valuations supporting our acquisitions and strategic investments could change rapidly ~~given~~ **with**

changes in the global economic climate. There can be no assurance that we will realize the anticipated synergies or cost savings related to acquisitions, including, but not limited to, revenue growth and operational efficiencies, or that they will be achieved in our estimated timeframe. We may not be able to successfully integrate and streamline overlapping functions from future acquisitions, and integration may be more costly to accomplish than we expect. Moreover, our management may not be able to effectively manage a substantially larger business or successfully operate a new line of business. Failure to manage these acquisition and business integration risks could materially and adversely affect our business, results of operations and financial condition. **Our** ~~For the years ended December 31, 2022 and 2021, our~~ top ~~five and~~ ten largest customers ~~accounted~~ -- **account** for a significant percentage of our total revenues. While it is normal for our customer base to change over time as our time charter contracts expire and are replaced, our results of operations, financial condition and cash flows could be materially adversely affected if one or more of these customers were to decide to interrupt or curtail their activities, in general, or their activities with us, terminate their contracts with us, fail to renew existing contracts with us, and / or refuse to award us new contracts **. We typically grant our customers credit on a short- term basis and do not typically collateralize receivables due from customers. In addition, a number of our international customers are state- controlled and, as a result, our receivables may be subject to local political priorities out of our control. We estimate uncollectible accounts based primarily on our judgment using historical losses, current economic conditions and individual evaluations of each customer as evidence supporting the receivables valuations stated on our financial statements. However, our estimates may not be accurate and receivables due from customers reflected in our financial statements may not be paid in a timely manner or collectible. The inability or unwillingness of our customers to fulfill their contractual commitments to us may have a material adverse effect on our current and future business, financial position, results of operations, and cash flows** . Consolidation is common in the oil and gas industry and likely to continue in the future. Consolidation reduces the number of potential customers that may need our services, and may negatively affect exploration, development and production activity as consolidated companies focus, at least initially, on increasing efficiency and reducing costs and may delay or abandon exploration activity with less promise. Such activity could adversely affect demand for our offshore services. We operate in a highly competitive industry, which could depress charter and utilization rates and adversely affect our financial performance. We compete for business with our competitors based on price; reputation for quality service; quality, suitability and technical capabilities of our vessels; availability of vessels; safety and efficiency; cost of mobilizing vessels from one market to a different market; and national flag preference. In addition, competition in international markets may be adversely affected by regulations requiring, among other things, local construction, flagging, ownership or control of vessels, the awarding of contracts to local contractors, the employment of local citizens and / or the purchase of supplies from local vendors. The rise in production of unconventional ~~crude~~ oil and ~~natural~~ **gas resources could increase supply without a commensurate growth in demand which could negatively impact oil and gas prices. The rise in production of unconventional oil and** gas resources in North America, and the commissioning of several new large Liquefied Natural Gas (LNG) export facilities around the world have in the past and could in the future result ~~to~~ **in** an over- supplied ~~natural~~ gas market. Production from unconventional resources has increased as drilling efficiencies have improved, lowering the costs of extraction. ~~There have also been recent buildups in crude oil inventories in the U. S. in part due to the increased development of unconventional crude oil resources.~~ Prolonged increases in the worldwide supply of ~~crude~~ oil and ~~natural~~ gas, whether from conventional or unconventional sources, without a commensurate growth in demand for ~~crude~~ oil and ~~natural~~ gas may depress ~~crude~~ oil and ~~natural~~ gas prices. A prolonged period of low ~~crude~~ oil and ~~natural~~ gas prices would likely have a negative impact on development plans of exploration and production companies, which in turn, may result in a decrease in demand for our offshore support vessel services. Maintaining our current fleet size and configuration and acquiring vessels required for additional future growth requires significant capital. Expenditures required for the repair, certification and maintenance of a vessel, some of which may be unplanned, typically increase with vessel age **and because of inflationary pressures, particularly in an active market** . Additionally, stacked vessels are not maintained with the same diligence as our marketed fleet. Depending on the length of time the vessels are stacked, we may incur additional costs to return these vessels to active service. These costs are difficult to estimate and may be substantial. These expenditures may increase to a level at which they are not economically justifiable and, therefore, to maintain our current fleet size we may seek to construct or acquire additional vessels. Also, customers may prefer modern vessels over older vessels, especially in weaker markets. The cost of repairing and / or upgrading existing vessels or adding a new vessel to our fleet can be substantial. Moreover, while our vessels are undergoing repair, upgrade or maintenance, they may not earn a day rate ~~during the period they are out of service~~ . Lastly, new laws and regulations related to climate change ~~discussed below~~ and the increased scrutiny of greenhouse gas emissions may require us to undertake upgrades or overhauls to our vessels and their power generation systems to ensure compliance **, or to contract to build new vessels that conform to these specifications** , which would require significant additional capital expenditures. While we expect our cash on hand, cash flow from operations and borrowings under new debt facilities to be adequate to fund our future potential purchases of additional vessels, our ability to pay these amounts is dependent upon the success of our operations. We can give no assurance that we will have sufficient capital resources to build or acquire the vessels required to expand or to maintain our current fleet size and vessel configuration. We have several charter hire contracts that expired in the current year and others that will expire in following years. Our ability to renew or replace expiring contracts or obtain new contracts, and the terms of any such contracts, will depend on various factors, including market conditions and the specific needs of our customers. Given the highly competitive and historically cyclical nature of our industry, we may not be able to renew or replace the contracts or we may be required to renew or replace expiring contracts or obtain new contracts at rates that are below, and potentially substantially below, existing day rates, or that have terms that are less favorable to us than the terms of our existing contracts, or we may be unable to secure contracts for these vessels. This could have a material adverse effect on our financial condition, results of operations and cash flows. Most of the long- term contracts for our vessels and many of our contracts with governmental entities and national oil companies contain early termination options in favor of the customer, in some cases permitting termination for any reason. Although some of these contracts have early termination remedies in our favor or other provisions designed to discourage our customers from exercising such options, we cannot assure you that our customers would not choose to exercise their termination rights despite such remedies or the threat of litigation with us. Moreover, many of the contracts for our vessels have a term of one year or less and can be terminated with 90 days or less notice. Unless such vessels can be placed under contract with other customers, any termination could temporarily disrupt our business or otherwise adversely affect our financial condition and results of operations. We might not be able to replace such business or replace it on economically equivalent terms. In those circumstances, the amount of backlog could be reduced and the conversion of backlog into revenue could be impaired. Additionally, depressed commodity prices, adverse changes in credit markets, economic downturns, changes in strategy or other factors beyond our control cause our customers to seek to renegotiate the terms of our existing contracts, terminate our contracts without justification or repudiate or otherwise fail to perform their obligations under our contracts. In any case, an early termination of a contract may result in one or more of our vessels being idle for an extended period. Each of these results could have a material adverse effect on our financial condition, results of operations and cash flows. We review the