

PLEASE SEE SELLING AND DISTRIBUTION RESTRICTIONS IN THE ATTACHED APPLICATION FORM WITH APPENDICES

To the bondholders in:

ISIN NO 0010713274 – FRN Havyard Group ASA Senior Unsecured Bond Issue 2014/2017

HAVYARD GROUP ASA - INVITATION TO PARTICIPATE IN EXCHANGE OFFER

The bondholders in the bond issue with ISIN NO 0010713274 (the "**Havyard Bonds**") issued by Havyard Group ASA (the "**Issuer**") pursuant to the terms of the bond agreement originally dated 11 June 2014 with respect to the Havyard Bonds (as amended from time to time, the "**Bond Agreement**") resolved certain amendments to the Bond Agreement in a Bondholder's meeting held 30 June 2016.

For further details on the resolved amendments (the "**Resolutions**"), reference is made to the summons for and notice from the Bondholder's meeting held 30 June 2016, available at the Issuer's website, www.stamdata.no and www.newsweb.no.

As part of the Resolutions, the Issuer undertook to launch a voluntary exchange offer whereby each Bondholder is entitled to subscribe for shares in the Issuer and settle the Issuer's claim for share consideration by a set-off of Havyard Bonds valued at the nominal value of each Havyard Bond (the "**Exchange Offer**"). With respect to the Havyard Bonds to be set-off, interest accrued up to and including the payment date for the Exchange Offer, will be settled by a cash payment from the Issuer to the relevant subscribers.

The Exchange Offer comprises a total of 2,252,830 new shares at a subscription price of NOK 8.25 per share to be issued pursuant to the board authorisation granted by the Issuer's annual general meeting held 23 May 2016.

The subscription price in the Exchange Offer shall be settled through a set-off of the relevant subscriber's Bonds valued at face value (NOK 1.00). The Bondholders shall be entitled to subscribe for shares in the Exchange Offer on a pro rata basis based on their holding of Havyard Bonds. Over subscription shall be allowed and allocated on a pro rata basis based on the relevant subscribers' holding of Havyard Bonds.

The Bondholders are hereby invited to subscribe for shares under the Exchange Offer as described in the attached Application Form within the application period set out below.

The Issuer has entered into guarantee agreements under the Exchange Offer with certain Bondholders implying that approximately NOK 18,585,848 of the Havyard Bonds will be converted to equity through the Exchange Offer. As compensation for the guarantee undertaking, the guarantors will receive a guarantee fee equal to 2.50 % of the guaranteed amount.

Fearnley Securities AS is engaged as manager for the Exchange Offer.

The application period for the Exchange Offer is from and including 18 July 2016 at 09:00 hours CEST to and including 20 July 2016 at 16:30 hours CEST. Further details on the Exchange Offer, application procedures and distribution and selling restrictions for the Exchange Offer are included in the attached Application Form.

For questions regarding the Exchange Offer, please contact Fearnley Securities AS: Per Lauvvang, cell: +47 95 11 10 51, e-mail: p.lauvvang@fearnleys.no.

Fosnavåg / Oslo, 12 June 2016

Havyard Group ASA

Fearnley Securities AS

Application Form

Exchange offer -

Senior bonds to equity

Havyard Group ASA
Fearnley Securities AS, e-mail:
subscriptions@fearnleys.no
July 2016

The bondholders in the bond issue with ISIN NO 0010713274 (the "**Havyard Bonds**") issued by Havyard Group ASA ("**Havyard**" or the "**Issuer**") pursuant to the terms of the bond agreement originally dated 11 June 2014 with respect to the Havyard Bonds (as amended from time to time, the "**Bond Agreement**") resolved certain amendments to the Bond Agreement in a Bondholder's meeting held 30 June 2016. For further details on the resolved amendments (the "**Resolutions**"), reference is made to the summons for and notice from the Bondholder's meeting held 30 June 2016, available at the Issuer's website, www.stamdata.no and www.newsweb.no. As part of the Resolutions, the Issuer undertook to launch a voluntary exchange offer whereby each Bondholder is entitled to subscribe for shares in the Issuer and settle the Issuer's claim for share consideration by a set-off of Havyard Bonds valued at the nominal value of each Havyard Bond.

