This letter to the bondholders is issued in Norwegian only.
For further information please contact Nordic Trustee AS.

Til obligasjonseierne i:

ISIN: NO0010793870 - I. M. Skaugen SE 17/18 FRN USD C

Oslo, 4. april 2018

Innkalling til obligasjonseiermøte

Nordic Trustee AS er tillitsmann («**Tillitsmannen**») for ovennevnte obligasjonslån («**Obligasjonslånene**»), utstedt av I. M. Skaugen SE («**Utstederen» eller «Selskapet»**)).

Informasjonen i denne innkallingen vedrørende Utstederen eller markedsforhold er gitt av Utsteder og Tillitsmannen har ikke på noen måte ansvar for slik informasjon.

1. Bakgrunn

I.M. Skaugen SE har de senere årene gjennomført en strategisk endringsprosess, hvor man har gått fra å være en leverandør av maritime transporttjenester innenfor LPG og petrokjemiske gasser, til å bli en totalleverandør av småskala LNG («SSLNG») løsninger for kunder som trenger en logistikkløsning for energiformål. Resultatene av dette arbeidet har begynt å vise seg, bl.a. gjennom et "Proof of Concept" prosjekt i Afrika.

Selskapet antas, innen kort tid, å få re bekreftelse på SSLNG-kontraktene i Afrika. Som et ledd i en pågående samstilling av prosjektet med den nasjonale energipolitikken i landet, har en statlig enhet påtatt seg ansvaret med å gjennomføre prosjektet som ble igangsatt av to privat eide kraftverk. Det statlige selskapet vil være ansvarlig for import og redistribusjon av LNG i landet, og nye logistikk kontraktene for SSLNG-prosjektet vil bli tegnet. Prosjektet, som starter med to skip, vil innen rimelig tid kunne bli utvidet til tre skip med en kontrakt som over en 10-års periode leverer en vesentlig årlig kontantstrøm for å betjene lånene.

Selskapet befinner seg imidlertid i en finansielt vanskelig situasjon i forbindelse med låneforfall før kontantstrøm fra LNG kontrakter kommer. Det har derfor vært arbeidet med å refinansiere Selskapet slik at det etableres et finansielt grunnlag for videre drift samtidig som man så langt som mulig verner om verdiene til alle interessenter. Å gjennomføre en slik refinansiering er i tillegg nødvendig for å kunne forplikte seg til å levere tjenester over lang tid i SSLNG prosjektet.

I 2017 ble det arbeidet med en refinansierings plan basert på et hovedprinsipp om full dekning til alle kreditorer og samarbeidspartnere og herunder eiere av skip på lease. Selskapet oppnådde støtte for denne planen hos de aller fleste motparter, og høsten 2017 fremstod det som man var i ferd med å kunne nå frem til avtaler med de finansielle långivere kreditorer og alle lease motparter.

På dette tidspunktet trakk imidlertid Teekay LNG Partners seg plutselig fra forhandlingene, og terminerte seks bareboat certepartier med Selskapets datterselskap, SMIPL Pte Ltd ("SMIPL") den 16. november 2017. Etter dette har Teekay inntatt en meget aggressiv holdning overfor Selskapet, herunder tatt en rekke rettslige skritt mot SMIPL og mot Selskapet. Samtidig har Teekay gjort det klart at de har som målsetning å videreføre en konkurrerende virksomhet til Selskapets virksomhet. Selskapet har på sin side, og gjennom SMIPL, betydelige motkrav på Teekay som et resultat av illojal adferd i forbindelse med terminering av kontraktene, videreføring av konkurrerende virksomhet og brudd på avtaleverket og herunder pool avtalene. Teekay's handlinger gjorde det umulig å komme i mål med den opprinnelige refinansierings planen.

