

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

To the bondholders in:

ISIN NO 001 0638158 - FRN Viking Supply Ships A/S Senior Unsecured Open Bond Issue 2012/2017

Oslo, 12 July, 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA ("**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in the above mentioned bond issue with ISIN NO 001 0638158 (the "**Bonds**" or the "**Bond Issue**") issued by Viking Supply Ships A/S as issuer (the "**Issuer**" or the "**Company**"). The Issuer and its subsidiaries are together referred to as the "**Group**".

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.

The Issuer has requested the Bond Trustee to summon a Bondholders' Meeting to consider the approval of the Proposal as further set out and defined under clause 2 below.

1. BACKGROUND

In addition to this summons letter, the Company has provided a separate presentation which is intended to give background information and an update on the Company's financial and operating status of the Company (the "**Company Update**"), enclosed as Annex C hereto.

Bondholders are encouraged to read both these documents, in addition to Annex B – the "**Restructuring Term Sheet**", to obtain an understanding of the proposed Restructuring.

1.1 Introduction

We refer to the communication from the Company of 4 July 2016, where the Company announced its intention to summon to a Bondholders' meeting to provide an updated status of the Company, as well as present a restructuring proposal to the Bondholders.

The Company has in the past half year been engaged in discussions with its main stakeholders to agree to a restructuring which will allow the Company to survive as a going concern.

There has been contact between the Company and a committee of three core Bondholders (the "**Bondholders' Committee**"). The Bondholders' Committee has not been willing to engage in dialogue over any option other than cash redemption of the Bonds, and the Bond Trustee has on 22 June 2016 served the Company a default notice and demanded repayment of the bonds.

Such redemption is not possible in light of the Company's liquidity situation and would be incompatible with the requirements of the senior secured lenders.

In the absence of a holistic financial restructuring being speedily implemented, the only realistic outcome is bankruptcy of the Company. The outcome of such proceedings for the Group is highly uncertain. However, the Company has prepared a liquidation analysis which illustrates that the recovery of unsecured creditors in case of a bankruptcy of the Company will be extremely limited.

In an effort to avoid a liquidation of the Company to the detriment of all stakeholders, the Board of Directors of the Company has decided to make a final proposal for restructuring to the Bondholders, as per the terms of Annex B (the Restructuring Term Sheet).

Implementation of the restructuring proposal set out in Annex B to this summons requires certain amendments to the bond agreement for the Bond Issue. The Bondholders' meeting is summoned to vote on whether or not to approve the proposed amendments to the terms and conditions of the Bond Issue. The requested changes are summarised in this summons and set out in detail in Annex B (the Restructuring Term Sheet).

1.2 Key Terms of the Restructuring

The proposed Restructuring will comprise of (summary of main features only, please refer to Annex B for a complete overview):

- ☐ The Company's bank facilities are extended until 31 March 2020.
- ☐ Contribution from the banks of approximately USD 215 million, including deferral of maturities and amortization schedules.
- ☐ Deferred amortization structure under bank facilities, with fixed quarterly repayments in the amount of USD 750,000 from 2018.
- ☐ In addition to the fixed amortizations under the bank facilities payable from 31 March 2018, there will be a cash sweep mechanism, whereby cash on hand exceeding certain levels shall be distributed as repayment of the bank facilities from 2018. During 2017, the cash sweep amounts have been pre-agreed.
- ☐ Financial covenants on the bank facilities are amended to provide the Company ample room to operate under the present challenging market conditions.
- ☐ Restructuring of the arrangements in respect of the vessel "Odin Viking" to reflect a reduced payment of maximum USD 10,000 per day for a period until 31 May 2024.
- ☐ Removal of put options relating to "Odin Viking".
- ☐ 50% of the Bonds will be converted to new class B shares in the Company's parent company, Viking Supply Ships AB (the "**Parent**"), listed on NASDAQ OMX Stockholm segment Small Cap, at a subscription price of SEK 1.50, the Bonds being valued at 36% of par.
- ☐ The remaining 50% of the Bonds to be outstanding under an amended and restated bond agreement, reflecting the terms of the Restructuring as set out in Annex B.
- ☐ Coupon on remaining bonds to be reduced to 6.7% p.a., of which 3.70% is payable in cash and 3.0% is payable in kind.
- ☐ Financial covenants in the Bond Issue to be deleted except for dividend restriction, which shall be amended to be absolute and prevent any distribution to the Parent.

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- ☐ The Company will receive new capital in the amount of minimum USD 17.6 million, including by way of an equity issue in the Parent, of which Kistefos shall guarantee USD 13 million (the "**New Capital**").

For a full overview of the Restructuring, please see Annex B (the Restructuring Term Sheet) which all bondholders are strongly urged to read in its entirety. If there is any discrepancy between the terms set out in this summons and/or the Company Update in Annex C and Annex B, the terms set out in Annex B will prevail.

2. THE PROPOSAL

Based on the above, the Issuer hereby proposes that the Bondholders adopt the following proposal (the "**Proposal**"):

The Bondholders:

1. approve and authorise the implementation of the Restructuring and the Group Reorganisation on the terms of and as described in Annex B (the Restructuring Term Sheet);
2. instruct and authorize the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Restructuring and the Group Reorganisation as described in Annex B (the Restructuring Term Sheet), including, without limitation:
 - (a) negotiating and approving the final terms of, and entering into, amended and restated bond agreement and related documentation, as contemplated by Annex B hereto (the Restructuring Term Sheet), including how the conversion will be structured;
 - (b) negotiating and approving the documentation and agreements that may be necessary or desirable in order to implement the conversion of bonds to shares in the Parent and the issue of new shares in the Parent to the Bondholders;
 - (c) negotiating and approving the taking of any and all other steps and actions expressly or implicitly required to be taken or that would be desirable in order to implement the Restructuring, including, without limitation, negotiating, documenting and entering into agreements (including amendments), granting waivers, giving instructions, consents, approvals and directions, all as contemplated by Annex B (the Restructuring Term Sheet) and any other annexes to this summons;
 - (d) subscribing for shares in the Parent on behalf of the Bondholders in accordance with the conversion terms set out in Annex B (the Restructuring Term Sheet) and taking all actions and giving all instructions required to effect such conversion; and
 - (e) giving all necessary instructions to the Securities Depository to facilitate the Restructuring;
3. agree that the Bond Trustee may at its discretion consent to amendments to the terms of Annex B (the Restructuring Term Sheet) on behalf of the Bondholders where such amendments (i) are of a minor or technical nature, (ii) are otherwise consistent with Annex B (the Restructuring Term Sheet) and required in order to implement the