In accordance with the Resolutions, the Issuer is offering to issue up to 2,252,830 shares in the Issuer with ISIN NO 0010708605 ("**Offer Shares**"), each with a nominal value of NOK 0.05 (the "**Exchange Offer**"). The Exchange Offer will be directed only towards holders of the Havyard Bonds and in compliance with the offer and selling restrictions set out herein. As there are less than 150 bondholders there will not be prepared an offering prospectus in connection with the Exchange Offer. As the Offer Shares will constitute less than 10% of the shares issued and listed on Oslo Børs by the Issuer, there will not be prepared a listing prospectus in connection with the listing of the Offer Shares on Oslo Børs.

Applications for Offer Shares in the Exchange Offer will be governed by the terms and conditions set out in this application form (including its Exhibits) (the "**Application Form**"). The applicant (the "**Applicant**") hereby acknowledges having received and accepted that the application and subscription of Offer Shares is subject to the terms set out herein.

The Offer Shares will be issued pursuant to a resolution by the Issuer's board of directors in accordance with the board authorisation resolved by the Issuer's annual general meeting held 23 May 2016.

The Issuer has appointed Fearnley Securities AS as Sole Lead Manager (the "**Manager**") to assist with the Exchange Offer.

The Issuer has entered into guarantee agreements under the Exchange Offer with certain Bondholders implying that approximately NOK 18,585,848 of the Havyard Bonds will be converted to equity through the Exchange Offer. As compensation for the guarantee undertaking, the guarantors will receive a guarantee fee equal to 2.50 % of the guaranteed amount.

Application procedure: The application period runs from and including 18 July 2016 at 09:00 hours CEST to and including 20 July 2016 at 16:30 hours CEST (the "**Application Period**"). The Issuer may not extend or shorten the Application Period.

By executing this Application Agreement the Applicant irrevocably confirms the Applicant's request to subscribe for the number of Offer Shares at or up to the amount(s) specified by such Applicant at the subscription price on the terms and conditions included herein, and irrevocably authorizes and instructs the Manager or their appointed representative, to, for and on the behalf of the Applicant, (i) subscribe for the number of Offer Shares allocated to the Applicant in the Exchange Offer (the "**Allocated Shares**") on behalf of the Applicant; and (ii) declare set-off of the relevant number of the Applicant's Havyard Bonds required to settle the Issuer's claim for share consideration for the Allocated Shares. The Manager may, in its sole discretion, accept applications placed by taped phone, e-mail, or other means it deems appropriate, but may request that the order is subsequently confirmed by the execution of this Application Agreement in writing, and may, if the Applicant fails to satisfy such requirement, in its sole discretion, disregard the application, without any liability towards the Applicant. Any Application placed by taped phone, e-mail, or by other means shall be deemed made on the terms and subject to the conditions set out herein.

This Application Agreement duly signed, valid and binding on the part of the Applicant or a binding order placed by taped phone, e-mail, or otherwise must be in the possession of the Manager by the end of the Application Period. The Applicant bears the risk of any postal delays, unavailable internet lines or servers, unavailable fax lines and any other logistical or technical problems that may result in applications not being received in time or at all. The Applicant is further responsible for the correctness of the information inserted on the Application Agreement. Subscriptions are binding and irrevocable and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager.

Subscription price: The subscription price for each Offer Share is NOK 8.25 per Offer Share (the "**Subscription Price**").

Right to subscribe for Offer Shares: The Exchange Offer is directed towards the holders of Havyard Bonds. Each Applicant may subscribe for its pro rata share of the Offer Shares based on the relevant Applicant's holding of Havyard Bonds. Oversubscription is permitted.