2. Revidering av refinansieringsplanen til Selskapet – Newco-struktur

Selskapet har etter dette arbeidet med en alternativ plan. Et nødvendig element i denne planen har vært å hente inn ny risiko kapital. Prosessen har vist at det ikke er realistisk å hente inn ny risiko kapital i I.M. Skaugen SE på det nåværende tidspunkt. I tillegg er det viktig å legge til rette for risiko kapitalinnhenting i fremtiden for å kunne muliggjøre en videreutvikling av SSLNG-virksomheten. Intensjonen er derfor å etablere selskapet Norgas Carriers AS, som i dag er et datterselskap av I.M. Skaugen SE, som morselskap i et refinansiert konsern. Det er ikke intensjonen at Norgas Carriers AS vil være børsnotert.

Hovedtrekkene i refinansieringsplanen er som følger:

- Det gjennomføres en emisjon av 27 088 526 preferanseaksjer i Norgas Carriers AS på til sammen USD 3 millioner. Provenyet fra emisjonen vil kunne bli benyttet til å betale påløpte og ubetalte renter og avdrag under Selskapets banklån.

- Emisjonen garanteres av Kistefos AS, men aksjonærene i I.M. Skaugen SE vil få tilbud om å kjøpe sin forholdsmessige andel av preferanseaksjene. I den grad preferanseaksjene kjøpes av aksjonærene i I.M. Skaugen SE vil Kistefos AS motta frittstående tegningsretter som gir rett til å tegne inntil 13 544 263 preferanseaksjer tilsvarende inntil 20% (før en eventuell konvertering av den konvertible obligasjonen) av aksjene i Norgas Carriers AS på tilsvarende betingelser som emisjonen. Innbetaling under garantien er betinget bl.a. av en tilfredsstillende løsning med bankene.

- Norgas Carriers AS har til intensjon å tilby aksjonærene i I.M. Skaugen SE å bytte sine aksjer i dette selskapet med aksjer i Norgas Carriers AS på en 1-1 basis. Disse aksjene, maksimalt 27 088 526, vil da utgjøre 50% av aksjekapitalen i Norgas Carriers AS hvor preferanseaksjene vil utgjøre resterende 50% (pålydende vil bli satt til NOK 0,05 per aksje). Nærmere detaljer om et slikt tilbud vil bli presentert når endelige beslutninger er truffet.

- Norgas Carriers AS vil i prosessen overta Selskapets sin virksomhet. Dette gjelder spesielt Selskapet sitt eierskap i SSLNG aktivitetene og herunder forretningsutvikling, kunnskap og ressurser inkludert alle SSLNG prosjekter. Også de to SSLNG skip samt

I.M. Skaugen gruppens eierselskap av disse planlegges overført. Oppgjør av dette skjer blant annet ved en gjeldsovertakelse / debitor skifte på;

Norgas Carriers AS vil tilby å overta I.M. Skaugen SEs eksisterende obligasjonsgjeld på ca. USD 56,9 millioner. Etter dette debitorskiftet vil obligasjonslånet bli delt i to nye lån: (i) et fem-års lån på ca USD 31,9 millioner med PIK-rente på 3% p.a. de første tre årene og deretter 7,5% kontantrente og (ii) et rentefritt konvertibelt obligasjonslån på USD 25 millioner som kan konverteres til 25% av aksjene (inntil 18 059 017 aksjer) i Norgas Carriers AS på fullt utvannet basis (uten å hensynta eventuelle tegningsretter).

Norgas Carriers AS vil også tilby å overta de eksisterende banklånene (førsteprioritetslån og annenprioritetslån) på ca USD 55 millioner, og i prosessen arbeide med en kortere forlengelse samt etablere en mer langsiktig refinansiering av den sikrede gjelden. P.t. er en avtale med bankene ikke på plass og forventes ikke å komme på plass før andre forhold er klarlagt.