vessels in our active fleet for impairment whenever events occur or changes in circumstances indicate that the carrying value of an asset group may not be recoverable ~~and we also perform a review of our stacked vessels not expected to return to active service whenever changes in circumstances indicate that the carrying amount of a vessel may not be recoverable~~ . We have realized impairment charges with respect to our long- lived assets over the past several years. If offshore oil and gas industry conditions deteriorate, we could be subject to additional long- lived asset impairments in future periods. An impairment loss on our property and equipment exists when the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any impairment loss recognized represents the excess of the asset' s carrying value over the estimated fair value. As part of this analysis, we make assumptions and estimates regarding future market conditions. To the extent actual results do not meet our estimated assumptions, we may take an impairment loss in the future. Additionally, there can be no assurance that we will not have to take additional impairment charges in the future with depressed market conditions. ~~We~~ **From time to time, we** may seek to sell some of our vessels **for various reasons** ~~to provide liquidity and improve our cash flow~~ . ~~There~~ **Sufficient demand and market activity** may not **exist** ~~be sufficient activity in the market~~ to sell our vessels, and we may not be able to identify buyers with access to financing or to complete any such sales. Even if we can locate appropriate buyers for our vessels, any sales may occur on significantly less favorable terms than the terms that might be available in a more liquid market or at other times in the business cycle. An increase in vessel supply without a corresponding increase in the working offshore rig count could lead to a decline in the charter day rates we can charge and negatively impact our revenue ~~. In the past, combinations of high commodity prices and technological advances have resulted in significant growth in deepwater exploration, field development and production. During these times, construction of offshore vessels increased significantly in order to meet projected requirements of customers and potential customers~~ . Excess offshore support vessel capacity usually exerts downward pressure on charter day rates. Excess capacity can occur when newly constructed vessels enter the worldwide offshore support vessel market and when vessels migrate between markets. **An increase in** ~~A discussion about our~~ vessel ~~fleet appears~~ **capacity without a corresponding increase** in the ~~" Vessel Utilization and Average~~ **working offshore rig count could lead to a decline in the charter day** ~~Rates~~ **rates** ~~by Segment " section~~ **we can charge and adversely affect our business, results** of **operations and financial condition** ~~Item 7 in this Form 10- K~~ . In addition, the provisions of U. S. shipping laws restricting engagement of U. S. coastwise trade to vessels controlled by U. S. citizens may from time to time be circumvented by foreign competitors that seek to engage in trade reserved for vessels controlled by U. S. citizens and otherwise qualifying for coastwise trade. A repeal, suspension or significant modification of U. S. shipping laws, or the administrative erosion of their benefits, permitting vessels that are either foreign- flagged, foreign- built, foreign- owned, foreign- controlled or foreign- operated to engage in the U. S. coastwise trade, could also result in excess vessel capacity and increased competition, especially for our vessels that operate in North America ~~. An increase in vessel capacity without a corresponding increase in the working offshore rig count could lead to a decline in the charter day rates we can charge and adversely affect our business, results of operations and financial condition.~~ . Our operations are subject to the hazards inherent in the offshore oilfield business. These include blowouts, explosions, fires, collisions, capsizings, sinkings, groundings and severe weather conditions. Some of these events could be the result of (or exacerbated by) mechanical failure or navigation or operational errors. These hazards could result in personal injury and loss of life, severe damage to or destruction of property and equipment (including to the property and equipment of third parties), pollution or environmental damage and suspension of operations, increased costs and loss of business. Damages arising from such occurrences may result in lawsuits alleging large claims, and we may incur substantial liabilities or losses as a result of these hazards. Although we carry what we consider to be prudent levels of liability insurance to address these hazards and generally our vessels are insured for their estimated market value against damage or loss, including war, terrorism acts and pollution risks, our insurance programs are subject to deductibles and certain exclusions, and our coverage may not be sufficient to protect us under all circumstances or against all risks. Further, while we believe we should be able to maintain adequate insurance in the future at rates considered commercially acceptable, we cannot guarantee that such insurance will continue to be available at commercially acceptable rates. We also seek to include in our contracts indemnity obligations that require customers or suppliers to hold us harmless from some of these risks. Our contracts, however, are individually negotiated, and the levels of indemnity and allocation of liabilities may vary depending on market conditions, particular customer requirements and other factors existing at the time a contract is negotiated. Additionally, the enforceability of indemnification provisions in our contracts may be limited or prohibited by applicable law or may not be enforced by courts having jurisdiction. The occurrence of a significant event not fully insured or indemnified against or the failure of a customer or supplier to meet its indemnification obligations to us could have a material adverse effect on our results of operations and financial condition and cash flows. We operate in various regions throughout the world and are exposed to many risks inherent in doing business in countries other than the U. S. **, including risks associated with foreign corrupt practices laws, acts of piracy, war, terrorist attacks and international hostilities.** We have substantial operations in Brazil, Mexico, Guyana, the North Sea (including ~~United Kingdom (~~U. K. ~~)~~ and Norway), Southeast Asia **, Australia** , Saudi Arabia, Egypt, Angola and throughout the west coast of Africa, which generate a large portion of our revenue. Our customary risks of operating internationally include, but are not limited to, political, military, social and economic instability within the host country; possible vessel seizures or expropriation of assets and other governmental actions by the host country, including trade or economic sanctions and enforcement of customs, immigration or other laws that are not well developed or consistently enforced; foreign government regulations that favor or require the awarding of contracts to local competitors; risks associated with failing to comply with the U. S. Foreign Corrupt Practices Act (FCPA), the U. K. Modern Slavery Act, the U. K. Bribery Act, the E. U. General Data Protection Regulation (GDPR), export laws and other similar laws applicable to our operations in international markets; an inability to recruit, retain or obtain work visas for workers of international operations; deprivation of contract rights; difficulties or delays in collecting customer and other accounts receivable; changing taxation policies; fluctuations in currency exchange rates; foreign currency revaluations and devaluations; restrictions on converting foreign currencies into U. S. dollars; expatriating customer and other payments made in jurisdictions outside of the U. S.; civil unrest, acts of terrorism, war or other armed conflict (further described below); and import / export quotas and restrictions or other trade barriers, most of which are beyond our control. We are also subject to risks relating to war, sabotage, piracy, kidnappings and terrorism or any similar risk that may put our personnel at risk and adversely affect our operations in unpredictable ways, including changes in the insurance markets as a result of war, sabotage, piracy or kidnappings, disruptions of fuel supplies and markets, particularly oil, and the possibility that infrastructure facilities, including pipelines, production facilities, refineries, electric generation, transmission and distribution facilities, offshore rigs and vessels, and communications infrastructures, could be direct targets of, or indirect casualties of, an act of war, piracy, sabotage or terrorism. War or risk of war or any such attack, such as the current conflict in the Ukraine, and the international response to such events may also have an adverse effect on the economy, which could adversely affect activity in offshore oil and ~~natural~~ gas exploration, development and production and the demand for our services. Insurance coverage can be difficult to obtain in areas of pirate, terrorist or other hostile attacks resulting in increased costs that could continue to increase. We periodically evaluate the need to maintain this insurance coverage as it applies to our fleet. Instability in the financial markets as a result of war, sabotage, piracy, and terrorism, as well as the international response to such events such as trade