Allocation of Offer Shares: The allocation of the Offer Shares will be based on the valid and lawful subscriptions received prior to expiry of the Application Period. The allocation will be made based on the following criteria (i) Offer Shares will be allocated to Applicants on the basis of their pro rata holding of Havyard Bonds; (ii) if not all Offer Shares are allocated pursuant to (i), Applicants who have applied for more Offer Shares than their pro rata share of the Offer Shares will be allocated additional shares proportionally based on the number of Havyard Bonds held by each such applicant.

The final number and allocation of Offer Shares will be resolved by the Issuer's board of directors. The Issuer will not allocate fractions of Offer Shares. Allocation of Offer Shares for a lower amount than applied for does not affect the Applicant's obligation to subscribe and pay for the Offer Shares allotted.

Notification of allotment and payment instruction – (the "**Notification**") will be sent to the Applicant by the Manager on or about 25 July 2016.

No applications will be accepted from any investor located in the United States unless and until such investor executes and deliver to the Manager a certification, in the form included as Exhibit 1 hereto, certifying as to the investor's status as a "Qualified Institutional Buyer" within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). For investors in other jurisdictions outside Norway, please see further details under the terms and conditions of Application below.

Settlement: The date for payment of the Exchange Offer is expected to be on or about 23 August 2016 (the "**Payment Date**"), and any further settlement details will be stated in the Notification. The Applicant shall pay the subscription amount (being the number of Allocated Shares multiplied with the Subscription Price) in accordance with the procedures set out herein and in the Notification. The Manager assumes no responsibility for the delivery and payment obligations of the Issuer and Applicant respectively.

Settlement of the share consideration will be made by the Applicant transferring the relevant number of Havyard Bonds to a VPS account at the Manager in the Issuer's name. The Manager will subsequently, for and on behalf of the Applicant, declare set-off of such transferred Havyard Bonds against the Issuer's claim for share consideration in accordance with the Applicant's instructions herein. The Applicant will not be compensated to any excess value of the Havyard Bonds being set-off against the Issuer's claim for share consideration unless such amount exceeds the nominal value of one Havyard Bond (being NOK 1). If the amount exceeds NOK 1 the exceeding number of Havyard Bonds will be returned to the Applicant.

The Allocated Shares and any accrued and unpaid interest on the Havyard Bonds set-off by the Applicant against the Issuer's claim for share consideration as at the Payment Date will be delivered to the Applicant's VPS account and bank account provided below as soon as practicable after full payment has been received and the new share capital has been registered in the Norwegian Register of Business Enterprises and the Central Securities Depository ("**VPS**"), expected shortly after 23 August 2016.

Regulatory issues:

In accordance with The Norwegian Securities Trading Act, the Manager must categorize all new customers in one of three customer categories. All investors that are applying for Offer Shares under the Exchange Offer and which are not existing clients of the Manager will be categorized as Non-professional clients unless otherwise is communicated in writing by the Manager. For further information about the categorization the Applicant may contact the Manager. The Manager will treat the Application as an execution only instruction from the Applicant to apply for Bonds under the Exchange Offer and hence the Manager will not determine whether the Application for Offer Shares is suitable or not for the Applicant as otherwise provided for in the Norwegian Securities Trading Act.

To apply for Offer Shares, the Applicant must have a VPS account. A VPS account can only be established by personal appearance with sufficient identification at a VPS book-entry agent or an authorized investment firm. **Note: In order to apply for Offer Shares, the Applicant must satisfy the applicable requirements of the Norwegian Money Laundering Act of 3 March 2009 no. 11 and its associated regulations. Applicants who are not registered as clients with the Manager must therefore complete the Manager's Customer Agreement and send it to the Manager immediately by fax or E-mail in order to be considered for an allocation of Bonds under the offering. Such Customer Agreement may be obtained by contacting the Manager.**

The Applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Commercial Banks Act there is a duty of secrecy between the different units of the Manager as well as between the Manager and the other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the Applicant, but which the Manager will not have access to in its capacity as Manager for the Exchange Offer. The Manager is an investment firm, offering a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance departments are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from its corporate finance department by Chinese walls. The Applicant acknowledges that the Manager's analysis, banking and stock broking activity may act in conflict with the Applicant's interests as a consequence of such Chinese walls.