3. Forslaget

Usteder ber på dette grunnlag om samtykke fra obligasjonseierne til å gjennomføre tilbakebetaling av IMSK14 med nye obligasjoner gjennom utstedelse av følgende nye obligasjoner med Norgas Carriers AS (Newco) som utsteder («**Forslaget**»):

i. En ny konvertibel obligasjon som beskrevet nærmere i Convertible Bond Term Sheet i Vedlegg 2
ii. En ny obligasjon som beskrevet nærmere i Unsecured Bond Term Sheet i Vedlegg 3

De nye obligasjonene vil være garantert av IM Skaugen SE. SSLNG-kontrakten i Afrika kan kun inngås av den nye debitoren som er Norgas Carriers AS (inkludert datterselskap) eller I.M. Skaugen SE (inkludert datterselskap), og om den inngås av I.M Skaugen SE skal det gjennomføres et debitorskifte tilbake til IM Skaugen SE.

4. Ytterligere informasjon

For ytterligere opplysninger, vennligst kontakt Arctic Securities AS som er engasjert av Utsteder som finansiell rådgiver i forbindelse med denne innkallingen («**Tilretteleggeren**»).

Jan Henrik Getz: tel: +47 21 01 32 92, mob: +47 48 40 32 92, email: jan.getz@arctic.com

Tilretteleggeren er kun engasjert av Utstederen i forbindelse med denne innkallingen. Tilretteleggeren har ikke foretatt noen formell «due diligence» av Utstederen, og Tilretteleggeren fraskriver seg ethvert ansvar i forbindelse med Forslaget (inkludert, men ikke begrenset til, informasjonen i denne innkallingen).

Utsteder har anmodet Tillitsmannen om å fremlegge forslaget til endringer av obligasjonsavtalene for Obligasjonslånene for avgjørelse på et obligasjonseiermøte.

5. Vurdering/anbefaling av Tillitsmannen

Forslaget fremlegges for obligasjonseierne uten ytterligere vurdering eller anbefaling fra Tillitsmannen. Obligasjonseierne må på egen hånd vurdere sin stemmegivning over forslaget.

Usteder har informert Tillitsmannen om at over 50% av obligasjonseiere stiller seg positive til Forslaget.

6. Obligasjonseiermøte:

Obligasjonseierne innkalles herved til obligasjonseiermøte:

Tidspunkt:	**19. april 2018 - kl 13:00**
Sted:	**Nordic Trustees lokaler,** **Haakon VIIs gate 1, 0161 Oslo, 6. etg.**

Til behandling foreligger:

1. Godkjennelse av innkallingen.
2. Godkjennelse av dagsorden.
3. Valg av to personer som sammen med møteleder skal underskrive protokollen.
4. Samtykke til endring av Obligasjonsavtalen:

   Det fremsettes følgende forslag til vedtak:

   «Obligasjonseiermøtet vedtar Forslaget som beskrevet i seksjon 2 av denne innkallingen.»

   Ovennevnte vedtak vil etter obligasjonsavtalene til Obligasjonslånene kreve tilslutning fra minst 2/3 av avgitte stemmer på obligasjonseiermøtet, samt at minimum 5/10 av stemmeberettigede obligasjoner er representert på obligasjonseiermøtet. Hvis forslaget ikke blir vedtatt vil obligasjonsavtalene til Obligasjonslånene løpe videre på uendrede vilkår.

Vedlagte Obligasjonseierskjema fra Verdipapirregisteret (VPS) angir obligasjonseiers obligasjonsbeholdning på utskriftstidspunktet. Obligasjonseierskjemaet tjener som bevis for eierforholdet og stemmeretten for obligasjonene på obligasjonseiermøtet. (Er obligasjonene registrert via forvalter må forvalteren bekrefte; (i) hvem som er obligasjonseier, (ii) samlet pålydende på obligasjonene og (iii) kontonummer i VPS.)

Den enkelte obligasjonseier kan gi Nordic Trustee fullmakt til å stemme på deres vegne. Obligasjonseierskjemaet vil da også tjene som fullmaktsskjema. Fullmakt gis ved å oversende Obligasjonseierskjemaet i undertegnet stand til Nordic Trustee i tilstrekkelig tid før avholdelse av obligasjonseiermøtet (ved scannet e-mail, telefax eller post - se første side av dette brev for ytterligere detaljer).