and investment sanctions, could also adversely affect our ability to raise capital and could also adversely affect the oil, ~~natural~~ gas and power industries and restrict their future growth. The increase in the level of these criminal or terrorist acts, war and international hostilities over the last several years has been well- publicized. As a marine services company that operates in offshore, coastal or tidal waters in challenging areas, we are particularly vulnerable to these kinds of unlawful activities. Although we take what we consider to be prudent measures to protect our personnel and assets in markets that present these risks, including solicitation of advice from third- party experts, we have confronted these kinds of incidents in the past, and there can be no assurance we will not be subjected to them in the future **. We may have disruptions or disagreements with our foreign joint venture partners, which could lead to an unwinding of the joint venture** . We operate in several foreign areas through joint ventures with local companies, in some cases due to local laws requiring local company ownership. While the joint venture partner may provide local knowledge and experience, these joint ventures often limit our ability to control the assets and operations devoted to the joint venture, and occasions may arise when we do not agree with the business objectives of our joint venture partner, or other factors may arise that make continuing the relationship unwise or untenable. Any disagreement with our partner or discontinuation of the joint venture could disrupt the joint venture operations or put the joint venture assets at risk. If we are unable to resolve issues with a joint venture partner, we may decide to terminate the joint venture and either locate a different partner and continue to work in the area or seek opportunities for our assets in another market. The unwinding of an existing joint venture could be challenging, and the loss of revenue related to the termination or unwinding of a joint venture and costs related to the sourcing of a new partner or the mobilization of assets to another market could adversely affect our financial condition, results of operations or cash flows. Our international operations are exposed to foreign currency exchange rate risks on all charter hire contracts denominated in foreign currencies. For some of our international contracts, a portion of the revenue and local expenses is incurred in local currencies, which subjects us to risk of changes in the exchange rates between the U. S. dollar and foreign currencies. In some instances, we receive payments in currencies that are not easily traded and may be illiquid. We generally do not hedge against any foreign currency rate fluctuations associated with foreign currency contracts that arise in the normal course of business, which exposes us to the risk of exchange rate losses. Gains and losses from the revaluation of our monetary assets and liabilities denominated in currencies other than the U. S. dollar are included in our consolidated statements of operations. Foreign currency fluctuations may cause the U. S. dollar value of our non- U. S. results of operations and net assets to vary with exchange rate fluctuations. This could have a negative impact on our results of operations and financial position. In addition, fluctuations in currencies relative to currencies in which the earnings are generated may make it more difficult to perform period- to- period comparisons of our reported results of operations. To minimize the financial impact of these items, we attempt to contract a significant majority of our services in U. S. dollars and, when feasible, we attempt to avoid maintaining large, non- U. S. dollar- denominated cash balances. In addition, we attempt to minimize the financial impact of these risks by matching the currency of our operating costs with the currency of revenue streams when considered appropriate. We monitor the currency exchange risks associated with all contracts not denominated in U. S. dollars. Risks Related to Human Capital Our future success depends on our ability to recruit, train, ~~and~~ retain **and pay** qualified personnel. We require highly **-** ~~and narrowly~~ skilled personnel to operate our vessels and to provide our services. Competition for the personnel necessary for our business intensifies as offshore oil and gas exploration and production activity increases; technology evolves and customer demands change. In addition, our industry has lost a significant number of experienced professionals over the years due to its cyclical nature, which is attributable, among other reasons, to the volatility levels of oil and ~~natural~~ gas prices and a more generalized concern about the overall future prospects of the industry. As a result, in periods of high utilization, ~~it is often more difficult~~ **or in markets impacted by global and / or regional conflicts, such as the current conflicts in Europe and the Middle East, competition** to find and retain qualified offshore employees **becomes more challenging, particularly with respect to certain technical and engineering positions, including marine officers** , which ~~could~~ **in turn** ~~increase~~ **increases** our costs ~~or~~ **and may** have other material adverse effects on our operations. **We cannot** ~~If executives, managers or other key personnel resign, retire or are terminated or their service is otherwise interrupted, we may not~~ be **certain** ~~able to replace them in a timely manner and we could experience significant declines in productivity. These uncertainties could affect our relationship with customers, vendors and other parties. Accordingly, no assurance can be given~~ that we will be **successful in attracting and retaining qualified personnel to crew our vessels in the future. We have faced and may continue to face difficulties attracting, hiring and retaining highly- skilled personnel with appropriate qualifications and may not be** able to **fill open positions. To** attract **top talent** , **we have had to offer, and believe we will need to continue to offer, attractive compensation and benefits packages before we can validate the productivity of those employees. As we experience increased demand for our services, we may increase, and expect to continue to increase, our employee compensation levels in response to competition, as necessary. In addition, the pressures of inflation have increased our costs of labor over the past year or so and will likely continue to do so. Many of the companies with which we compete for personnel have greater financial and other resources than we do and may be able to absorb the increasing costs of labor more easily. If we fail to** retain ~~and motivate executives, managers, and other~~ key personnel **and hire, train and retain qualified employees, we may not be able** to ~~the same extent~~ **compete effectively and may have increased incident rates** as ~~in~~ **well as regulatory and** ~~the~~ **other** ~~past~~ **compliance failures, which could have a material adverse effect on our business, financial position, results of operations and cash flows** . In locations in which we are required to do so, we have union workers subject to collective bargaining agreements, which are subject to periodic negotiation. These negotiations could result in higher personnel expenses, other increased costs, or increased operational restrictions. Disputes over the terms of these agreements or our potential inability to negotiate acceptable contracts with the unions that represent our employees under these agreements could result in strikes, work stoppages or other slowdowns by the affected workers. Further, efforts have been made from time to time to unionize other portions of our workforce, including our ~~U. S.~~ GOM employees. Additional unionization efforts, new collective bargaining agreements or work stoppages could materially increase our costs and operating restrictions, disrupt our operations, reduce our revenues, adversely affect our business, financial condition and results of operations, or limit our flexibility. Our participation in industry- wide, multi- employer, defined benefit pension plans expose us to potential future losses. Certain of our subsidiaries are participating employers in two industry- wide, multi- employer defined benefit pension plans in the U. K. Among other risks associated with multi- employer plans, contributions and unfunded obligations of the multi- employer plan are shared by the plan participants. As a result, we may inherit unfunded obligations if other plan participants withdraw from the plan or cease to participate, and if we withdraw from participation in one or both plans, we may be required to pay the plan an amount based on our allocable share of the underfunded status of the plan. Depending on the results of future actuarial valuations, it is possible that the plans could experience further deficits that will require funding from us, which would negatively impact our financial position, results of operations and cash flows. Certain of our employees are covered by federal laws that may subject us to job- related claims in addition to those provided by state laws. Certain of our employees are covered by provisions of the Jones Act, the Death on the High Seas Act and general maritime law. These laws preempt state workers' compensation laws and permit these employees and their representatives to pursue actions against employers for job- related incidents in federal courts based on tort theories. Because we are not generally protected by the damage limits imposed by state workers' compensation statutes for these types of claims, we may have greater exposure for any claims made by these employees. Our ability to make payments on our indebtedness and to fund our operations depends on our ability to maintain sufficient cash flows. Our ability to generate cash in the future, to a large extent, is subject to conditions in the oil and gas industry, including commodity prices, demand for our services and the prices we can charge for our services, general economic and financial conditions, competition in the markets in which we operate, the impact of legislative and regulatory actions on how we conduct our business and other factors, all of which are beyond our control. Lower levels of offshore exploration and development activity and spending by our customers globally directly and significantly have impacted, and may continue to impact, our financial performance, financial condition and financial outlook. ~~Restrictive covenants in the Bond Terms and Credit Facility Agreement may restrict our ability to raise capital and pursue our business strategies, and may have significant consequences for our operations and future prospects.