SPECIFICATION OF APPLICATION:

Applicant's VPS account where the Havyard Bonds are held:	Total amount applied for in the Exchange Offer NOK: _____ Alternatively, Number of shares: _____
VPS account for delivery of Offer Shares:	
Bank account for delivery of accrued interest on the Havyard Bonds being set-off as consideration for the Offer Shares:	
Number of Havyard Bonds held at the time of subscription (please attach documentation evidencing such holding):	

On the terms and conditions set forth in this Application Form (together with appendices), the undersigned Applicant hereby irrevocably authorises the Manager (or someone appointed by the Manager) to, for and on behalf of the Applicant, (i) subscribe for any Offer Shares allocated to the undersigned Applicant; (ii) on the Payment Date, transfer the relevant number of Havyard Bonds required to settle the Applicant's payment obligation from the Applicant's VPS-account listed above to a settlement account at the Manager in the name of the Issuer; and (iii) declare set-off of a number of the Applicant's Havyard Bonds with a nominal value corresponding to the Subscription Price times the number of Allocated Shares rounded up to the nearest whole Havyard Bond.

Application date and place
Binding signature

The Applicant must be of age. When signing on behalf of another person, documentation in form of company certificate or power of attorney must be enclosed

INFORMATION ON THE APPLICANT

Prime Broker (MUST BE COMPLETED FOR INTERNATIONAL APPLICANTS)
Applicant's full name/ Company name
Name of contact person with Applicant
Telephone (day time)
Telefax
E-mail address
Street address etc. (private purchasers: state home address)
Postal code and area, country
Date of birth and national ID number (11 digits)/company registration number (MUST BE COMPLETED)

Please return to subscriptions@fearnleys.no or to Fearnley Securities AS, P.O.Box 1158 Sentrum, N-0107 Oslo.

Terms and Conditions of Application

The following terms and conditions apply to and constitute an integral part of this Application Form:

Representations and warranties by the Applicant – please read carefully:

By making an Application, the Applicant confirms and accepts that:

- (a) it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision in the Issuer by applying for and purchasing Offer Shares, and the Applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Offer Shares;
- (b) it has had access to such financial and other information concerning the Issuer and the Offer Shares as the Applicant has deemed necessary or desirable in connection with the application for and subscription of the Offer Shares and set-off of Havyard Bonds, and has made such investigation with respect thereto as it deems necessary;
- (c) it has made its own assessment of the Issuer, the Offer Shares and the terms of the Exchange Offer based only on the Application Form and such information as is publicly available, including the Issuer's financial statements, and, to the extent deemed necessary by the Applicant having consulted with its own independent advisors, the Applicant has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relating to its investment in the Offer Shares;
- (d) other than as set out in the Application Form, it has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any representative of the Issuer or the Manager or any of their respective affiliates;
- (e) it accepts that the Manager expressly disclaim liability in connection with the Applicant's participation in the Exchange Offer and the Applicant understands and expressly agrees that it is applying for Offer Shares on this basis;
- (f) no prospectus has been prepared in connection with the Exchange Offer;
- (g) no due diligence review or other verification exercises have been performed by or on behalf of the Manager in connection with the Exchange Offer. In particular, the Application accepts that no technical verifications, financial due diligence or evaluation of the Issuer's forecasts or budgets has been carried out by or on behalf of the Manager. The Applicant further acknowledges and accepts the risks associated with the fact that no due diligence have been carried out;
- (h) the investment in the Offer Shares is made solely at the Applicant's own risk;
- (i) there may be restrictions on the Applicant's ability to resell the Offer Shares and it is the responsibility of the Applicant to find out what those restrictions are (if any) and to comply with them before selling the Offer Shares
- (j) either (a) it is not in the United States or a "U.S. person" nor purchasing the Offer Shares for the benefit of, a "U.S. person" (as such term is defined in Regulation S under the U.S. Securities Act or (b) it has executed and delivered to the Manager a certification in the form provided by the Manager certifying that it is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act;
- (k) the Applicant is not subscribing for or purchasing Offer Shares, either on the Applicant's own account or for the account of others, in contradiction to the selling and transfer restrictions included below;
- (l) it shall ensure that there are a sufficient number of Havyard Bonds on the VPS-account provided herein to fulfil its settlement obligations under its application and that it shall transfer such Havyard Bonds to a VPS-account designated by the Issuer and/or the Manager on the Payment Date.
- (m) the Applicant has read and understood, and accepts to be bound by, the entire Application Form (including the appendices);

