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To the bondholders in:

ISIN: NO 001 067557.2 - "FRN Western Bulk AS NOK 300m Senior Unsecured Bond Issue 2013/2017"

Oslo, 1 December 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA acts as trustee (the "**Trustee**") for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO 001 067557.2 (the "**Bond Issue**") issued by Western Bulk Chartering AS (the "**Issuer**"), who replaced the previous issuer Kistefos Equity Operations AS as issuer pursuant to an amendment and restatement agreement dated 6 July 2016 (the "**Amendment and Restatement Agreement No. 3**"), who in turn replaced the original issuer Bulk Invest ASA (formerly Western Bulk ASA) as issuer pursuant to an amendment and restatement agreement dated 25 February 2016 (the "**Amendment and Restatement Agreement No. 2**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement originally dated 17 April 2013, as amended (most recently through the Amendment and Restatement Agreement No. 3, made between the Trustee and the Issuer (the "**Bond Agreement**"), unless otherwise stated herein. References to Clauses and paragraphs are references to Clauses and paragraphs of the Bond Agreement.

The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1 BACKGROUND

The Company is a global dry bulk operator of Supramax and large Handysize tonnage, and is currently operating 130-140 vessels. The Issuer has been exposed to a very challenging market situation in 2016 with historically low dry bulk charter rates. Net TC margins declined significantly during Q1-16 and into Q2-16. In addition to the soft underlying freight markets, the Issuer incurred both direct and indirect losses from its previous parent company Bulk Invest ASA's (former Western Bulk ASA) bankruptcy. The indirect losses were caused by counterparties being nervous for business interruptions and a general uncertainty relating to Western Bulk Chartering as a consequence of the Company being associated with the Bulk Invest bankruptcy. This led to fewer business opportunities and a period of reduced activity, particularly in the spot market. However, the trend has been positive since end of May '16 for both fleet size and margins, but margins have not improved sufficiently for the Company to be profitable yet.

In June 2016, the Company completed a private placement directed at the largest, former Bulk Invest ASA shareholders, raising about USD 20 million in new equity and moved the Bond Issue from Kistefos Equity Operations AS to the Company. Subsequent to this transaction, in August 2016, the Company raised USD 2 million from previous smaller shareholders of Bulk Invest. The Company is now owned by a group of about 250 shareholders. Kistefos AS remains the main shareholder, controlling approximately 74% of the shares through two of its subsidiaries. In June, the Group entered into a new bank facility of USD 8 million, consisting of USD 6 million credit line and USD 2 million available for bank guarantees. The credit line is for general working capital purposes, and is undrawn as of 23.11.2016.

Although the market has strengthened recently and a number of mitigating initiatives are contributing positively to the Group's results, there is still a need to further strengthen the Company's balance sheet and cash position. Consequently, the Company is therefore contemplating an equity issue of the NOK equivalent to USD 15 million before the end of 1Q 2017, of which the main two shareholders Kistefos AS and Ojada AS will guarantee the full amount, being approximately the NOK equivalent to USD 13.8 million and USD 1.2 million respectively (altogether the "**Equity Issue**"). The contemplated Equity Issue will cover the losses expected for 2H-16, and further improve the cash position and balance sheet of the Group. Furthermore, it is expected to pave way for additional market access for both cargo and vessels and will give a general positive effect for the brand and business.

Main mitigating factors and positive developments since June 2016:

- Market conditions have improved since 1H-16.
- Continuous reliable service provided to its customers - no business interruptions have occurred.
- The Company is now doing business with nearly all key customers it did business with before the events in Q1-16.
- Operated fleet and margins have had a positive development:
 - The fleet is now at 130-140 vessels, and Net TC margin is positive again.
 - The aim is to return to break-even results as soon as possible.
- New hires have increased the staff to 108 currently:
 - The Group continues to increase its market presence, and has during Q3-16 seen another 3 persons joining the US Gulf business unit in Miami. In addition, an office in Morocco has been opened to support new business in the West Africa area (1 person relocated from Oslo and 1 new hire). The office is a branch of the South Atlantic Business unit in Oslo.
- The restructuring of the Atlantic and Steel&Bulk business units has been completed.
- Equity to be raised in the Equity Issue:
 - Cover the losses expected for 2H-16 and further improve the cash position and balance sheet.
 - Expected to pave way for additional market access for both cargo and vessels.
 - Give a general positive effect for the brand and business.

Despite of the equity already raised to date and the mitigating initiatives implemented, the losses incurred through 2016 has lowered to book equity of the Issuer to USD 10.6 million as of Q3 2016. The financial outlook for Q4 2016 suggests the book equity could be lower by year end 2016. From 1 January 2017 the minimum book equity covenant of USD 15 million is coming into effect, leading to a potential covenant breach. In order to be able to attract the new equity, the Company will need to obtain a waiver from its bondholders for the minimum equity covenant throughout 2017 to 1 January 2018. The same waiver has already been granted by the bank providing the USD 6 million credit line. Furthermore, the Company is proposing to amend the reporting requirements from quarterly to semi-annually. This request is coming from a commercial perspective, as the Company experiences some negative attention from certain business partners each time the results are released.