Restructuring or (iii) would not adversely affect the position of the Bondholders;

4. waive any and all breaches of the Bond Agreement occurring prior to or during the implementation of the Restructuring;
5. waive any breaches of clauses in the Bond Agreements that are reasonably necessary in order for the Company and any subsidiary to take the required actions to carry out the Restructuring and other actions contemplated by and in accordance with the terms and conditions set forth in Annex B and the other annexes to this summons;
6. commit to abstain from exercising, directing or voting for the direction of the exercising of any rights in any jurisdiction to enforce any breach of the provisions under the Bond Agreements that may occur or have occurred prior to the implementation of the Restructuring, and to vote against any proposal to take any such enforcement action; and
7. agree that the Bond Trustee exercises (or refuse to exercise) any discretion, consent or approval required or contemplated in the exercise (or non-exercise) of any such discretion which is connected to the matters referred to in Annex B (the Restructuring Term Sheet).
8. undertake until and including the Closing Date (as defined in Annex B) (the "**Standstill Period**") to standstill with respect to claims under the Bond Agreement and/or the other Finance Documents against the Issuer or any other member of the Group which have fallen due prior to or may fall due during the Standstill Period, and in particular without limitation undertake not to:
 - a. make demand for, accelerate the due date for or declare prematurely payable or payable on demand any amount due and payable under any of the Finance Documents;
 - b. initiate or continue collection procedures (including insolvency proceedings) for monies owed by Issuer or any other member of the Group under any of the Finance Documents;
 - c. commence, join in or consent to the commencement of any action or proceeding against any of the Issuer or any other member of the Group or their respective properties under the relevant bankruptcy code or any state or foreign insolvency law or regulation or any proceedings for liquidation, dissolution or other winding up of any of the Issuer's or any other member of the Group's business, or the appointment of any trustee, receiver or liquidator for any of the Issuer or any other member of the Group or any part of their respective properties, or any assignment for the benefit of creditors, or any marshalling of assets of any of the Issuer or any other member of the Group; or
 - d. pursue any other remedies under the Finance Documents.

Implementation of the Proposal and the Restructuring is subject to the following conditions:

1. the Company and its bank lenders having signed final agreements relating to the Restructuring and all conditions precedent in such agreements being satisfied or waived;
2. satisfactory agreements relating to "Odin Viking" being signed and having become effective;
3. the Company having received the New Capital;

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4. approvals by the shareholder meeting of the Parent and the Company to effect the Restructuring; and
 5. approval of the Proposal by the Bondholders' Meeting.

The conditions listed above must be satisfied no later than 30 September 2016.

The Bondholders authorise and instruct the Bond Trustee (in consultation with its advisers and, if necessary, the Committee) to agree any documentation that is necessary to document and implement the Proposal (if any).

3. FURTHER INFORMATION

For more detailed information about the Issuer or the Proposal, please see www.vikingsupply.com or contact:

Ulrik Hegelund
CFO
Viking Supply Ships
Cell: +45 41 77 83 97

The Issuer has engaged Swedbank as its financial adviser (the “**Advisor**”). Accordingly, Bondholders may contact the Advisor for further information:

Swedbank	Swedbank
Ole Gunnar Johnsrud	Niels Bugge
+47 414 78 240	+47 993 09 393
Ole.Gunnar.Johnsrud@swedbank.no	Niels.Bugge@swedbank.no

4. EVALUATION OF THE PROPOSAL

4.1 The Issuer’s evaluation

In the Issuer’s opinion, the Proposal represents the best alternative for the Bondholders given the current circumstances. It will allow the Issuer time and financial flexibility to pursue its strategy to the benefit of all stakeholders, including the Bondholders.

4.2 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.

5. BONDHOLDERS' MEETING

Bondholders are hereby summoned to a joint Bondholders' Meeting for the Bond Issue.

Time: 26 July 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 proposal:

It is proposed that the Bondholders' Meeting resolve the following:

"The Bondholders' Meeting hereby adopts the resolution set out in the Proposal as described in section 2 of the summons to this Bondholders' Meeting."

To approve the above resolution, Bondholders representing at least 2/3 of the Voting Bonds (as defined in the Bond Agreement) represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least half 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).

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



Morten S. Bredeesen

Enclosed: Annex A - Bondholders form
 Annex B – Restructuring Term Sheet
 Annex C – Company presentation

ANNEX B – TERMS OF RESTRUCTURING
FRN VIKING SUPPLY SHIPS A/S SENIOR UNSECURED OPEN BOND ISSUE
2012/2017

1. GENERAL

Definitions:	As per Schedule 1 hereto.
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2. SENIOR FACILITIES