all commitments, acceptances, confirmations, representations, warranties and undertakings given by the Applicant pursuant to this Application Form are given for the benefit of the Issuer and the Manager and may be enforced against the Applicant by each of the Issuer and the Manager.

Selling restrictions

General: No action has been taken in any jurisdiction, including the United States, Canada, the European Economic Area, the United States and the United Kingdom, by the Issuer that would permit a public offering of the Offer Shares in any jurisdiction where action for this purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and no offering material in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. Nothing contained herein or in any offering material in connection with the Offer Shares or otherwise shall constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful.

Canada: Each Canadian Applicant hereby confirms it is an "accredited investor", as such term is defined in National Instrument 45-106 - Prospectus and Registration Exemptions of the Canadian Securities Administrators adopted under the securities legislation of the Canadian jurisdictions ("NI 45-106") and the Canadian Applicant is a "Canadian permitted client" within the meaning of National Instrument 31-103 – Registration Requirements and Exemptions of the Canadian Securities Administrators.

European Economic Area: In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), the Issuer has not made and will not make an offer of Offer Shares to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Offer Shares to the public in the Relevant Member State at any time: (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of Offer Shares will require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this restriction, the expression an "offer of Offer Shares to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe the Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United States: The Applicant hereby confirms that it understands that the Offer Shares have not been, and will not be, registered under the U.S. Securities Act and are subject to certain restrictions on transfer. Each Applicant that is a "U.S. person" as defined in Rule 902 ("Rule 902") of Regulation S under the U.S. Securities Act (a "U.S. Person") or that is located in the United States, its territories or possessions (collectively, the "United States") hereby confirms that it is a "qualified institutional buyer" ("QIB"), as defined in, and in reliance on, Rule 144A under the U.S. Securities Act, acquiring the Offer Shares for its own account or for one or more accounts each of which is a QIB in a transaction exempt from the registration requirements under the U.S. Securities Act. The Applicant further confirms that it has executed the U.S. Investor Representation Letter (Exhibit D). The Applicant also understands that the Offer Shares will be "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act and may not be offered, sold, pledged or otherwise transferred except (A)(i) to the Issuer, (ii) to a person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the U.S. Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904, as applicable,

of Regulation S under the U.S. Securities Act, (iv) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (v) pursuant to any other available exemption from registration under the U.S. Securities Act, or (vi) pursuant to an effective registration statement under the U.S. Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction. No representation can be made as to the availability of the exemption from registration provided by Rule 144 for re-sales of the Offer Shares. The Applicant also understands and agrees that it will acquire the Offer Shares from Beech Hill Securities Inc. (on behalf of Fearnley Securities AS).

Each Applicant that is not a U.S. Person or in the United States is, by executing this Agreement, deemed to represent and warrant to the Issuer and the Manager that (i) it is not a "U.S. Person" as defined in Rule 902 and is not acquiring the Offer Shares for the account or benefit of any U.S. Person; (ii) it will not transfer any of the Offer Shares within the United States and will not transfer directly or indirectly any of the Offer Shares to a U.S. Person (as defined in Rule 902) unless an exemption from registration is available; (iii) it is located outside the United States and is not executing this Agreement in order to purchase the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the purchase of the Offer Shares to any person in the United States; and (iv) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act.