De som er registrert som holdere av obligasjoner i verdipapirregisteret ved utløpet av dagen før avholdelse av Obligasjonseiermøtet kan stemme på Obligasjonseiermøte. Er obligasjoner overført til ny eier etter utskriften av Obligasjonseierskjemaet må ny eier ta med til obligasjonseiermøtet (eller vedlegge fullmakten) bekreftelse som etter Tillitsmannens mening vil være tilstrekkelig bevis for eierskapet til obligasjonene.

Av praktiske grunner ber vi om at obligasjonseiere som ønsker å være tilstede personlig eller med fullmektig (annen enn Nordic Trustee) på selve obligasjonseiermøtet melder dette til Nordic Trustee på telefon eller e-post (mail@nordictrustee.com) innen kl 1600 bankdagen før avholdelse av obligasjonseiermøtet.

Med vennlig hilsen
Nordic Trustee AS

Fredrik Lundberg

Vedlegg 1: Obligasjonseierskjema
Vedlegg 2: Convertible Bond Term Sheet
Vedlegg 3: Unsecured Bond Term Sheet

Term Sheet

Norgas Carriers AS senior unsecured 2018/2023 Fixed USD C

ISIN NO [•]

Issue Date: [•] 2018

Bond Agreement:	Adjusted for the specific terms described below, the existing terms of the I. M. Skaugen SE 17/18 FRN USD C (ISIN NO 001 079387.0) ("**IMSK14**") shall be applicable to the new bond.
Issuer:	Norgas Carriers AS, incorporated under the laws of Norway with business registration number NO. 920 342 752 .
Guarantor:	I.M. Skaugen SE, incorporated under the laws of Norway with business registration number NO. 977 241 774.
Group:	The Issuer with all its Subsidiaries from time to time (each a "Group Company").
Manager:	Arctic Securities AS.
Bond Trustee:	Nordic Trustee AS.
Currency:	USD.
Issue Amount:	USD 31,894,751.
Settlement Date:	[•] 2018. Confirmation of Settlement Date to be given to subscribers minimum five Business Days prior to the Settlement Date.
Maturity Date:	5 April 2023.
Interest Rate:	From 6 April 2018 and up until 6 April 2021 (3 years after 6 April 2018) the interest rate will be the PIK Rate, thereafter it will be the Coupon Rate.
PIK Rate:	3.00 per cent per annum, payable semi-annual interest payments in arrears by way of issuance of additional Bonds
Coupon Rate:	7.5% per cent per annum, payable semi-annual interest payments in arrears. The Coupon Rate shall be paid in cash, however, if the Issuer has not been able to pay preference dividend on its preference shares or redeem preference shares pursuant to any request for redemption made by holders of preference shares in accordance with the Issuer's articles of association, the Issuer shall pay the Coupon Rate by way of issuance of additional

	Bonds the two subsequent Interest Payment Dates. After this, the Coupon Rate shall be paid in cash assuming that the Issuer has made all due payments on the preference shares.
Interest Payment Date:	The last day of each Interest Period, provided, however, that the first Interest Payment Date shall be 6 October 2018. The last Interest Payment Date shall be the Maturity Date.
Interest Periods:	Means, subject to adjustment in accordance with the Business Day Convention, the period between 6 April and 6 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Escrow account:	None.
Business Day:	Means any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo and New York.
Business Day Convention:	Means that if the relevant Interest Payment Date falls on a day that is not a Business Day, no adjustment will be made to the Interest Period.
Price:	100% of the Initial Nominal Amount.
Initial Nominal Amount:	Each Bond will have an Initial Nominal Amount of USD 1.
Conditions Precedent:	The Bond Issue is subject to the following conditions: (i) Approval of the proposal to Bondholders as set out in the Summons to Bondholders Meeting dated 4 April 2018 in the Bondholders Meeting on 18 April 2018 2018, and (ii) Any statements, document or legal opinion reasonably required by the Bond Trustee.
Mandatory change of Issuer:	The contract in relation to the SSLNG project in Africa (the "**Africa Contract**"), originally signed 20 January 2017, may not be entered into (as owners) by any party other than the Issuer (including any subsidiaries of the Issuer) or I.M. Skaugen SE (including any subsidiaries of I. M. Skaugen SE). If the Africa Contract is entered into by I.M. Skaugen SE a mandatory change of issuer shall take place whereby I.M. Skaugen SE shall become the new issuer.
Voluntary early redemption - Call Option:	The Issuer may redeem all but not only some of the Outstanding Bonds on any Business Day from and including the Issue Date to, but not including, the Maturity Date at a price equal to 100.00% of par value plus accrued interests on redeemed amount.
Change of Control Event:	The occurrence of an event or series of events whereby a person or group of persons acting in concert other than Eikland AS or the Skaugen family gaining Decisive Influence over the Issuer.
Put Option:	Upon the occurrence of a Change of Control Event, each Bondholder will have a right (Put Option) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 100% of the Nominal Amount during a period of 30 calendar days following the notice of a Change of Control Event. The Put Option repayment date will be