Maturity:	All Senior Facilities to be extended to have a final maturity date 31 March 2020.
Extraordinary repayments:	Extraordinary repayments in an aggregate amount of approximately USD 23.7 million (by application of funds standing to the credit of accounts and proceeds from equity) under the Icebreaker Facility, the Magne/Brage Facility and the Loke/Njord Facility.
Fixed Repayments:	Fixed quarterly repayments of USD 750,000 from 2018.
Cash Sweep Repayments:	Excess cash above defined level to be distributed as repayment of the Senior Facilities from 2018. During 2017, the cash sweep amounts have been pre-agreed.
Interest:	Interest rate clauses to remain unchanged.
Financial Covenants:	<ul style="list-style-type: none"> ○ Minimum Liquidity USD 6,000,000 in 2016, USD 7,000,000 in 2017, USD 8,000,000 in 2018, USD 9,000,000 in 2019 and USD 10,000,000 in 2020. ○ Minimum ratio Adjusted EBITDA/net interest of 2.2:1 from 1 January 2018. ○ Positive EBITDA on a 12 months rolling basis in 2016 and 2017. Minimum EBITDA on a 12 months rolling basis of USD 15,000,000 from 1 January 2018. ○ Minimum Book Equity of USD 50,000,000 at all times. ○ Maximum Capex of USD 6,000,000 on a 12 months rolling basis unless otherwise approved by the Finance Parties. ○ Positive Working Capital. ○ Value Maintenance Covenant: The total fair market value of all vessels financed under the Senior Facilities (except the PSV Facility) shall always be at least 110 % of the amounts outstanding under all Senior Facilities (except the PSV Facility). ○ No financial covenants in PSV Facility or the BBCP except Minimum Liquidity covenant.
Group Reorganisation:	The Company and/or the Parent shall investigate the options and legal basis for, and negotiate in good faith with an aim to effect, if required by the Senior Finance

	<p>Parties, within 30 September 2016 in case of demerger, or if restrictions in charter contracts, as soon as possible thereafter, a restructuring of the Group involving inter alia the following:</p> <ul style="list-style-type: none"> ○ The Vessels Magne Viking and Brage Viking (including charter and other contracts) to be transferred to a new subsidiary (the "Magne/Brage SPV") together with all loan and security documents. ○ The Vessels Loke Viking and Njord Viking (including charter and other contracts) to be transferred to a new subsidiary (the "Loke/Njord SPV") together with all loan and security documents. ○ The arrangements in respect of the vessel "Odin Viking" to be transferred to a new subsidiary (the "Odin Viking SPV") together with any related documents. ○ A new holding company to be incorporated (the "New Vessel Holdco"). Such New Vessel Holdco to be owned by either the Company (in case of a transfer of assets) or the Parent (in case of demerger). ○ New Vessel Holdco to be the owner of all shares in the Magne/Brage SPV, the Loke/Njord SPV and the Odin Viking SPV. ○ All shares in Icebreaker SPV and PSV SPV to be transferred to New Vessel Holdco. ○ Following completion of new group structure, all excess cash after coverage of operational expenses, subject to applicable laws and regulations, to be distributed to New Vessel Holdco and to be subsequently applied by New Vessel Holdco in accordance with cash flow/cash sweep regulations in the Senior Facilities. ○ Swap Agreements/hedging derivatives entered into with VSS related to the Icebreaker Facility, Loke/Njord Facility and Magne/Brage Facility to be novated to the New Vessel HoldCo.
New Security	As required to reflect Group Reorganisation. In addition, there will be established certain new security in connection with contributions from certain lenders.

3. ODIN VIKING

Extraordinary payments:	No extraordinary payments.
Payments:	Payments shall be reduced to maximum USD 10,000/day. Monthly payments to be made per the

	period until 31 May 2024.
Cancellation of put options:	Put options in relation to "Odin Viking" to be cancelled.

4. BOND AGREEMENT

Amendments:	The Bond Agreement to be amended and/or restated in accordance with the main terms and conditions set out below and also to reflect any logical and consequential amendments resulting from Restructuring.
Maturity:	The maturity date will be extended until the date falling six (6) months after maturity of the Senior Facilities.
Extraordinary repayments:	No extraordinary payments.
Interest:	<p>Coupon to be reduced to 6.70 % p.a. (the "Amended Coupon"), of which:</p> <ul style="list-style-type: none"> ◦ 3.70% p.a. to be paid in cash (the "Cash Interest Payment"). The Cash Interest Payment represents the average of the interest payable to under the Senior Facilities. ◦ The balance between the Cash Interest Payment and the Amended Coupon (3.0% p.a.) shall be settled by issuance of additional Bonds and paid on maturity (as extended).
Accrued Interest:	All accrued interest, including default interest, whether fallen due or not, up to and including the Closing Date shall be payable in the form of additional Bonds (the " Additional Bonds ").
Conversion:	<p>The Bondholders shall convert 50% of the Bonds (including any additional Bonds) into New Shares. The New Shares will be subscribed for at the Subscription Price and the Bonds will be exchanged for such New Shares at a discounted price of 36% of notional value.</p> <p>The New Shares will be allocated, on a pro rata basis, to the holders of the Bonds (including Additional Bonds) who are registered owners by the Securities Depository on a record date which will be fixed by the Bond Trustee.</p>
Covenant Changes	<p>Sub-clauses (a) (<i>Market Adjusted Equity Ratio</i>), (b) (<i>Minimum Liquidity</i>) and (d) (<i>Minimum Book Equity</i>) of Clause 13.5 of the Bond Agreement (Preservation of equity and Financial Covenants) shall be deleted.</p> <p>Sub-clause (c) of Clause 13.5 of the Bond Agreement (Preservation of equity and Financial Covenants) shall be amended as follows:</p>

	<p><i>"(c) Dividend Restrictions The Issuer shall not, during the term of the Bond Issue, declare or make any dividend payment or distribution, whether in cash or in kind, repurchase of shares or make other similar transactions (included, but not limited to total return swaps related to shares in the Issuer), or other distributions or transactions implying a transfer of value to its shareholders."</i></p>
Other changes to the Bond Agreement:	<p>The following changes to the Bond Agreement to be accepted by the Bondholders:</p> <ul style="list-style-type: none"> ◦ Clauses addressing creditor process can only be triggered if such process has a Material Adverse Effect. ◦ The clauses regarding Material Adverse Effect to be amended to reflect that the assessment of whether a Material Adverse Effect has occurred will be based on a comparison with the situation at the Closing Date.
Waivers:	<ul style="list-style-type: none"> • The Bondholders waive any breach of the Bond Agreement resulting from the Group Reorganisation, including in particular (but without limitation): <ul style="list-style-type: none"> ◦ Clause 13.3 (b) (Mergers) ◦ Clause 13.3 (c) (De-mergers) ◦ Clause 13.3 (d) (Continuation of business) ◦ Clause 13.3 (e) (Disposal of business) ◦ Clause 13.4 (c) (Ownership to Material Subsidiaries) ◦ Clause 13.4 (d) (Subsidiaries' distributions) • The Bondholders waive any and all mandatory prepayment events or put options which are triggered as a consequence of the Restructuring. • The Bondholders waive any and all amendment fees and penalty interest they would otherwise be entitled to as a consequence of delayed payments from the Company up until completion of the Restructuring.