Until 40 days after the completion of the distribution of all Offer Shares (such 40-day period, the "**distribution compliance period**"), the Applicant acknowledges and agrees that no offers, sales or transfers of any Offer Shares that are offered or sold outside the United States in reliance on the exemption from the registration requirements under Regulation S ("**Regulation S Shares**") may be made within the United States or to, or for the account or benefit of, U.S. Persons (other than to QIBs in compliance with Rule 144A under the U.S. Securities Act). During such distribution compliance period, all offers and sales of Regulation S Shares will be required to be placed through the Manager, who has represented and agreed with the Issuer that it will not affect any trades of Regulation S Shares in contravention of these restrictions.

The Applicant understands and acknowledges that the Issuer will not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

The Issuer agrees that for so long as any of the Offer Shares being offered and sold remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, if at any time the Issuer is neither subject to Section 13 or 15(d) under the U.S. Exchange Act nor the reporting requirements under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, the Issuer will furnish to any shareholder or to a prospective purchaser of the Offer Shares designated by such shareholder the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act, upon the written request by such shareholder.

United Kingdom: Each UK Applicant confirms that it understands that the Exchange Offer has only been communicated to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and only in circumstances where, in accordance with section 86(1) of the Financial and Services Markets Act 2000 ("FSMA") the requirement to provide an approved prospectus in accordance with the requirement under section 85 FSMA does not apply. Consequently, the Applicant understands that the Offer Shares may be offered only to "qualified investors" for the purposes of sections 86(1) and 86(7) FSMA, or to limited numbers of UK investors, or only where minima are placed on the consideration or denomination of securities that can be made available (all such persons being referred to as "relevant persons"). Any application or subscription for the Offer Shares is available only to relevant persons and will be engaged in only with relevant persons.

Commission

It is not allowed to apply or subscribe for Offer Shares by commission or similar arrangements.

Legal, valid and binding obligations

The Applicant has full power and authority to execute and deliver this Agreement and to apply and subscribe for the Offer Shares and is authorized to pay all amounts it has committed to pay by transferring the relevant number of Havyard Bonds and declaring set-off of such Havyard Bonds.

The execution and delivery of this Agreement has been authorized by all necessary action by the Applicant or on the Applicant's behalf, and this Agreement is and, upon acceptance of this Agreement and resolution to allocate Offer Shares to the Applicant by the Issuer, shall be, its legal, valid and binding obligations, enforceable against the Applicant in accordance with its terms. The Applicant bears the full risk for its legal ability to subscribe for and own Offer Shares, and its monetary liability under this undertaking will not cease to be effective in the event that subscription and ownership of Offer Shares would be illegal due to applicable statutory law and regulations. In such event, the Applicant shall fulfill the payment obligations that have been effected and will designate a third party to whom the Offer Shares are to be issued.

Disclosure

The Applicant hereby authorizes each of the Issuer and the Manager to produce this Agreement or a copy hereof to any party in any administrative or legal proceedings or official inquiry with respect to matters covered hereby, including, but not limited to, the Oslo Stock Exchange in connection with the Exchange Offer, to the extent required by law.

The Offer Shares' rights and transferability

The Allocated Shares cannot be traded until the allotment amount has been settled by the Applicant and the Allocated Shares have been registered at the Applicant's VPS account.

Governing Law

This Agreement and the Exchange Offer shall be governed by Norwegian law. Any disputes regarding this Agreement which cannot be solved amicably, shall be referred to the ordinary courts of Norway with Oslo as legal venue.

EXHIBIT I

U.S. INVESTOR REPRESENTATION LETTER
Additional Representations and Warranties Required for U.S. persons or
for Applicants Acquiring Offer Shares in the United States

