

(Dette brevet til obligasjonseierne er kun utarbeidet på engelsk. For ytterligere informasjon vennligst ta kontakt med Nordic Trustee ASA på telefon +47 22 87 94 00.)

To the bondholders in:

NO 001 067987.1

FRN Farstad Shipping ASA Senior Unsecured Bond Issue
2013/2018 ("FAR04")

Oslo, 3 March 2017

Information to Bondholders – Interest Payment Date 28 February 2017

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**") issued by Farstad Shipping ASA as issuer (the "**Issuer**"), pursuant to the terms of the bond agreement (the "**Bond Agreement**") dated 24 May 2013 between the Issuer and the Bond Trustee.

Reference is made to the summons to a bondholders' meeting dated 16 February 2017 (the "**Summons**"), and to the notice thereof dated 2. March informing that the proposal set out in the Summons (the "**Proposal**") was adopted.

Reference is also made to the Interest Payment Date (as defined in the Bond Agreement) 28 February 2017 (the "**February Interest Payment Date**") and the fact that no interest payment was made at that date.

As part of the proposed Restructuring defined and set out in the Summons, the Bond Issue and interest accrued to and including 31. December 2016 ("**Interest Accrued**") will be fully converted into equity in the Issuer at a future record date ("**Record Date**"), and the Bonds will become non-interest bearing from and including 1 January 2017.

While interest will continue to accrue pursuant to the Bond Agreement until all conditions for the Restructuring are satisfied, separate coupon claim per the February Interest Payment Date will not be established in VPS.

Upon completion of the Restructuring, holders of the Bonds at the Record Date will receive shares in the Issuer based on their holding of Bonds and Interest Accrued thereon without giving consideration to who were holders of the Bond at past record dates or Interest Payment Dates.

Further information will be given in due course.

Yours sincerely

Nordic Trustee ASA



Morten S. Bredesen