5. ADDITIONAL EQUITY

The Company:	The Company to receive new capital of minimum USD 17,600,000 (the " New Capital ").
Conversion Shareholder Loan:	The Parent to convert a shareholder loan in the amount of USD 7,100,000 to equity in the Company
The Parent:	The Parent to effectuate a capital increase raising proceeds, inter alia to fund the Company with the New

	<p>Capital (in whole or in part).</p> <p>The subscription price for shares issued in the capital increase in the Parent will be equal to the Subscription Price.</p>
Kistefos:	<p>Kistefos will guarantee minimum USD 13,000,000 of the capital subscription in the Parent.</p> <p>As a result of the capital subscriptions in the Parent and the Company, the Company shall receive net USD 13,000,000 in cash on or before 30 September 2016 and net USD 4,600,000 in cash on or before 1 January 2017.</p>

SCHEDULE 1 - DEFINITIONS

Bondholders	The holders of Bonds in the Bond Issue.
Bond Agreement	The agreement dated 20 March 2012 between the Company and the Bond Trustee, in respect of the Bond Issue.
Bond Issue	FRN Viking Supply Ships A/S Senior Unsecured Open Bond Issue 2012/2017.
Bonds	The bonds issued by the Company to the Bondholders under the Bond Agreement.
Bond Trustee	Nordic Trustee ASA
Closing Date	The date when all the conditions precedent for the Restructuring have been fulfilled.
Company	Viking Supply Ships A/S
Group	The Company and its subsidiaries.
Icebreaker Facility	A NOK 617,000,000 term loan facility with the Icebreaker SPV as Borrower and VSS as guarantor, Nordea Bank Norge ASA as Agent and Nordea Bank Norge ASA and Swedbank AB (publ) as Lenders. The vessels Tor Viking, Balder Viking and Vidar Viking are financed and mortgaged under the Icebreaker Facility.
Kistefos	Kistefos AS
Loke/Njord Facility	A multi-currency NOK 573,337,000 term loan facility with VSS as Borrower and Swedbank AB as Agent and Lender. The vessels Loke Viking and Njord Viking are financed and mortgaged under the Loke/Njord Facility on first priority.
Magne/Brage Facility	A USD 105,000,000 term loan facility with VSS as Borrower, ABN AMRO Bank N.V. as Agent, Security Agent and Hedging Bank, and ABN AMRO Bank N.V. Oslo Branch and DVB Bank America N.V. as Lenders. The vessels Magne Viking and Brage Viking are financed and mortgaged under the Magne/Brage Facility.
New Shares	The shares in the Parent issued to Bondholders as part of conversion of Bonds, being Class B shares.
Parent	Viking Supply Ships AB publ. of Sweden, the Company's parent company.
PSV Facility	A GBP equivalent of NOK 445,000,000 term loan facility with the PSV SPV as Borrower, VSS as Guarantor and DVB Bank SE Nordic Branch as Agent and Lender. The vessels Idun Viking, Nanna Viking, Frigg Viking, Freya Viking and Sol Viking are financed and mortgaged under the Icebreaker Facility.
Restructuring	The financial restructuring of the Group.

Senior Finance Parties	All finance parties under the relevant loan agreements in respect of the Senior Facilities as defined and specified in the relevant loan agreement, including Nordea Bank Norge ASA, Nordea Bank Finland Plc., Nordea Bank AB (publ), Swedbank AB (publ), ABN AMRO Bank N.V., ABN AMRO Bank N.V. Oslo Branch and DVB Bank SE Nordic Branch.
Senior Facilities	The Icebreaker Facility, the PSV Facility, the Magne/Brage Facility and the Loke/Njord Facility.
Subscription Price	SEK 1.50



VIKING SUPPLY SHIPS
SHIP OWNERS

Viking Supply Ships A/S

Financial restructuring

12 July 2016

Disclaimer

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The Company's properties and certain financial derivatives are included at fair value in the Company's group account. Changes in fair value are recorded quarterly in the income statement and, with respect to the properties, are based on third party valuation. Consequently, adjustment based on changes in fair value may affect the company's income. The contents of this Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own professional advisors for any such matter and advice.

By reviewing this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This Presentation speaks as of the date hereof. Neither the delivery of this Presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. The Company does not intend to, nor will assume any obligation to, update this Presentation.

Any recipient of this Presentation acknowledges that any future prospectus that may in the future be prepared by the Company and filed with any relevant public authority or stock exchange as applicable may include more detailed, additional, new or updated information compared to that included in this Presentation.

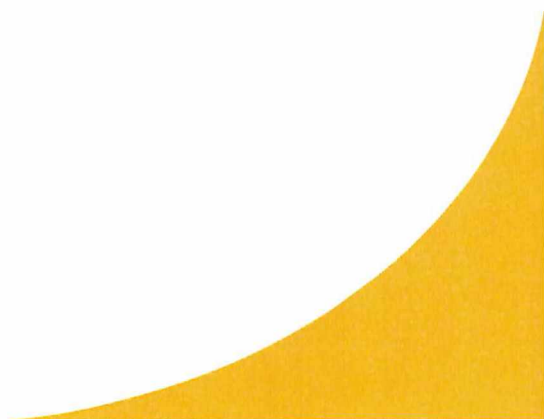
This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue.

