

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

To the bondholders in:

ISIN: NO 001 0744246 - 12 per cent. NSA Bondco Limited Secured Callable Bond Issue 2015/2020

Oslo, 20 April 2017

NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTIONS – PROPOSAL TO TERMINATE THE CHARTERPARTY

Nordic Trustee ASA (the "**Bond Trustee**") acts as bond trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bond Issue**") with NSA Bondco Limited as issuer (the "**Issuer**").

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement for the Bond Issue dated 31 August 2015 (the "**Bond Agreement**"), unless otherwise stated herein.

The Issuer has requested the Bond Trustee to issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Bondholders' Resolutions*) of the Bond Agreement to consider the approval of the Proposed Resolution, as further set out below.

The information in this notice regarding the Issuer and market conditions is provided by the Issuer, and the Bond Trustee expressly disclaims any liability whatsoever related to such information.

1. BACKGROUND

The Issuer entered into a bareboat charter with Norshore Management AS (the "**Charterer**") regarding the vessel known as "Norshore Atlantic" (the "**Vessel**") dated 31 August 2015 (the "**Charterparty**"), pursuant to which the Charterer is responsible for operating the Vessel. All payments made under the Charterparty were to be used to (i) pay interest on the Bonds, and (ii) either redeem the Bonds at the Face Value or conduct a buyback of the Bonds.

The Vessel is currently off contract. In a notice dated 1 April 2016, the Bondholders were informed that there is currently a payment default under the Charterparty and that as a result several reservation of rights letters have been sent to the Charterer. Payments under the Charterparty have not been made since November 2015 ("**Unpaid Charter Hire**") and the payment defaults have not yet been cured. As a result it is likely that there will be no further payments under the Charterparty.

On 7 July 2016, the Issuer entered into (i) a memorandum of sale (the "**MoA**") in respect of a sale of the Vessel and the BOP for a sale price of USD 85 million with the Charterer's shareholder, Ocean Champion Holding Limited ("**Ocean**") which was due to complete on or before 7 October 2016 and (ii) a standstill letter (the "**Standstill Letter**") regulating, among other things, the Issuer's right to repossess the Vessel and/or terminate the Charterparty during the Standstill Period (as defined below). A deposit of USD 5 million was paid in accordance with the terms of the MoA (the "**Initial Deposit**").

Pursuant to the Standstill Letter, a standstill period commenced on the date of execution of the MoA and ended on the date falling 3 months after the execution of the MoA (namely, on 7 October 2016) (the "**Standstill Period**").

During the Standstill Period (i) the payment defaults under the Charterparty and certain obligations were waived and the Issuer agreed not to take any steps to enforce security granted in its favour or any of its rights under the Charterparty, (ii) the Bond Trustee agreed not to interfere with the Charterer's use, possession and quiet enjoyment of the Vessel and not to take any action to enforce any of its security rights, and (iii) Ocean agreed to raise finance to complete the purchase.

During the Standstill Period, Ocean was contracted to pay to the Issuer a standstill fee of USD 15,000 per day (the "**Standstill Fee**"), payable monthly in arrears within ten (10) calendar days after the end of each month.

The Standstill Period has now automatically terminated in accordance with the terms of the Standstill Letter. The Standstill Fees for the month of September 2016 and the period from 1 October 2016 to 7 October 2016 (the "**Unpaid Standstill Fee**") have not been paid and the MoA has not been completed. The Charterer remains in default under the Charterparty.

After consulting with the Advisory Committee, the Issuer is proposing to (i) demand payment of all unpaid amounts under the Charterparty, (ii) take steps to demand payment of the Unpaid Standstill Fee from Ocean and take any necessary recovery action in connection therewith; and (iii) request that the BOP Retention Amount (as defined in the Charterparty) is released by the Charterer upon the Issuer's directions.

AMA Capital Partners ("**AMA**") have been instructed to manage the business affairs of the Issuer in connection with the sale of the Vessel. After consulting with the Advisory Committee, the Issuer has conditionally agreed to the amended terms and conditions of AMA's continued engagement (the "**AMA Terms of Engagement**"), namely that: AMA shall provide additional services in connection with a proposed re-possession of the Vessel including, but not limited to, changing technical management, supporting a hand-over of the Vessel, dealing with a proposed layup of the Vessel, advising and facilitating recovery and/or removal of equipment from the Vessel.

