

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

**To the bondholders in:**

**ISIN: NO0010741689 - FRN GripShip AS Senior Secured Bond Issue 2015/2018**

Oslo, 17 March 2017

**Summons to Bondholders' Meeting**

Nordic Trustee ASA is appointed as Bond Trustee for the above mentioned Bond, issued by GripShip AS (the “**Issuer**” or the “**Company**”) pursuant to the terms of a certain bond loan agreement (the “**Bond Agreement**”) dated 22 July 2015.

All capitalised terms used herein shall have the meaning assigned to them in the Bond Agreement unless otherwise stated.

*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 Issuer operates within the wellboat industry and is the owner of three wellboats, the “Grip Transporter” (1,250 m<sup>3</sup>), the “Grip Superior” (660 m<sup>3</sup>), and the “Grip Pacific” (1,670 m<sup>3</sup>) (together the “**Vessels**”). Grip Transporter is currently on firm T/C with Marine Harvest Ireland until end 2017, with remaining options through 2020. Grip Superior is operating in the Chilean spot market. Grip Pacific is on firm contract until December 2021 and is the largest contributor both in terms of market value and EBITDA generation.

The Vessels are currently generating solid cash flow to the Company, and expected to continue to do so going forward, due to the Company’s significant backlog, the Vessels solid operating performance for its clients and the Company’s demonstrated ability to secure employment for the Vessels on favorable terms.

Grip Pacific was redesigned and upgraded at the HAT-SAN shipyard in Turkey, before commencing on a 5-year T/C with Cermaq Chile medio December 2016, delayed from March 2016 which was the anticipated time of commencement at the time of the Bond Issue. Due to the delayed delivery of the Grip Pacific and the consequential late start-up of the T/C with Cermaq Chile, revenues and EBITDA were significantly lower than previously estimated for the second half of 2016. The delayed start-up of the T/C contract was mainly attributable to two factors: The first relates to Cermaq requesting the inclusion of additional equipment on the Grip Pacific, as specified as an option in the T/C contract. The rate under the T/C was thus adjusted up accordingly (from USD 379.000 initially to USD 413.000 per month). However, the installation of the additional equipment made it necessary to prolong the initial construction phase. Secondly, HAT-SAN experienced several delays connected to the construction and delivery of the vessel, mainly attributable to the July 2016 Turkish coup d'état attempt with the consequence of travelling restrictions for Norwegian service personnel and severe

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customs delays to all parts imported to Turkey. There were also several bomb attacks in the Istanbul area from different terrorist groups. GripShip has claimed force majeure in relation to this matter. The delay attributable to HAT-SAN could potentially lead to penalty claims from Cermaq. The size of this potential penalty is not yet clear, but Cermaq has stated that they are entitled to 68 days of compensation according to the T/C. However, the working relationship with Cermaq is good, and the parties are engaged in constructive talks regarding this matter. As a mitigating factor, GripShip has during the delayed period provided Grip Superior as a cover to assist in Cermaq's operations until the arrival of Grip Pacific. The increased capital expenditures on Grip Pacific and significantly delayed delivery, has resulted in a restrained liquidity situation for the Company. Additionally, the risk of a future penalty claim from Cermaq, adds further uncertainty to the cash position.

As a consequence of the lower than anticipated earnings in 2H16, the Issuer was not in compliance with the Debt Service Coverage Ratio as of January 2017 pursuant to clause 13.6 (ii) of the Bond Agreement, whereby the Debt Service Coverage Ratio shall be tested on a semi-annual basis, the first time in January 2016.

The Issuer is requesting a waiver to the Bond Agreement's clause 13.6, (ii). The Issuer is convinced such a waiver is in the best interest of all stakeholders, given the Issuer's significant backlog, expectation of solid cash generation going forward, and demonstrated ability to secure employment for the Vessels on favorable terms. Following adoption of the Proposal and the commencement of the T/C of Grip Pacific, the Issuer expects to comply with the Bond Agreement's Financial Covenants, as well as honoring all other obligations under the Bond Agreement, for the remainder of the term of the Bond Issue.

To enable the Issuer to conduct the proposed change of the Bond Agreement, the Issuer has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the proposed changes.

## **2. The Proposal**

Based on the foregoing, the Issuer proposes that the following resolution (the "**Proposal**") be passed by the Bondholders:

*"The Debt Service Ratio to be tested on a semi-annual basis, cf. the Bond Agreement, Clause 13.6 (ii), shall be waived in its entirety for the period from July 2016 to January 2017. The first semi-annual testing to be done in July 2017 shall be based on a Relevant Period comprising the last six months from January 2017 to July 2017.*

*From and including the semi-annual testing in January 2018 no waiver from the Bond Agreement shall apply."*

## **3. Amendment Fee**

As compensation to the Bondholders approving the Proposal, the Company offers the Bondholders a one-time amendment fee of 0.25% (flat) of the Face Value of respective Bondholder's holdings of Bonds. The amendment fee will be payable to the Bondholders (with record date at the end of business on the date of the Bondholders' Meeting) 10 Business Days after the Bondholders' Meeting, provided that the Bondholders' Meeting adopts the Proposal.

## **4. Further information**

The Company has appointed SpareBank 1 Markets AS as financial adviser. For more detailed information regarding the Proposal, please contact:

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SpareBank 1 Markets AS, DCM  
Att. Christoffer Hæhre  
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For more detailed information about the Issuer, please contact:

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CEO  
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## 5. Non-reliance

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposal and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

## 6. Bondholders' meeting:

Bondholders are hereby summoned to a Bondholders' meeting:

**Time:** 3 April 2017 at 13:00 hours (Oslo time),  
**Place:** The premises of Nordic Trustee ASA,  
Haakon VII's gt 1, 0161 Oslo - 6<sup>th</sup> 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 proposal:

### It is proposed that the Bondholders' meeting resolve the following:

"The Bondholders' Meeting approves the Proposal as described in section 2 in the summons to this Bondholders' Meeting."

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.)

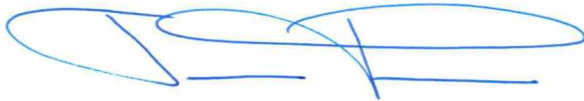
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The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee 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).

At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. 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 (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
**Nordic Trustee ASA**



Vivian Trøsch

Enclosed: Bondholder's Form