Agenda

- **Restructuring proposal**
- Appendix – 1q 2016 earnings



VIKING SUPPLY SHIPS
SHIPOWNERS



Background

- **Highly challenging OSV market**
 - No recovery expected in the near term due to significant overcapacity
 - Low option cost on the vessels will likely keep the fleet largely intact
 - Prevailing oil price level likely too low to support the activity in the frontier areas seen historically
 - Low E&P investments and deteriorating oil-market balance as well as cost initiatives in the oil service sector will likely mean increasing oil prices and thereby increasing activity in the frontier areas in the medium term
 - Limited vessel newbuilds will position VSS for the expected recovery and uphold the unique position that is crucial for VSS to take advantage of premium rates and utilization
- **Key principles for the long term solution:**
 - Create a sufficiently robust financial platform capable of withstanding the challenging market
 - Sufficiently long runway and balanced proposal capable of securing new risk capital
 - Preserve and protect values for all stakeholders to the extent possible
- **Key challenges:**
 - Current debt service not aligned with earnings outlook
 - Current obligations relating to the Odin Viking lease makes it challenging for all stakeholders
 - All stakeholders/creditors need to agree to the solution. i.e. bonds, Odin Viking lease, parent company, bank facilities and equity sponsor(s)

VSS is uniquely positioned to manage a balanced market due to its niche profile and specialized vessels but current market outlook is bleak

Restructuring principles

- VSS has for the last 6 months been in negotiations with its banks, bondholders and other stakeholders in order to agree on a comprehensive restructuring solution enabling the company to operate in a continued challenging market
- VSS is now pleased to announce that it has entered into an agreement with its bank lenders that would significantly strengthen the Company's financial position
 - Extension of all maturities until 2020, ~USD 215m of secured bank maturities deferred
 - Very limited fixed amortization - instalments reduced by 90% (USD 54m until YE 2019) before sweep
 - Amended financial covenants
- As part of the restructuring VSS will receive minimum USD 17.6m in new risk capital and significantly strengthen the liquidity situation
- Odin Viking payments reduced by 50% and put options eliminated
- Bondholders are offered to receive shares in the Company's listed parent for 50% of the Bonds while the remaining 50% will have an amended coupon profile in combination with an extension of the maturity date
- Following completion of the restructuring, VSS will have significantly improved financial situation with a solid foundation to withstand a continued challenging market

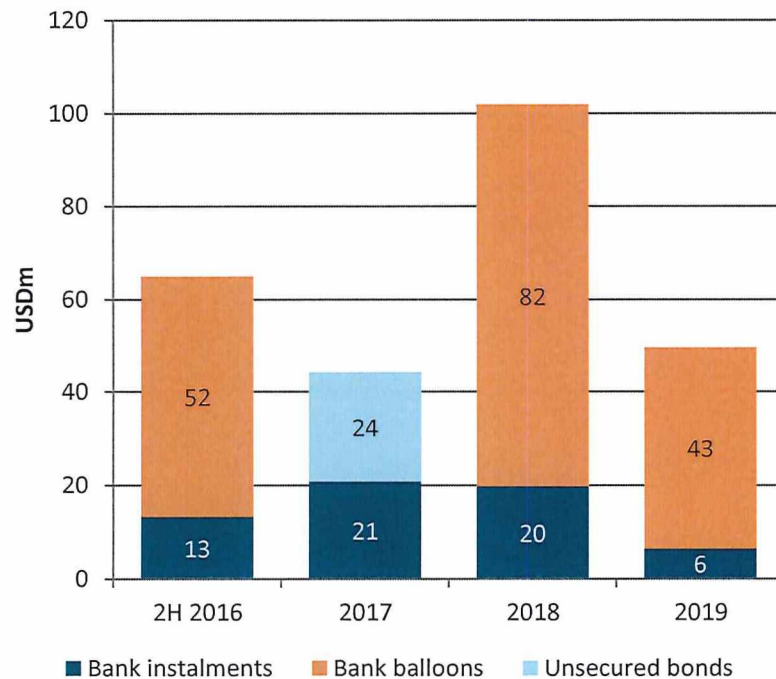
Balanced solution – contribution from all stakeholders

Banks	<ul style="list-style-type: none">• All facilities extended until 31 March 2020• Fixed amortization of USD 3m p.a from 2018• Introduction of cash sweep mechanism from 2018. During 2017, the cash sweep amounts have been pre-agreed.• Amended financial covenants adopted to market situation
Bondholders	<ul style="list-style-type: none">• 50% of the Bonds* will be converted to new class B shares in the Company's parent company, Viking Supply Ships AB, listed on Nasdaq OMX Stockholm, at a subscription price of SEK 1.50 per share and the Bonds being valued at 36% of par• Remaining Bonds to receive coupon of 6.7% p.a., of which 3.7% payable in cash and 3.0% p.a. is payable in kind
Shareholders	<ul style="list-style-type: none">• The Company will receive new capital in the amount of minimum USD 17.6 million, including by way of an equity issue in the parent company of which Kistefos shall guarantee USD 13 million
Odin Viking lease	<ul style="list-style-type: none">• The Company's arrangements in respect of the vessel "Odin Viking" are amended to reflect a reduced payment of maximum USD 10,000 per day and extended to expire on 31 May 2024• Put-options are eliminated