~~ The terms for our 8. 50 % Senior Secured Bonds due in 2026 ~~(~~ **,** the ~~Bond~~ **Senior Secured** ~~Terms~~ - **Term** ~~)~~ **Loan, 10. 375 % Senior Unsecured Notes due July 2028** and the Super Senior Revolving Credit Facility Agreement **due in 2026** with DNB Bank ASA, New York Branch, as Facility Agent, Nordic Trustee AS, as Security Trustee, and certain other institutions (the Credit Facility Agreement) contain certain restrictive covenants. These covenants could have important consequences for our strategy and operations, including: ● limiting our ability to incur indebtedness to provide funds for investments or capital expenditures, acquisitions, debt service requirements, general corporate purposes, dividends, and to make other distributions or repurchase or redeem our stock; ● restricting us from undertaking consolidations, mergers, sales, or other dispositions of all or substantially all our assets; ● requiring us to dedicate a substantial portion of our cash flow from operations to make required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures, such as investing in new vessels, and other general business activities; ● requiring that we pledge substantial collateral, including vessels, which may limit flexibility in operating our business and restrict our ability to sell assets; ● limiting management' s flexibility in operating our business including planning for, or reacting to, changes in our business and the industry in which we operate; ● diminishing our ability to withstand a downturn in our business or worsening of macroeconomic or industry conditions; and ● placing us at a competitive disadvantage against less leveraged competitors. **Our debt** ~~The Bond Terms and the Credit Facility Agreement~~ **agreements** also require us to comply with certain financial covenants, including **maintaining** ~~maintenance of~~ minimum liquidity and ~~minimum~~ consolidated equity **amounts and an interest coverage ratio** . We may be unable to meet **or comply with** these financial covenants ~~or comply with these covenants~~ , which could result in a default under the **debt** ~~Bond Terms or the Credit Facility Agreement~~ **agreements** . If a default occurs and is continuing, the secured parties and the lenders under the **debt** ~~Bond Terms and Credit Facility Agreement~~ **agreements** may elect to declare all borrowings thereunder outstanding, together with accrued interest and other fees, to be immediately due and payable. If we are unable to repay our indebtedness when due or declared due, the secured parties and the lenders under the **debt** ~~Bond Terms and Credit Facility Agreement~~ **agreements** will also have the right to foreclose on the collateral pledged to them, including the vessels, to secure the indebtedness. If such indebtedness were to be accelerated, our assets may not be sufficient to repay in full our secured indebtedness. Please refer to Note (4)- " Debt " to our accompanying Consolidated Financial Statements for additional information on the **debt** ~~Bond Terms and the Credit Facility Agreement~~ **agreements** ~~. As of December 31, 2022, we had $ 175. 0 million and $ 25. 0 million outstanding for the Senior Secured Bonds and the Credit Facility Agreement, respectively~~ . As a result of the restrictive covenants under **our debt** ~~the Bond Terms and the Credit Facility Agreement~~ **agreements** , we may be prevented from taking advantage of business opportunities. In addition, the restrictions contained in **our debt** ~~the Bond Terms and the Credit Facility Agreement~~ **agreements** , including a substantial make whole premium applicable to a voluntary prepayment of obligations ~~under the Bond Terms~~ , may also limit our ability to plan for or react to market conditions, meet capital needs or otherwise restrict our activities or business plans and adversely affect our ability to finance our operations, refinance, enter into acquisitions, execute our business strategy, make capital expenditures, effectively compete with companies that are not similarly restricted or engage in other business activities that would be in our interest. In the future, we may also incur additional debt obligations that might subject us to additional and different restrictive covenants that could further affect our financial and operational flexibility. We cannot assure you that we will be granted waivers or amendments to these agreements if requested to obtain financial or operational flexibility or if for any reason we are unable to comply with these agreements, or that we will be able to refinance our debt on acceptable terms or at all. We may not be able to obtain debt or equity financing if and when needed with favorable terms, if at all. Our business and operations may consume cash more quickly than we anticipate, potentially impairing our ability to make capital expenditures to maintain our fleet and other assets. If our cash flows from operating activities are insufficient to fund capital expenditures, we would need to reduce our expenditures or increase our cash flows through debt or equity issuances, alternative financings or selling assets. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. Any limitations in our ability to finance future capital expenditures may limit our ability to respond to changes in customer preferences, technological change and other market conditions, which may diminish our competitive position within our sector. In addition, if commodity prices decline or the outlook for investment in offshore exploration, development and production materially declines, our access to credit and debt markets may be limited or more costly if lenders look to reduce their loan exposure to the energy sector, impose increased lending standards, increase borrowing costs and collateral requirements or refuse to extend new credit or amend existing credit facilities in the energy and energy services sectors. These potential negative consequences may be exacerbated by the pressure exerted on financial institutions by bank regulatory agencies to respond quickly and decisively to credit risk that develops in distressed industries. If we issue additional equity securities, existing stockholders will experience dilution. Our Amended and Restated Certificate of Incorporation permits our Board ~~of Directors~~ to issue preferred stock, which could have rights and preferences senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our security holders bear the risk of our future securities offerings reducing the market price of our common stock or other securities, diluting their interest or being subject to rights and preferences senior to their own. **With our extensive international operations, we are subject to certain compliance risks under the Foreign Corrupt Practices Act, the United Kingdom Bribery Act or similar worldwide anti- bribery laws.** Our global operations require us to comply with several complex U. S. and international laws and regulations, including those involving anti- bribery and, anti- corruption. The FCPA and similar anti- bribery laws in other jurisdictions, including the U. K. Bribery Act the United Nations Convention Against Corruption and the Brazil Clean Company Act, generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business or obtaining an improper business benefit. We have adopted proactive procedures to promote compliance with the FCPA and other anti- bribery legislation ~~, any~~ **. Any** failure to comply with the FCPA or other anti- bribery legislation could subject us to civil and criminal penalties or other fines or sanctions, including prohibition of our participating in or curtailment of business operations in those jurisdictions and the seizure of vessels or other assets, which could have a material adverse impact on our business, financial condition and results of operation. Moreover, we may be held liable for actions taken by local partners or agents in violation of applicable anti- bribery laws, even though these partners or agents may themselves not be subject to such laws. Any determination that we have violated applicable anti- bribery laws in countries in which we do business could have a material adverse effect on our business and business reputation, as well as our results of operations, and cash flows. We operate in many parts of the world where governmental corruption is present and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices and impact our business. **Changes to applicable laws or regulations, including any developing laws and regulations, to which we are subject may increase our cost of compliance and operational risk.