the fifth Business Day after the end of the 30 calendar days exercise period. The settlement of the Put Option will be based on each Bondholders holding of Bonds at that day.

If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

Information covenants:	The Issuer shall produce annual financial statements no later than 120 days after the end of each financial year and half-yearly financial statements in respect of the first six months of each financial year no later than 90 days after the end of such half-year period. Otherwise, the same information covenants as in IMSK 14 shall apply.
General Covenants:	(i) No payment of dividends, provided, however, that the Issuer shall be entitled to pay preference dividend on its preference shares once the Africa Contract has started and the Issuer has started to receive payments from the counterparty. (ii) Negative pledge over existing assets of I.M. Skaugen SE to be acquired by the Issuer, except for security interests under existing debt arrangements and other customary carve-outs. (iii) No merger etc of the Company or a Material Subsidiary which would have a Material Adverse Effect, provided, however, that the Issuer shall have the right to enter into a tripartite merger whereby I.M.. Skaugen SE is merged into a subsidiary of the Issuer. (iv) No demerger of the Company or a Material Subsidiary which would have a Material Adverse Effect. (v) The Issuer shall not cease to carry out its business (vi) No disposal by the Issuer or a Material Subsidiary of all or a substantial part of its or the Group's assets to any person not being member of the Group if this would have a Material Adverse Effect. (vii) Intragroup transactions to be on commercial terms and in accordance with laws. (viii) Related party transactions to be on commercial terms and in accordance with laws (ix) No change of corporate status of the Issuer if this would have a Material Adverse Effect. (x) Compliance with laws.
Financial Covenants:	None.
Material Adverse Effect:	a material adverse effect on: (i) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or (ii) the validity or enforceability of any of the Finance Documents.
Material Subsidiaries	(i) any Group Company owning ships and of which the Issuer directly or indirectly owns 50 % or more of the shares and whose total consolidated assets represent at least 10 % of the total consolidated assets of the Group; and/or (ii) any Group Company owning ships and of which the Issuer directly or indirectly owns 50 % or more of the shares whose total consolidated net sales represent at least 10 % of the total consolidated net sales of the Group;

provided that I.M. Skaugen SE and its subsidiaries shall never be "Material Subsidiaries" (expect for Somargas II PTE Lt which shall be a "Material Subsidiary" for as long as it falls within the above definition).

Listing: The Issuer shall apply for listing of the Bonds on ABM within 12 months.

Terms of subscription: Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Agreement on behalf of the prospective Bondholder. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Agreement and the latter's execution and delivery is on behalf of all of the bondholders in IMSK14 as of the Settlement Date, such that they thereby will become bound by the Bond Agreement. The Bond Agreement specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.

The Bond Agreement shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.

Subscription Restrictions: The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act.

The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

Information about Bondholders: The Issuer is entitled to receive information from the Paying Agent about the identity of the registered Bondholders and their registered holdings of Bonds.