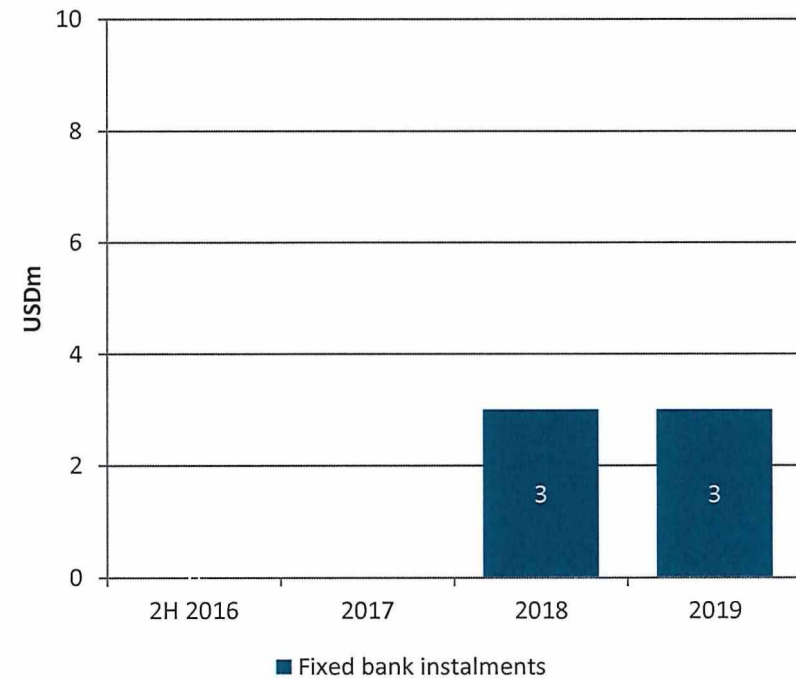
**Excluding NOK 191m treasury bonds which will be cancelled*

Significantly improved debt maturity profile

Current profile (USDm)¹⁾



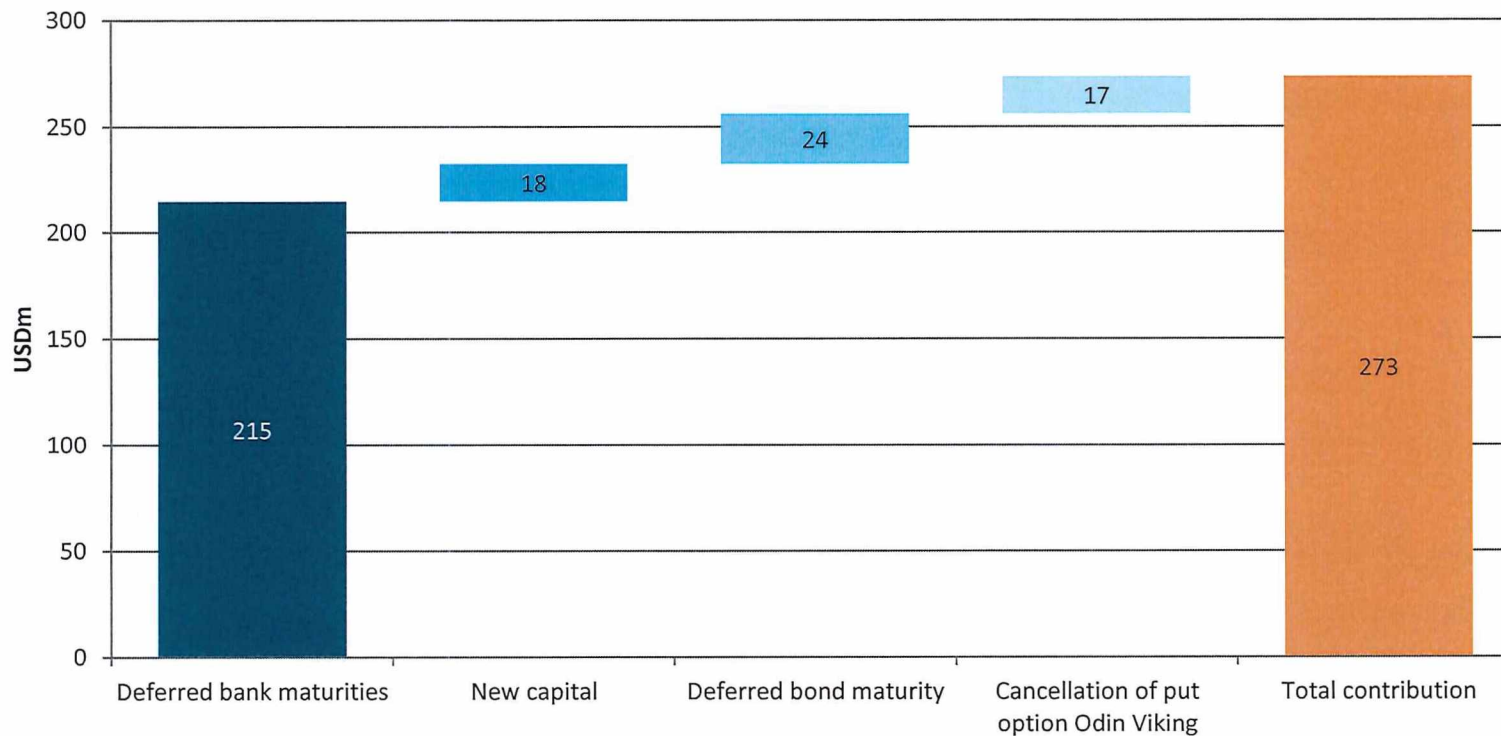
Revised profile (USDm)²⁾



- 1) For illustration purposes unpaid amortization for 1H 2016 have been added to the balloon.
- 2) Excluding any amortization due in accordance with cash sweep mechanism

- All bank debt to mature 31 March 2020
- Unsecured bonds to mature 30 September 2020