** Our operations are subject to many complex and burdensome laws and regulations. Stringent federal, state, local and foreign laws and regulations relating to several aspects of our business, including anti- bribery and anti- corruption laws, import and export controls, the environment, worker health and safety, labor and employment, taxation, antitrust and fair competition, data privacy protections, securities regulations and other regulatory and legal requirements that significantly affect our operations. Many aspects of the marine industry are subject to extensive governmental regulation by the U. S. Coast Guard, the U. S. Customs and Border Protection, and their foreign equivalents; as well as to standards imposed by private industry organizations such as the American Bureau of Shipping, the Oil Companies International Marine Forum, and the International Marine Contractors Association. Compliance with these laws and regulations may involve significant costs or require changes in our business practices that could result in reduced revenue and profitability. Non- compliance could also result in significant fines, damages, and other criminal sanctions against us, our officers or our employees, prohibitions or additional requirements on the conduct of our business and damage our reputation. Further, many of the countries in which we operate have laws, regulations and enforcement systems that are less well developed than the laws, regulations and enforcement systems of the U. S., and the requirements of these systems are not always readily discernible even to experienced and proactive participants. These countries' laws can be unclear and, the application and enforcement of these laws and regulations can be unpredictable and subject to frequent change or reinterpretation. Sometimes governments may apply such changes or reinterpretations with retroactive effect, and may impose associated taxes, fees, fines or penalties based on that reinterpretation or retroactive effect. While we endeavor to comply with applicable laws and regulations, our compliance efforts might not always be wholly successful, and failure to comply may result in administrative and civil penalties, criminal sanctions, imposition of remedial obligations or the suspension or termination of our operations. These laws and regulations may expose us to liability for the conduct of, or conditions caused by, others, including charterers or third- party agents. Moreover, these laws and regulations could be changed or be interpreted in new, unexpected ways that substantially increase costs that we may not be able to pass along to our customers. Any changes in laws, regulations or standards imposing additional requirements or restrictions, or any violation of such laws, regulations or standards, could adversely affect our financial condition, results of operations or cash flows. We operate in the U. S. and globally through various subsidiaries ~~which~~ **that** are subject to applicable tax laws, treaties or regulations within and between the jurisdictions in which we conduct our business, including laws or policies directed toward companies organized in jurisdictions with low tax rates, which may change and are subject to interpretation. We determine our income tax expense based on our interpretation of the applicable tax laws and regulations in effect in each jurisdiction for the period during which we operate and earn income. A material change in the tax laws, tax treaties, regulations or accounting principles, or interpretation thereof, in one or more countries in which we conduct business, or in which we are incorporated or a resident of, could result in a higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. In addition, our overall effective tax rate could be adversely and suddenly affected by lower than anticipated earnings in countries with lower statutory rates and higher than anticipated earnings in countries with higher statutory rates, or by changes in the valuation of our deferred tax assets and liabilities. Moreover, our worldwide operations may change in the future such that the mix of our income and losses recognized in the various jurisdictions could change. Any such changes could reduce our ability to utilize tax benefits, such as foreign tax credits, and could result in an increase in our effective tax rate and tax expense. Most of our revenues and net income are generated by our operations outside of the U. S. Our effective tax rate has historically averaged approximately 30 % until recent years where the decline of the oil and ~~natural~~ gas market significantly impacted our operations and overall effective tax rate. On December 22, 2017, the U. S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the Tax Act). We continue to monitor the impact of the Tax Act on our ongoing operations. The impact of the Tax Act on our financial position in future periods could be adversely impacted by, among other things, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, or any changes in accounting standards for income taxes or related interpretations in response to the Tax Act. Additionally, longstanding international tax norms that determine each country' s jurisdiction to tax cross- border international trade are evolving as a result of the Base Erosion and Profit Shifting reporting requirements (BEPS) recommended by the G8, G20 and Organization for Economic Cooperation and Development (OECD). During **2023 and** 2022, EU member states **and several countries,** reached an agreement to implement a 15 % global minimum tax following the OECD' s Pillar Two model rules. **Several** ~~Other~~ **other** tax jurisdictions in which we operate have indicated they will also adopt laws that align with these proposed guidelines. As these and other tax laws and related regulations change, our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is very difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely impact our financial results. In addition, our income tax returns are subject to review and examination by the U. S. Internal Revenue Service and other tax authorities where tax returns are filed. We routinely evaluate the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes. We do not recognize the benefit of income tax positions we believe are more likely than not to be disallowed upon challenge by a tax authority. If any tax authority successfully challenges our operational structure or intercompany transfer pricing policies, or if the terms of certain income tax treaties were to be interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could increase, and our financial condition and results of operations could be materially and adversely affected. ~~Any changes in environmental regulations, including climate change and greenhouse gas restrictions, could increase the cost of energy and future production of oil and gas.~~ Our operations **, and those of our customers,** are subject to federal, state, local and international laws and regulations that control the discharge of pollutants into the environment or otherwise relate to environmental protection ~~. Compliance with such laws and regulations may require installation of costly equipment, increased manning or operational changes~~ . Some environmental laws may, in certain circumstances, impose strict liability for remediation of spills and **the** ~~releases~~ - **release** of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. ~~Due to concern over~~ **Moreover, in recent years, governments, supranational groups and various** ~~the~~ **other** ~~risk~~ **parties around the world, including some** of **the world' s largest investment managers and proxy advisors, have proposed or adopted new laws, treaties, regulations and / or policies pertaining to** climate change, ~~several~~ **carbon emissions or energy use that could result**

in a reduction in demand for hydrocarbon- based fuel. Many countries **and organizations** have adopted, or are considering the adoption of, regulatory frameworks to reduce ~~the emission of carbon dioxide, methane and other gases (~~ greenhouse gas emissions ~~)~~. These ~~regulations~~ - **regulatory measures, international treaties and policies may** include **, among others,** adoption of cap- and- trade regimes, carbon taxes ~~, restrictive permitting~~ , increased efficiency standards, and incentives or mandates for renewable energy **and could include specific restrictions on shipping emissions. In addition, we expect recent regulations proposed by the SEC and the European Union, among others, will require certain companies, including Tidewater, to report greenhouse gas emissions annually, which may result in increased costs and efforts to reduce emissions through various measures, including the installation of costly equipment, and increased costs to comply with such reporting obligations. In addition, some institutional investors and other groups have focused on matters affecting the environment, which may result in reduced investment in, or financing available to, the hydrocarbon- based industry. Many of these groups have developed ESG standards as benchmarks and are using those benchmarks to inform their investment criteria. Although we have increased our investment in ESG personnel and our Board has formed a Safety & Sustainability Committee to oversee our ESG program and disclosures, we may not be able to meet these evolving standards or benchmarks and even if we do, these investors and groups may choose to