

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA.

To the bondholders in:

ISIN: NO0010635964 - FRN Farstad Shipping ASA Senior Unsecured Bond Issue 2012/2017 ("FAR03")

ISIN: NO0010679871 - FRN Farstad Shipping ASA Senior Unsecured Bond Issue 2013/2018 ("FAR04")

Oslo, 7 March 2016

Record date and conversion of Bonds

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned senior unsecured bond issues (the "**Bonds**" or the "**Bond Issues**") issued by Farstad as issuer (the "**Issuer**").

Reference is made to the proposal set out in the summons to a bondholders' meetings for the respective Bond Issues dated 16 February 2017 (the "**Summons**") and the adoption thereof at the bondholders' meeting 2 March 2017.

As part of the proposed Restructuring defined and set out in the Summons, the Bond Issues and interest accrued to and including 31. December 2016 ("**Interest Accrued**") will be converted into equity in the Issuer ("the **Conversion**").

Record date with respect to the Conversion is scheduled to 9 March 2017 (the "**Record Date**").

Holders of the Bonds at the Record Date will receive shares in the Issuer (ISIN:NO0010786320) (the "**Shares**") based on their holding of Bonds and Interest Accrued thereon without giving consideration to who were holders of the Bonds at past record dates or interest payment dates.

Subject to applicable rounding, Bondholders will receive the following number of Shares per NOK 1 holding of Bonds in VPS at the Record Date:

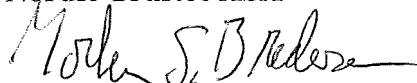
ISIN NO0010635964: 0.80550 Shares

ISIN NO0010679871: 0.80331 Shares

Settlement is expected to occur on or about 13 March 2017.

Yours sincerely

Nordic Trustee ASA



Morten S. Bredeesen