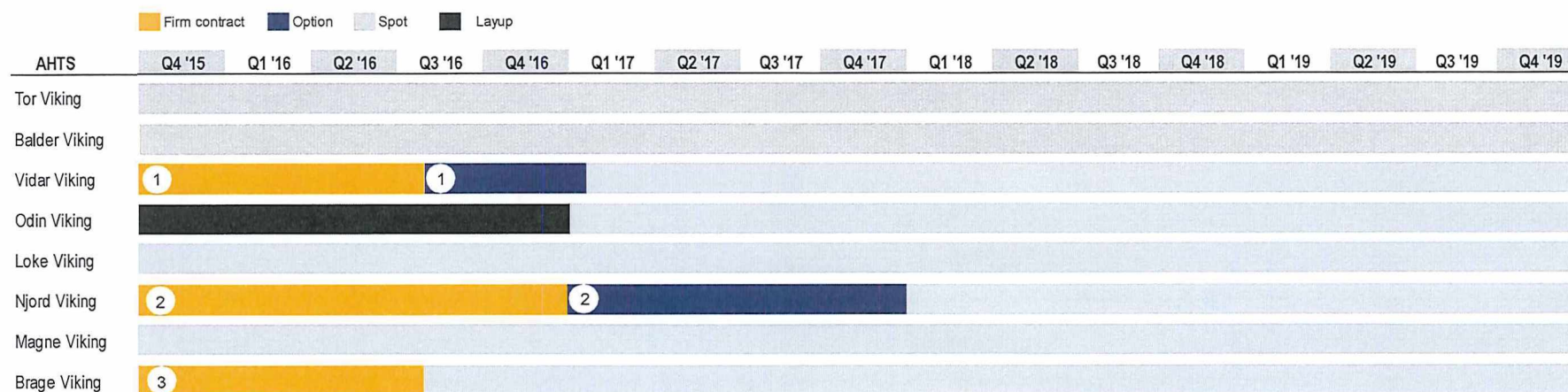
Significant contribution from all stakeholders



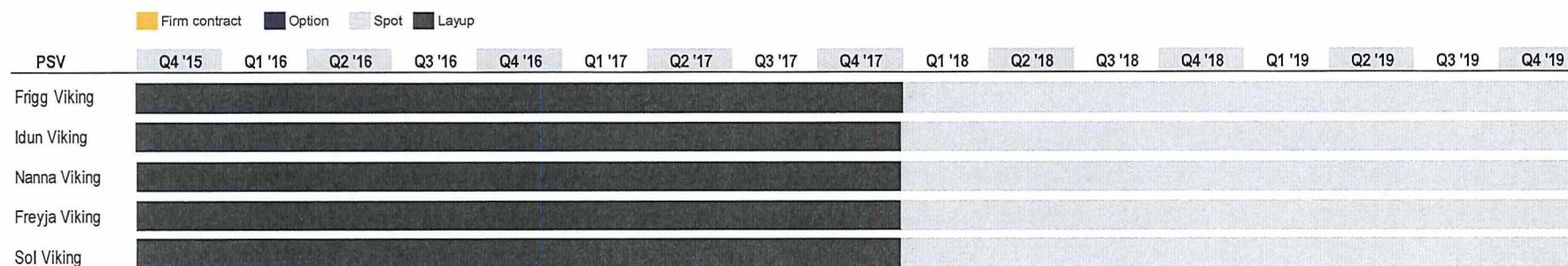
- In addition the Company's running costs will be reduced
 - Reduced bond interest expense
 - Odin Viking payments reduced from USD 20,500 per day to USD 10,000 per day

Contract overview

Key contracts expiring shortly – stable financial situation critical with respect to potential renewal



1. Oil major, firm till 1st August 2016 + 1x6 months option
2. Oil major, firm till 31st December 2016 + 2 x 6 months options
3. Oil major, firm until mid August 2016.



VSS positioned to withstand a continued challenging market

Unique asset profile

- Highly specialized vessels suited for operations in harsh environments such as the Arctic
- Core fleet of 7 ice-classed AHTS vessels / Ice-breakers
- Pragmatic approach with respect to non-core vessels

Niche operator

- Proven track record for operations in harsh environments
- Fully operational setup in Russia
- Operations in the Arctic are characterized by higher barriers to entry and few market players compared to traditional OSV markets

Strong financial profile earnings power

- VSS is facing an liquidity issue, not a solidity issue
- Book equity ratio of 36% as per 1q 2016
- Demonstrated ability to secure highly attractive term contracts for Arctic operations

Committed main shareholder

- Kistefos has over the last years contributed with significant capital to Viking Supply Ships AB
- Kistefos will guarantee USD 13m of the Viking Supply Ships AB equity issue

Restructuring schedule

Action

Signed term sheet secured lenders

Summon for bondholder meeting

Bondholder meeting

Launch of Viking Supply Ships AB
rights issue

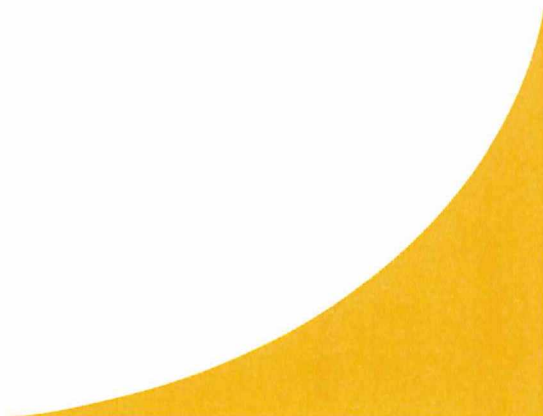
Completion of restructuring

Long stop date



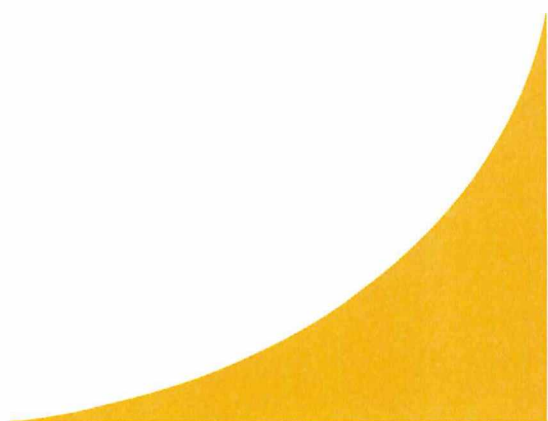
VIKING SUPPLY SHIPS
SHIP OWNERS

Timetable
12 July 2016
12 July 2016
26 July 2016
Ultimo August 2016
By 30 September 2016
30 September 2016



Agenda

- Restructuring proposal
- **Appendix – 1q 2016 earnings**



VSS AB Group result Q1 2016

First quarter

- Net revenues amounted to MSEK 319 (509).
- Result before capital costs (EBITDA) amounted to MSEK 67 (58).
- Result before tax amounted to MSEK -39 (113).
- Result after tax amounted to MSEK -40 (-70).
- Earnings per share after tax amounted to MSEK -0.2 (-0.4).