forego investments in oil and gas related industries. Our ability to achieve any stated sustainability commitments is subject to numerous factors and conditions, many of which are outside of our control. Our efforts to research, establish, accomplish, and accurately report on ESG matters or our disclosed commitments may expose us to numerous operational, reputational, financial, legal, and other risks, any of which could have a negative impact on our business. Similarly, any actual or perceived failure to achieve any ESG commitments, goals, initiatives or mandates could harm our reputation, expose us to potential claims or adversely impact our business, stock price or access to capital. Additionally, positions we take or do not take on these issues could negatively impact our ability to attract or retain customers or employees. Several governmental and non- governmental bodies continue to request further disclosures of information relating to ESG matters. We are and expect to continue to be exposed to higher costs and enhanced risks of the type described above to the extent we are required to disclose or voluntary disclose these ESG matters. Our processes and controls for reporting ESG matters are evolving along with multiple disparate standards for identifying, measuring and reporting related metrics. We cannot assure you that our processes and controls will successfully permit us to report such data in a manner that complies with or is otherwise satisfactory to our various stakeholders. Governments could also pass laws or regulations encouraging or mandating the use of alternative energy sources such as wind power and solar energy** . These requirements could ~~make our customer' s products more expensive and~~ reduce demand for ~~hydrocarbons,~~ **oil and gas and** as **a result** ~~well as shift hydrocarbon demand toward relatively lower- carbon sources such as natural gas~~ , ~~any of which may~~ reduce demand for ~~our~~ **the** services **we provide our customers** . ~~Any such~~ **In addition, new environmental or emissions control laws or** regulations **may require an** ~~could ultimately result in the increased~~ - **increase in our operating** ~~cost of energy as well as environmental and other~~ costs ~~,~~ and **/ or in our** capital ~~expenditures could be necessary~~ **spending for additional equipment or personnel** to comply with ~~the limitations, including upgrades~~ **such requirements and could also result in a reduction in revenues due** to **downtime required for the installation of such equipment. Moreover, various international conventions and federal, state** ~~our~~ - **or international laws have significantly increased their regulation of** ~~vessels~~ - **vessel** ~~' internal power generation systems~~ **fuel and emissions in recent years, and this trend is likely to continue** . **Any of** ~~These~~ **these** developments ~~may~~ **, requirements or initiatives could** have ~~an~~ **a material** adverse effect on **our** future ~~production and demand for hydrocarbons such as crude oil and natural gas in areas of the world where our customers operate and thus adversely affect future demand for our offshore support vessels and other assets, which are highly dependent on the level of activity in offshore oil and natural gas exploration, development and production markets. In addition, the increased regulation of environmental emissions may create greater incentives for the use of alternative energy sources which could reduce or eventually phase out the use of fossil fuels which could adversely affect our~~ business ~~. For example~~ , ~~laws~~ **financial position** , **results** ~~regulations and other initiatives to shift electricity generation away from fossil fuels to renewable sources over time are at various stages~~ of ~~implementation~~ **operations** and **cash flows** ~~consideration and may continue to be adopted in the future in the markets in which we operate~~ . Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. However, unless and until regulations are implemented and their effects are known, we cannot reasonably or reliably estimate their impact on our financial condition, results of operations and ability to compete. Consideration of climate change- related issues and the responses to those issues through international agreements and national, regional, or state regulatory frameworks are integrated into the company' s strategy, planning and risk management processes, where applicable. They may also be factored into the company' s long- term supply, demand, and energy price forecasts. However, any long- term material adverse effect on the ~~crude~~ oil and ~~natural~~ gas industry may adversely affect our financial condition, results of operations and cash flows. Risks Related to Information Technology and Cybersecurity Many of our business and operational processes are heavily dependent on traditional and emerging technology systems, some of which are managed by us and some of which are managed by third- party service and equipment providers, to conduct day- to- day operations, improve safety and efficiency and lower costs. We use computerized systems to help run our financial and operations functions, including the processing of payment transactions, store confidential records and conduct vessel operations, which may subject our business to increased risks. If any of our financial, operational, or other technology systems fail or have other significant shortcomings, our financial results could be adversely affected. Our financial results could also be adversely affected if an employee or other third party causes our operational systems to fail, either as a result of inadvertent error or by deliberately tampering with or manipulating our operational systems. In addition, dependence upon automated systems, including those on board our vessels, may further increase the risk of operational system flaws, and employee or other tampering or manipulation of those systems will result in losses that are difficult to detect. Cybersecurity incidents are increasing in frequency and magnitude. These incidents may include, but are not limited to, installation of malicious software, installation of ransomware, phishing, credential attacks, unauthorized access to data and other advanced and sophisticated cybersecurity breaches and threats, including threats that increasingly target critical operations technologies and process control networks. Any cybersecurity attacks that affect our facilities or operations, our customers or any financial data could have a material adverse effect on our business. In addition, cyber- attacks on our customer and employee data may result in a financial loss, loss of intellectual property, proprietary information or customer and vendor data, and may negatively impact our reputation. ~~The~~ **We also have an** increased number of employees relying on remote access to our information systems **, which correspondingly** ~~due to the COVID- 19 pandemic~~ increases our exposure to potential cybersecurity breaches. Third- party systems on which we rely could also suffer such attacks or operational system failures. Any of these occurrences could disrupt our business, result in potential liability or reputational damage or otherwise have an adverse effect on our business, operations and financial results. In addition, laws and regulations governing **cybersecurity,** data privacy and the unauthorized disclosure of confidential or protected information, including ~~the~~ GDPR **,** ~~and recent~~ legislation in certain U. S. states **and the recently effective SEC rules regarding cybersecurity** , pose increasingly complex compliance challenges and potentially elevate costs **. Any** ~~, and any~~ failure to comply with these laws and regulations could result in **reputational harm and** significant **compliance costs,** penalties and legal liability. Risks Related to Our Securities Our common stock is subject to restriction on foreign ownership and possible required divestiture by non- U. S. Citizen stockholders. Certain of our operations are conducted in the U. S. coastwise trade and are governed by the U. S. federal law commonly known as the Jones Act. The Jones Act restricts waterborne transportation of goods and passengers between points in the U. S. to vessels owned and controlled by " U. S. Citizens " as defined thereunder. We could lose the privilege of owning and operating vessels in the Jones Act trade if non- U. S. Citizens were to own or control, in the aggregate, more than 25 % of our common stock. Such loss could have a material adverse effect on our results of operations. Our Amended and Restated Certificate of Incorporation and Second Amended and Restated By- Laws authorize our Board ~~of Directors~~ to establish rules, policies and procedures, including procedures with respect to the transfer of shares, to ensure compliance with the Jones Act. To provide a reasonable margin for compliance with the Jones Act, our Board ~~of Directors~~ has determined that, all non- U. S. Citizens in the aggregate may own up to 24 % of the outstanding shares of common stock and any individual non- U. S. Citizen may own up to 4. 