2. THE PROPOSAL

Pursuant to the Bond Agreement Clause 13.3 paragraph (k), the Issuer may not "*exercise any of its rights*" under the Charterparty, the BOP Sale Agreement and the Charterer Assignment Agreement without the Bond Trustee's written consent. The Issuer is therefore, as recommended by the Advisory Committee, requesting that the Bondholders instruct the Bond Trustee to provide written consent to the Issuer to exercise its rights under the Charterparty and its rights under the BOP Sale Agreement (and if necessary, the Charterer Assignment Agreement) in order to demand repayment of the Unpaid Charter Hire and direct the BOP Retention Amount be released to it.

The Advisory Committee have already indicated their support for the proposal as outlined below (the "**Proposal**").

2.1 The Proposed Resolution

The Issuer requests that the Bondholders adopt the following resolution (the "**Proposed Resolution**"):

- A. *the Bond Trustee shall consent to the Issuer exercising its rights under the Charterparty, the BOP Sale Agreement, the Standstill Letter and if necessary, the Charterer Assignment Agreement in order to demand payment of the Unpaid Charter Hire, the Unpaid Standstill Fees and direct the BOP Retention Amount be released to it;*
- B. *the Bond Trustee shall consent to the Issuer taking all necessary steps to recover the Unpaid Charter Hire, the Unpaid Standstill Fees and direct the release of the BOP Retention Amount*

and/or enforce the security over the Charterer's Collateral Account granted under the Assignment Agreement;

- C. the Bond Trustee shall consent to the Issuer taking appropriate recovery action in relation to the Unpaid Standstill Fees, including (but not limited to) issuing demands to Ocean and/or the Charterer (as applicable);*
- D. the Bond Trustee shall act on the instructions or advice of the Advisory Committee with respect to any further requests from the Issuer relating to exercising any of its rights in connection with the termination of the Charterparty and/or redelivery of the Vessel;*
- E. the Bond Trustee shall consent to the Issuer taking all necessary steps including, among other things, engaging relevant advisors and service providers in connection with a proposed re-possession of the Vessel;*
- F. the Bond Trustee shall consent to the Issuer entering into an agreement with AMA giving effect to the revised AMA Terms of Engagement; and*
- G. the Bond Trustee shall consent to the Issuer instructing advisors to provide any services the Issuer may require from time to time in connection with exercising its rights, which advisors shall include (but not be limited to) Cadwalader, Wickersham & Taft LLP, Advokatfirmaet Thommessen AS, Joseph and Partners, HTLegal LLP, AMA Capital Partners, Mourant Ozannes (Cayman and B.V.I), Rajah & Tann Singapore LLP and Allen & Gledhill.*

Other than any waivers and amendments prompted by the Proposal, the terms and conditions of the Bond Agreement will remain unchanged and will continue to apply in their existing form.

3. Non reliance

The Proposed Resolutions are presented to the Bondholders without evaluation or recommendation from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable.

4. Written Bondholders' resolutions

Bondholders are hereby provided with a voting request for Bondholders' written resolutions pursuant to clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

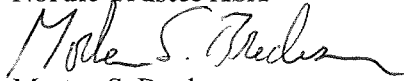
For a vote to be valid, the Bond Trustee must have received it by mail, courier or e-mail to the address indicated in the enclosed form (the "**Voting Form**") no later than 28 April 2017 at 13:00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of clause 16.5 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt is 1/2 of the Voting Bonds pursuant to clause 16.3.4 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that the Bonds have been transferred to a new owner after voting is conducted, the new Bondholders shall accordingly not be entitled to vote.

Yours sincerely

Nordic Trustee ASA



Morten S. Brede

Enclosed: Written Bondholders' resolution

Written Bondholders' resolution

ISIN: NO 001 0744246 - 12 percent NSA Bondco Limited Senior Callable Bond Issue 2015/2020

The undersigned holder or authorised person/entity votes in the following manner:

1. The Proposed Resolution as defined in the notice for written resolution dated 20 April 2017:

- ☐ **In favour** of the Proposed Resolutions
☐ **Against** the Proposed Resolutions

ISIN ISIN NO 001 0744246	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of _____

We acknowledge that Nordic Trustee ASA in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:

Nordic Trustee ASA
P.O. Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
mailto: mail@nordictrustee.no

¹If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are held, and (iii) the amount of bonds owned.