Highlights Q1 2016

Anchor Handling Tug Supply vessels (AHTS)

- Achieved average fixture rate January – March was USD 68,300 (75,400).
- Average utilization January – March was 56% (71).
- Three vessels were on term charter contracts during first quarter.
- In February 2016 Magne Viking was certified according to the IMO Polar Code. The vessel, which is the first vessel globally to comply with the code, was approved by DNV GL.

Platform Supply Vessels (PSV)

- Achieved average fixture rate January – March was USD 6,200 (7,500).
- Average utilization January – March was 39% (33).
- Due to a continued weak PSV market VSS A/S decided to lay up the PSVs Sol and Freyja Viking with immediate effect in March 2016.

TransAtlantic AB

- A sales agreement on the small bulk vessels TransAndromeda and TransCapricorn was entered into in Q1, which consequently led to write-downs of MSEK 7 during the quarter. The vessels were delivered to their new owner in May. The transaction generated a positive cash effect of 24 MSEK.
- The reorganization within TA AB continue and the recent sale has further reduced the exposure towards the industrial shipping.

Q1 result impacted by a soft market and cost reductions

VSS A/S - PROFIT AND LOSS ACCOUNT

(MUSD)	Note	Q1 2016	Q1 2015	FY 2015
Total Revenue		27.7	34.8	132.6
Direct voyage costs		-1.4	-1.6	-6.5
Operating costs		-15.4	-20.2	-75.5
General and administrative expenses		-3.2	-3.6	-15.9
Operating costs		-18.6	-23.9	-91.4
Total operating costs		-20.0	-25.4	-97.9
Operating profit before depreciation (EBITDA)		7.7	9.3	34.7
Net gain on sale of fixed assets		-	-	-
Depreciation	2	-5.2	-5.9	-22.9
Impairment of vessels	2	-	-	-31.1
Operating profit (EBIT)		2.5	3.4	-19.2
Financial income		0.1	0.1	0.7
Financial costs		-6.5	-8.1	-21.2
Net financials		-6.5	-7.9	-20.5
Pre-tax result		-4.0	-4.5	-39.7
Taxes		-0.1	-0.1	-0.3
Result for the period	3	-4.1	-4.6	-40.0

Positive cash flow in Q1

VSS A/S - CASH FLOW STATEMENT

	Q1 2016	Q1 2015	FY 2015
(MUSD)			
Cash flow from operating activities	6.8	15.6	41.4
Cash flow from investing activities	2.2	-0.5	-8.8
Cash flow from financing activities	1.3	-24.2	-55.8
Net changes in cash and cash equivalents	10.3	-9.2	-23.2
Cash and cash equivalents at the start of period	17.6	40.8	40.8
Cash and cash equivalents at the end of the period	27.9	31.6	17.6

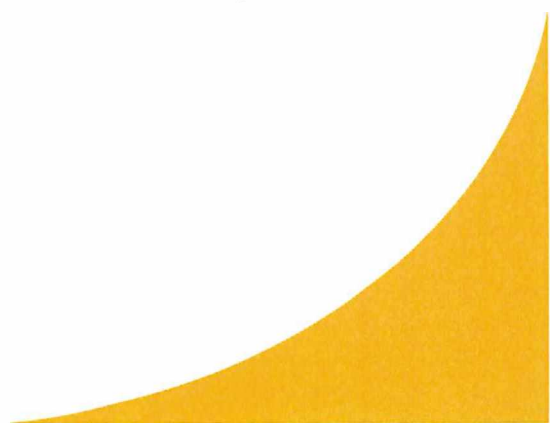
Balance sheet

VSS A/S BALANCE SHEET

(MUSD)	Note	Q1 2016	Q1 2015	FY 2015
ASSETS				
Vessels and equipment		410.4	481.8	415.1
Tangible fixed assets	2.3	410.4	481.8	415.1
Financial fixed assets	5	14.0	22.2	17.2
Total fixed assets		424.4	504.0	432.3
Inventories		1.7	2.3	2.0
Accounts receivables		13.7	22.5	11.2
Other current receivables		10.8	8.0	11.8
Cash and cash equivalents	5	27.9	31.6	17.6
Total current assets		54.1	64.4	42.6
Total assets		478.5	568.4	474.9

(MUSD)	Note	Q1 2016	Q1 2015	FY 2015
EQUITY AND LIABILITIES				
Share capital		0.1	0.1	0.1
Retained earnings and reserves		174.4	248.3	178.1
Total equity		174.4	248.4	178.2
Long-term bond loan	4	-	24.0	22.3
Long-term debt to credit institutions	4	-	238.8	84.0
Other non-current liabilities		2.2	3.0	2.5
Total non-current liabilities		2.2	265.8	108.8
Short-term bond loan	4	23.7	-	-
Short-term debt to credit institutions	4	242.2	34.4	156.7
Accounts payable		6.4	8.6	5.7
Other current liabilities	4	29.5	11.3	25.5
Total current liabilities		301.8	54.3	187.9
Total liabilities		304.0	320.0	296.7
Total equity and liabilities		478.5	568.4	474.9





Thank you



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