9 % of the outstanding shares of common stock. At and during such time that the permitted limit of ownership by non- U. S. Citizens is reached with respect to shares of common stock, as applicable, we will be unable to issue any further shares of such class of common stock or approve transfers of such class of common stock to non- U. S. Citizens. Any purported transfer of our common stock in violation of these ownership provisions will be ineffective to transfer the common stock or any voting, dividend or other rights associated with such common stock. The existence and enforcement of these requirements could have an adverse impact on the liquidity or market value of our equity securities if U. S. Citizens were unable to transfer our shares to non- U. S. Citizens. Furthermore, under certain circumstances, this ownership requirement could discourage, delay or prevent a change of control. The market price of our common stock could be subject to wide fluctuations in response to, and the level of trading that develops with our common stock may be affected by, numerous factors beyond our control such as, ~~our limited trading history subsequent to our emergence from bankruptcy, the fact that on occasion our securities may be thinly traded, the lack of comparable historical financial information due to our adoption of fresh start accounting,~~ actual or anticipated variations in our operating results and cash flow, business conditions in our markets and the general state of the securities markets and the market for energy- related stocks, as well as general economic and market conditions and other factors that may affect our future results, including those described in this Form 10- K. We currently ~~have~~ **do** ~~no~~ **not** ~~plans to~~ pay cash dividends ~~or make any other distributions~~ on our common stock. **However, we recently repurchased outstanding** ~~We currently do not pay and do not expect to pay any cash dividends or other distributions on our~~ common ~~stock~~ **shares** in the ~~foreseeable future~~ **open market** . Any future determination to pay cash dividends **, implement additional stock repurchase plans** or **make** other distributions on our common stock will be at the sole discretion of our Board ~~of Directors~~ , subject to any restrictions in our ~~financing~~ **debt** agreements and, if we elect to ~~pay~~ **implement** such ~~dividends~~ **distribution or repurchase plans** in the future, we may reduce or discontinue **such plans** entirely ~~the payment of such dividends~~ thereafter at any time. ~~For example, the terms of our currently outstanding long- term notes do not allow dividend payments until late 2023.~~ The Board ~~of Directors~~ may take into account general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, agreements governing any existing and future indebtedness we or our subsidiaries may incur and other contractual, legal, tax and regulatory restrictions and implications on the payment of dividends **, repurchases of common stock or other distributions** by us to our stockholders, and such other factors as the Board ~~of Directors~~ may deem relevant. As a result, you may not receive ~~any~~ **a** return on ~~an~~ investment in our common stock unless you sell our common stock for a price greater than ~~that which~~ you paid for it. Our business and operations may consume cash more quickly than we anticipate potentially impairing our ability to make capital expenditures to maintain our fleet and other assets in suitable operating condition. If our cash flows from operating activities are not sufficient to fund capital expenditures, we would be required to further reduce these expenditures or to fund capital expenditures through debt or equity issuances or through alternative financing plans or selling assets. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. Our ability to raise debt or equity capital or to refinance or restructure existing debt arrangements will depend on the condition of the capital markets, our financial condition and cash flow generating capacity at such time, among other things. Any limitations in our ability to finance future capital expenditures may limit our ability to respond to changes in customer preferences, technological change and other market conditions, which may diminish our competitive position within our sector. ~~If we issue additional equity securities, existing stockholders will experience dilution. Our Amended and Restated Certificate of Incorporation permits our Board of Directors to issue preferred stock which could have rights and preferences~~

~~senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our security holders bear the risk of our future securities offerings reducing the market price of our common stock or other securities, diluting their interest or being subject to rights and preferences senior to their own.~~ Certain provisions of our Amended and Restated Certificate of Incorporation and our Second Amended and Restated By- Laws and Delaware law could delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that our stockholders may deem advantageous, including those attempts that might result in a premium over the market price for the shares held by our stockholders or negatively affect the trading price of our common stock and other securities. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. These provisions provide for, among other things: ● the ability of our Board ~~of Directors~~ to issue, and determine the rights, powers and preferences of, one or more series of preferred stock; ● advance notice for nominations of directors by stockholders and for stockholders to present matters for consideration at our annual meetings; ● limitations on convening special stockholder meetings; ● the prohibition on stockholders to act by written consent; ● supermajority vote of stockholders to amend certain provisions of the certificate of incorporation; ● limitations on expanding the size of the Board ~~of Directors~~ ; ● the availability for issuance of additional shares of common stock; and ● restrictions on the ability of any natural person or entity that does not satisfy the citizenship requirements of the U. S. maritime laws to own, in the aggregate, more than 24 % of the outstanding shares of our common stock. In addition, the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any holder of 15 % or more of our outstanding common stock. We have issued or assumed several securities providing for the right to purchase our common stock. Investors could be subject to increased dilution upon the exercise of our New Creditor Warrants and GLF Creditor Warrants for a nominal exercise price subject to Jones Act- related foreign ownership restrictions, and the exercise of our ~~Series A Warrants, Series B Warrants and~~ GLF Equity Warrants ~~. Unexercised Series A Warrants and Series B Warrants will expire on July 31, 2023~~ . Unexercised GLF Equity Warrants expire on November 14, 2024. Unexercised New Creditor Warrants expire on July 31, 2042 and unexercised GLF Creditor Warrants expire on November 14, 2042. Additionally, shares of **our** common stock ~~were~~ **have been** reserved for issuance under ~~the~~ **our** 2021 Stock Incentive Plan, 2017 Stock Incentive Plan and Legacy GulfMark Stock Incentive Plan, respectively, as equity- based awards to employees, directors and certain other persons. The exercise of equity awards, including any restricted stock units that we may grant in the future, and the exercise of warrants and the subsequent sale of shares of common stock issued thereby, could have an adverse effect on the market for our common stock, including the price that an investor could obtain for their shares. Investors may experience dilution in the value of their investment upon the exercise of ~~the~~ **any outstanding** warrants ~~and~~ **or the vesting of** any equity awards ~~that may be~~ granted **under** ~~or~~ **our** ~~issued pursuant to the 2021 Stock~~ **stock** ~~Incentive~~ **incentive plans** ~~Plan, 2017 Stock Incentive Plan and the Legacy GulfMark Stock Incentive Plan~~ . Please refer to Note (10)- " Stock- Based Compensation and Incentive Plans " and Note (11)- " Stockholders' Equity " in the accompanying Consolidated Financial Statements for additional discussion of our outstanding warrants and stock- based awards. There may be a limited trading market for our New Creditor Warrants and GLF Creditor Warrants, and you may have difficulty trading and obtaining quotations for New Creditor Warrants and GLF Creditor Warrants. While there are unsolicited quotes for our New Creditor Warrants on the OTC Pink Market, there is no market maker for this security on the OTC Pink Market, and there can be no assurance that an active trading market will develop. While the GLF Creditor Warrants trade on the OTC QX market, there has been limited trading volume since the business combination. The lack of an active market may impair your ability to sell or reduce the fair market value of your New Creditor Warrants or GLF Creditor Warrants at the time you wish to sell them or at a price that you consider reasonable. ~~The~~ **Our stock price may never exceed the** exercise price of our ~~Series A Warrants, Series B Warrants and~~ GLF Equity Warrants ~~may never exceed our stock price~~ (be in the money), and unexercised warrants may expire with limited or no value. Further, the terms of such warrants may be amended. As long as our stock price is below the **$ 100 per share** strike price of ~~each of~~ the ~~Series A Warrants, Series B Warrants and~~ GLF Equity Warrants ~~($ 57. 06 per share for Series A Warrants, $ 62. 28 per share for Series B Warrants and $ 100. 