Transfer Restrictions: The Bonds are freely transferable and may be pledged, subject to the following:

(i) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

(ii) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Agreement provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

Governing Law: Norwegian law.

Oslo, [•] 2018

Norgas Carriers AS As Issuer	**Arctic Securities AS** As Manager

Term Sheet

Norgas

Norgas Carriers AS senior unsecured convertible 2018/2023 USD C

ISIN NO [•]

Issue Date: [•] 2018

Bond Agreement:	Adjusted for the specific terms described below, the existing terms of the I. M. Skaugen SE 17/18 FRN USD C (ISIN NO 001 079387.0) ("**IMSK14**") shall be applicable to the new bond.
Issuer:	Norgas Carriers AS, incorporated under the laws of Norway with business registration number NO. 920 342 752.
Guarantor:	I.M. Skaugen SE, incorporated under the laws of Norway with business registration number NO. 977 241 774.
Group:	The Issuer with all its Subsidiaries from time to time (each a "Group Company").
Manager:	Arctic Securities AS.
Bond Trustee:	Nordic Trustee AS.
Currency:	USD.
Issue Amount:	USD 25,000,000.
Settlement Date:	[•] 2018. Confirmation of Settlement Date to be given to subscribers minimum five Business Days prior to the Settlement Date.
Maturity Date:	5 April 2023.
Interest Rate:	0.0%.
Escrow account:	None.
Business Day:	Means any day on which commercial banks are open for general business and can settle foreign currency transactions in Oslo and New York.
Price:	100% of the Initial Nominal Amount.
Initial Nominal Amount:	Each Bond will have an Initial Nominal Amount of USD 1.
Conditions Precedent:	The Bond Issue is subject to the following conditions:

(i) Approval by the general meeting of the Issuer,

(ii) Approval of the proposal to Bondholders as set out in the Summons to Bondholders Meeting dated 4 April 2018 in the Bondholders Meeting on 18 April 2018 2018, and

(iii) Any statements, document or legal opinion reasonably required by the Bond Trustee.

Mandatory change of Issuer:	The contract in relation to the SSLNG project in Africa (the "**Africa Contract**"), originally signed 20 January 2017, may not be entered into (as owners) by any party other than the Issuer (including any subsidiaries of the Issuer) or I.M. Skaugen SE (including any subsidiaries of I. M. Skaugen SE). If the Africa Contract is entered into by I.M. Skaugen SE a mandatory change of issuer shall take place whereby I.M. Skaugen SE shall become the new issuer.
Voluntary early redemption - Call Option:	The Issuer may redeem all but not only some of the Outstanding Bonds on any Business Day from and including the Issue Date to, but not including, the Maturity Date at a price equal to 125.00% of par value plus accrued interests on redeemed amount. The Issuer must give 12 Business Days prior written notice of any exercise of the Call Option. If the Issuer exercises its Call Option, the Bondholders can exercise their conversion rights within the first 10 Business Days' notice period.
Chance of Control Event:	The occurrence of an event or series of events whereby a person or group of persons acting in concert other than Eikland AS or the Skaugen family gaining Decisive Influence over the Issuer.
Put Option:	Upon the occurrence of a Change of Control Event, each Bondholder will have a right (Put Option) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 100% of the Nominal Amount during a period of 30 calendar days following the notice of a Change of Control Event. The Put Option repayment date will be the fifth Business Day after the end of the 30 calendar days exercise period. The settlement of the Put Option will be based on each Bondholders holding of Bonds at that day. If Bonds representing more than 90 per cent of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.
Conversion:	Each Bondholder may convert its Bonds into ordinary shares of the Issuer at any time. If all the Bonds are converted the Issuer shall issue 18,059,017 new shares in exchange assuming that the Issuer issues a total of 27,088,526 consideration shares in exchange for shares in I.M. Skaugen. If the number of consideration shares actually issued is less than 27,088,526 the number of shares to be issued on a conversion of all the Bonds (the "**Conversion Shares**") shall be equal to:

(27,088,526 + number of consideration shares actually issued by the Issuer in exchange for shares in I.M. Skaugen SE) / 75% - (27,088,526 + number of consideration shares actually issued by the Issuer in exchange for shares in I.M. Skaugen SE)

If only some bonds are converted, the number of new shares shall be reduced proportionately. The number of new shares to be issued upon conversion shall be rounded down to the nearest number of whole shares

Conversion Price: The conversion price is USD [1.3818] at time of Conversion assuming that the Issuer issues a total of 27,088,526 *consideration shares in exchange for shares in* I.M. Skaugen SE. If the number of consideration shares actually issued is less than 27,088,526 the conversion price will be equal to USD 25,000,000 divided by the Conversion Shares.

Conversion Price Adjustment: The conversion price will be adjusted for any split or consolidation of the shares of the Issuer or any bonus issue of new shares. Customary adjustment principles shall apply in case of a de-merger of the Issuer or a merger where the Issuer is the acquired party. No adjustments for any issuance of new shares and no adjustment for distributions.

Information covenants: The Issuer shall produce annual financial statements no later than 120 days after the end of each financial year and half-yearly financial statements in respect of the first six months of each financial year no later than 90 days after the end of such half-year period.

Otherwise, the same information covenants as in IMSK 14 shall apply.

General Covenants:

(i) No payment of dividends, provided, however, that the Issuer shall be entitled to pay preference dividend on its preference shares once the Africa Contract has started and the Issuer has started to receive payments from the counterparty.
(ii) Negative pledge over existing assets of I.M. Skaugen SE to be acquired by the Issuer, except for security interests under existing debt arrangements and other customary carve-outs.
(iii) No merger etc of the Company or a Material Subsidiary which would have a Material Adverse Effect, provided, however, that the Issuer shall have the right to enter into a tripartite merger whereby I.M.. Skaugen SE is merged into a subsidiary of the Issuer.
(iv) No demerger of the Company or a Material Subsidiary which would have a Material Adverse Effect.
(v) The Issuer shall not cease to carry out its business
(vi) No disposal by the Issuer or a Material Subsidiary of all or a substantial part of its or the Group's assets to any person not being member of the Group if this would have a Material Adverse Effect.
(vii) Intragroup transactions to be on commercial terms and in accordance with laws.
(viii) Related party transactions to be on commercial terms and in accordance with laws
(ix) No change of corporate status of the Issuer if this would have a Material Adverse Effect.
(x) Compliance with laws.

Financial Covenants: None.

Material Adverse Effect: a material adverse effect on:

(i) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or

(ii) the validity or enforceability of any of the Finance Documents.

Material Subsidiaries:

(i) any Group Company owning ships and of which the Issuer directly or indirectly owns 50 % or more of the shares and whose total consolidated assets represent at least 10 % of the total consolidated assets of the Group; and/or

(ii) any Group Company owning ships and of which the Issuer directly or indirectly owns 50 % or more of the shares whose total consolidated net sales represent at least 10 % of the total consolidated net sales of the Group;

provided that I.M. Skaugen SE and its subsidiaries shall never be "Material Subsidiaries" (expect for Somargas II PTE Lt which shall be a "Material Subsidiary" for as long as it falls within the above definition).

Listing: The Issuer shall apply for listing of the Bonds on ABM within 12 months.

Terms of subscription: Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Agreement on behalf of the prospective Bondholder. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Agreement and the latter's execution and delivery is on behalf of all of the bondholders in IMSK14 as of the Settlement Date, such that they thereby will become bound by the Bond Agreement. The Bond Agreement specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.

The Bond Agreement shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.

Subscription Restrictions: The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act.

The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

Information about Bondholders: The Issuer is entitled to receive information from the Paying Agent about the identity of the registered Bondholders and their registered holdings of Bonds.

Transfer Restrictions: The Bonds are freely transferable and may be pledged, subject to the following:

(i) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.

(ii) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Agreement provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

Governing Law:	Norwegian law.

Oslo, [•] 2018

Norgas Carriers AS As Issuer	**Arctic Securities AS** As Manager