The Company is also proposing to open up for the ability to sell Issuer's Bonds held in treasury. This will only apply for bonds acquired after 31 December 2016, and is being proposed to provide some more financial flexibility if Issuer's bonds are acquired in the future.

Please note that Pareto Securities AS is acting as the Company's financial advisor with respect to the Equity Issue and the Proposal set out herein.

2 PROPOSAL

In accordance with Clause 16.2 of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a Bondholders' Meeting in order to obtain the Bondholders' approval to the amendments to the Bond Agreement proposed below, pursuant to the authority given to the Bondholders' Meeting under Clause 16.3 of the Bond Agreement.

The Issuer proposes that the following amendments are made to the Bond Agreement (the "**Proposal**"):

2.1 Change the interim reporting from quarterly to semi annually

It is proposed to amend the definition of "Calculation Date" from:

"Calculation Date" means 31 March, 30 June, 30 September and 31 December each year.

to:

"Calculation Date" means 30 June and 31 December each year.

It is proposed to amend the definition of "Interim Accounts" from:

"Interim Accounts" means the unaudited consolidated quarterly financial statements of the Issuer for the quarters ending on 31 March, 30 June and 30 September each year, drawn up according to GAAP.

to:

"Interim Accounts" means the unaudited consolidated financial statements of the Issuer for the six months period ending on 30 June each year, drawn up according to GAAP.

It is proposed to delete the definition of "Quarter Date".

It is proposed to amend the definition of "Reporting Date" from:

"Reporting Date" means in respect of the Interim Accounts the date falling 60 days after each respective Calculation Date and in respect of the Financial Statements the date falling 90 days after the end of each calendar year.

to:

"Reporting Date" means in respect of the Interim Accounts the date falling 60 days after each respective interim period and in respect of the Financial Statements the date falling 90 days after the end of each calendar year.

2.2 Extend the waiver period for the USD 15 million minimum book equity by one year to and included 31 December 2017

It is proposed to amend clause 13.7.1 (i) of the Bond Agreement from:

"Book Equity Amount: The Issuer shall ensure that the Group maintains a Book Equity in the minimum amount of USD 15 million at any time after 1 January 2017"

to:

"Book Equity Amount: The Issuer shall ensure that the Group maintains a Book Equity in the minimum amount of USD 15 million at any time after 1 January 2018"

2.3 Introduction of ability to sell Issuer's Bonds

It is proposed to amend clause 12 of the Bond Agreement from:

The Issuer has the right to acquire and own Bonds (Issuer's Bonds). The Issuer's holding of Bonds from time to time shall be retained by the Issuer and shall not be sold, cancelled or discharged.

to:

The Issuer has the right to acquire and own Bonds (Issuer's Bonds). The Issuer's holding of Bonds from time to time shall be retained by the Issuer and shall not be sold, cancelled or discharged. This restriction shall not apply to any Bonds acquired by the Issuer after 31 December 2016, which may at the Issuer's discretion be retained by the Issuer, sold but not cancelled or discharged.

2.4 Equity Issue

It is proposed that the following is added as a new clause 13.8 of the Bond Agreement:

The Issuer shall procure that an equity issue of the NOK equivalent to USD 15,000,000 is completed before 31 March 2017.

2.5 Authorisation of the Bond Trustee

Without prejudice to anything set out in clauses 2.1-2.4 above, the Bondholders' Meeting irrevocably authorise the Bond Trustee to negotiate, agree, execute and deliver, on behalf of the Bondholders, any document, agreement and/or instrument as the Bond Trustee (in its sole discretion, but with a duty to negotiate in good faith towards the Issuer) may deem required in order to effect any of the transactions contemplated in clauses 2.1-2.4 above, in each case, without any liability for the Bond Trustee or its employees except in the case of the Bond Trustee only, fraud or wilful misconduct.

2.6 Condition

The Proposal is subject to the Bond Trustee receiving a copy of an unconditional and irrevocable guarantee for the subscription of no less than the NOK equivalent of USD 15 million in the Equity Issue. The amendments set out herein shall enter into force upon the later of (i) the approval by the Bondholders' Meeting of the Proposal and (ii) the satisfaction the condition in the preceding sentence.

3 SUPPORT FROM BONDHOLDERS

Prior to this summons letter being distributed, the Issuer has informed the Bond Trustee that they have received support for the proposal from Bondholders representing more than 50% of the Voting Bonds.

4 NON-RELIANCE

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable.

5 BONDHOLDERS' MEETING

The Issuer has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the Proposal.

Bondholders' meeting:

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 15 December 2016 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee ASA,
 Haakon VII's gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Proposal.

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

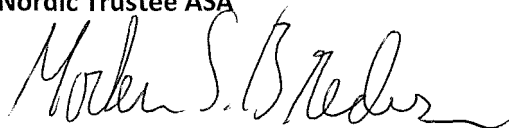
The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (www.mail@trustee.no) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely

Nordic Trustee ASA

A handwritten signature in black ink, appearing to read 'Morten S. Bredesen', written in a cursive style.

Morten S. Bredesen