00 per share for the GLF Equity Warrants)~~ , these warrants will have limited economic value, and they may expire with limited or no value. Additionally **,** any material amendment to the terms of the warrant in a manner adverse to a holder would only require the approval of a certain percentage of the holders of the then outstanding warrants. We **may not be able to maintain a listing of our common stock on the NYSE or our GLF Equity Warrants on the NYSE American. We** must meet certain financial and liquidity criteria to maintain the listing of our ~~securities~~ **common stock** on the NYSE **and** ~~or~~ **our GLF Equity Warrants on the** NYSE American ~~, as applicable~~ . If we fail to meet any of the **applicable** ~~NYSE or NYSE American' s continued~~ listing standards, our common stock ~~, Series A Warrants, Series B Warrants,~~ or GLF Equity Warrants may be delisted. A delisting of our common stock ~~, Series A Warrants, Series B Warrants,~~ or GLF Equity Warrants may materially impair our stockholders' and warrant holders' ability to buy and sell our common stock ~~, Series A Warrants, Series B Warrants,~~ or GLF Equity Warrants and could have an adverse effect on the market price of, and the efficiency of, the trading market for these securities. A delisting of our common stock ~~, Series A Warrants, Series B Warrants~~ or GLF Equity Warrants could significantly impair our ability to raise capital ~~. General Risk Factors The COVID- 19 pandemic caused, and any resurgence of the pandemic could again cause, a significant reduction in global economic activity, significantly weakening demand for oil and gas, and in turn, for our services. Other effects of the pandemic included, and may continue to include, significant volatility and disruption of the global financial markets; adverse revenue and net income effects; disruptions to our operations, including suspension of our services; customer shutdowns of oil and gas exploration and production; downward revisions to customer capital expenditures; limitations on access to sources of liquidity; supply chain disruptions; border closings; employee impacts from illness; and local and regional closures or lockdowns, including temporary closures of our onshore facilities and the facilities of our customers and suppliers. The extent to which our operating and financial results~~

~~will continue to be affected by the pandemic will depend on various factors beyond our control, such as the continued severity of the pandemic, including any sustained geographic resurgence; the emergence of new variants and strains of the COVID- 19 virus; and the success of actions to contain or treat the virus. COVID- 19, and volatile regional and global economic conditions stemming from the pandemic, could also aggravate our other risk factors described in this Form 10- K. Demand for oil and gas and commodity prices have recently recovered to near pre- pandemic levels and we do not expect our operations and business in 2022 to continue to be negatively impacted. However, other factors, including pressure on our customers to return capital to shareholders and pressure to address ESG concerns related to fossil fuel production and consumption, coupled with the lingering uncertainty related to the COVID- 19 pandemic could have a negative impact on our operations in the near term. Uncertainty about future global economic market conditions makes it challenging to forecast operating results and to make decisions about future investments. The success of our business is both directly and indirectly dependent upon conditions in the global financial and credit markets that are outside of our control and difficult to predict. Uncertain economic conditions may lead our customers to postpone capital spending in response to tighter credit markets and reductions in our customers' income or asset values. Similarly, when lenders and institutional investors reduce, and in some cases, cease to provide funding to corporate and other industrial borrowers, the liquidity and financial condition of the company and our customers can be adversely impacted. These factors may also adversely affect our liquidity and financial condition. Factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers and economic sanctions or other restrictions imposed by the U. S. or other countries, commodity prices, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts, security operations, and seaborne refugee issues) can have a material negative effect on our business, revenues and profitability. Additionally, continued uncertain industry conditions could jeopardize the ability of certain of our counterparties, including our customers, insurers and financial institutions, to perform their obligations. Although we assess the creditworthiness of our counterparties, a prolonged period of difficult industry conditions could lead to changes in a counterparty' s liquidity and increase our exposure to credit risk and bad debts. In addition, we may offer extended payment terms to our customers in order to secure contracts. These circumstances may lead to more frequent collection issues. Our financial results and liquidity could be adversely affected. Our business has been, and in the future will be, affected by severe weather events in areas where we operate, which could materially affect our operations and financial results. Extreme weather conditions such as hurricanes and flooding, have in the past resulted in, and may in the future result in, the evacuation of personnel, stoppage of services and activity disruptions of our vessels, in our supply chain, or at our customer' s offshore sites, or result in disruptions of our customers' operations. Particularly severe weather events affecting platforms or structures may result in a suspension of activities. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall, and hurricane- strength winds may damage our vessels or facilities. Any such extreme weather events may result in increased operating costs or decreases in revenue~~. Activist stockholders could advocate for changes to our corporate governance, operational practices and strategic direction, which could have an adverse effect on our reputation, business and future operations. In recent years, publicly- traded companies have been increasingly subject to demands from activist stockholders advocating for changes to corporate governance practices, such as executive compensation practices, ESG issues, or for certain corporate actions or reorganizations. There can be no assurances that activist stockholders will not publicly advocate for us to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist stockholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on our reputation and divert the attention and resources of management and our Board, which could have an adverse effect on our business and operational results. Additionally, stockholder activism could create uncertainty about future strategic direction, resulting in loss of future business opportunities, which could adversely affect our business, future operations, profitability and our ability to attract and retain qualified personnel. **General Risk Factors Uncertain economic conditions may lead our customers to postpone capital spending or jeopardize our customers' or other counterparties' ability to perform their obligations. Uncertainty about future global economic market conditions makes it challenging to forecast operating results and to make decisions about future investments. The success of our business is both directly and indirectly dependent upon conditions in the global financial and credit markets that are outside of our control and difficult to predict. Uncertain economic conditions may lead our customers to postpone capital spending in response to tighter credit markets and reductions in our customers' income or asset values. Similarly, when lenders and institutional investors reduce, and in some cases, cease to provide funding to corporate and other industrial borrowers, the liquidity and financial condition of the company and our customers can be adversely impacted. These factors may also adversely affect our liquidity and financial condition. Factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers and economic sanctions or other restrictions imposed by the U. S. or other countries, commodity prices, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts, security operations, and seaborne refugee issues) can have a material negative effect on our business, revenues and profitability. Additionally, continued uncertain industry conditions could jeopardize the ability of certain of our counterparties, including our customers, insurers and financial institutions, to perform their obligations. Although we assess the creditworthiness of our counterparties, a prolonged period of difficult industry conditions could lead to changes in a counterparty' s liquidity and increase our exposure to credit risk and bad debts. In addition, we may offer extended payment terms to our customers in order to secure contracts. These circumstances may lead to more frequent collection issues. Our financial results and liquidity could be adversely affected. Our business has been, and in the future will be, affected by severe weather events in areas where we operate, which could materially affect our operations and financial results. Extreme weather conditions such as hurricanes and flooding, have in the past resulted in, and may in the future result in, the evacuation of personnel, stoppage of services**

and activity disruptions of our vessels, in our supply chain, or at our customer' s offshore sites, or result in disruptions of our customers' operations. Particularly severe weather events affecting platforms or structures may result in a suspension of activities. In addition, acute or chronic physical impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall, and hurricane- strength winds may damage our vessels or facilities. Any such extreme weather events may result in increased operating costs or decreases in revenue.