The Applicant hereby represents and warrants that

- (i) the Applicant is a "qualified institutional buyer" ("QIB") as defined under Rule 144A ("Rule 144A") promulgated under the United States Securities Act of 1933, as amended (the "Securities Act");
- (ii) the Applicant is aware that the Offer Shares are being offered in reliance on Rule 144A;
- (iii) the Applicant is acquiring the Offer Shares for its own account or for the account of a QIB and not with a view to any resale or distribution in violation of the Securities Act;
- (iv) the Applicant understands that the Offer Shares will not be registered under the Securities Act and will be "restricted securities" (as defined in Rule 144 under the Securities Act) and that the Offer Shares may not be reoffered, resold, pledged or otherwise transferred, except (A)(i) to the Issuer, (ii) to a person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (v) pursuant to any other available exemption from registration under the Securities Act, or (vi) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;
- (v) the Applicant has had access to and has received such financial and other information regarding the Issuer and the Offer Shares as the Applicant deems necessary in order to make an informed investment decision to subscribe for the Offer Shares. If the Applicant has had any questions regarding the Issuer or the Offer Shares, the Applicant has asked these questions and has received satisfactory answers from representatives of the Issuer. The Applicant has not relied on representations, warranties, opinions, projections, financial or other information or analysis, if any, supplied to it by any person other than the Issuer or any of its affiliates;
- (vi) the Applicant is a sophisticated institutional investor and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of international investments, including an investment in the Offer Shares. In the normal course of its business, the Applicant invests in or purchases securities similar to the Offer Shares. The Applicant is aware that it may be required to bear the economic risk of an investment in the Offer Shares for an indefinite period of time, and it is able to bear such risk for an indefinite period. The Applicant is able to bear the economic risks of such an investment, including the loss of its entire investment. The Applicant understands that it may not necessarily be able to liquidate its investment in the Offer Shares;
- (vii) the Applicant has relied upon its own tax, legal and financial advisers in connection with its decision to subscribe for the Offer Shares and believes that an investment in the Offer Shares is suitable for the Applicant based upon the Applicant's investment objectives, financial needs and personal contingencies. The Applicant has no need for liquidity of investment with respect to the payment for the Offer Shares;
- (viii) the Applicant is not acquiring the Offer Shares with a view to or for the purposes of resale, distribution or fractionalization, in whole or in part thereof. The Applicant has made no agreement with others regarding any of the Offer Shares. The Applicant is aware that, in the view of the U.S. Securities and Exchange Commission, a subscription of the Offer Shares with an intent to distribute them in connection with any foreseeable, specific contingency or anticipated change in market values, or any change in the condition of the Issuer, or a contemplated liquidation or settlement of any loan obtained for the acquisition of the Offer Shares and for which the Offer Shares are to be pledged, would, in each case, represent an intent inconsistent with the representations set forth herein. The Applicant acknowledges that the Issuer, the Manager and their respective directors, employees, agents, representatives and affiliates will rely on the truth and accuracy of the statements made herein in making any transfer of the Offer Shares to the Applicant, and that such statements will survive the execution and delivery of this document and the Applicant's subscription of the Offer Shares, and the Applicant agrees to notify the Issuer and the Manager promptly in writing if any such statements cease to be accurate and complete;
- (ix) the Applicant agrees that so long as the Offer Shares are "restricted securities" as defined in Rule 144 under the Securities Act, it shall notify each transferee of the Offer Shares from it that (a) such Offer Shares have not been registered under the Securities Act; (b) such Offer Shares are subject to the restrictions on the resale or other transfer thereof described above; (c) such transferee shall be deemed to have represented that (i) it is a non-US person acquiring the Offer Shares in an offshore transaction pursuant to Regulation S, (ii) it is a QIB acquiring the Offer Shares in a transaction that complies with the requirements of the exemption from registration provided for in Rule 144A and any applicable laws of the states of the United States, or (iii) that it is an institutional investor acquiring the Offer Shares in a transaction exempt from registration under the Securities Act and that such transferee is not an "underwriter" within the meaning of Section 2(11) of the Securities Act; and (d) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing.
- (x) The Applicant has not subscribed to the Offer Shares as a result of any "general solicitation" or "general advertising" in the United States (within the meaning of Rule 502(c) under the Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and
- (xi) the Applicant understands that the Issuer will not recognize any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions

The Applicant understands and agrees that it will acquire the Offer Shares from Beech Hill Securities Inc. (on behalf of Fearnley Securities AS). The Applicant irrevocably authorizes the Issuer and/or the Manager to produce this Exhibit I or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Signature of Applicant *

***Only Applicants who are US Persons or are located in the United States are required to make the representations and warranties set forth in this Exhibit I.**