
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934
For the month of September 2014

Commission File Number 001-32640

DHT HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Clarendon House
2 Church Street, Hamilton HM 11
Bermuda
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

On September 9, 2014, DHT Holdings, Inc. (the “Company”) entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with the shareholders (the “Sellers”) of Samco Shipholding Pte. Ltd., a private company limited by shares incorporated under the laws of the Republic of Singapore (“Samco Shipholding”). Pursuant to the terms and subject to the conditions set forth in the Share Purchase Agreement, the Company will acquire all of the issued and allotted shares of Samco Shipholding (the “Acquisition”) from the Sellers for a purchase price of \$317,005,000 in cash payable at the closing of the Acquisition, less \$5,000,000 that will be deposited in an escrow fund pending final determination of any purchase price adjustment following the closing. The purchase price is subject to certain post-closing adjustments in accordance with the terms of the Share Purchase Agreement.

The closing of the Acquisition is subject to various customary closing conditions, including, among others, (i) receipt of certain third party consents, (ii) subject to certain materiality exceptions, the accuracy of the warranties made by the parties to the Share Purchase Agreement and compliance with the parties’ respective obligations under the Share Purchase Agreement and (iii) the consummation of one or more equity financings with aggregate net proceeds to the Company of not less than \$290 million. The closing of the Acquisition is expected to occur in September 2014, subject to satisfaction of closing conditions. Samco Shipholding will continue to have outstanding indebtedness in an aggregate amount of \$322,418,000 under four existing Samco Shipholding loan agreements, with final maturity dates ranging from May 11, 2015 to November 16, 2021.

The Share Purchase Agreement contains customary warranties of the parties, including warranties of the Sellers with respect to Samco Shipholding. The Share Purchase Agreement also contains covenants of the parties to cooperate in seeking and obtaining necessary regulatory approvals and third party consents and of the Sellers to cause Samco Shipholding to conduct its business in the ordinary course until the consummation of the Acquisition, among other things. The Company has agreed that, subject to certain exceptions, the aggregate total liability of the Sellers with respect to claims brought by the Company under the Share Purchase Agreement is capped at \$100 million (the “Maximum Liability Amount”) and the aggregate liability of each Seller under the Share Purchase Agreement is limited to such Seller’s pro rata portion of the Maximum Liability Amount, based on such Seller’s ownership percentage in Samco Shipholding as of the date of the Share Purchase Agreement.

Pursuant to the terms of the Share Purchase Agreement, the Company has agreed to operate Samco Shipholding as a wholly-owned subsidiary of the Company, with its existing management and employee team, for a period of two years after consummation of the Acquisition, subject to certain exceptions.

The Share Purchase Agreement contains certain termination rights for the Company and the Sellers, including, among others, the right of either party to terminate the Share Purchase Agreement and the Acquisition if the Acquisition is not completed on or prior to September 23, 2014.

Samco Shipholding owns and operates a fleet currently consisting of seven very large double-hull crude oil tankers and also owns a 50% stake in Goodwood Ship Management Pte. Ltd., a private ship management company incorporated under the laws of the Republic of Singapore. The Samco Shipholding fleet has an average age of approximately 4.5 years.

A copy of the Share Purchase Agreement is attached hereto as Exhibit 10.1 and it is incorporated herein by reference. The foregoing description of the Share Purchase Agreement and the transactions contemplated thereby are qualified in their entirety by reference to the Share Purchase Agreement.

On July 22, 2014, DHT Holdings, Inc. (the “Company”) entered into a term loan facility agreement (the “Term Loan Facility”) with ABN AMRO Bank N.V. Oslo Branch, DVB Bank London Branch and Nordea Bank Norge ASA. Pursuant to the Term Loan Facility, certain wholly-owned subsidiaries of the Company (the “Borrowers”) will be permitted to borrow up to \$141.0 million in the aggregate. The Company will guarantee the obligations of the Borrowers. The Term Loan Facility will mature on the fifth anniversary of the first borrowing or, if earlier, December 31, 2021, subject to earlier repayment in certain circumstances. Each borrowing will bear interest at a rate equal to LIBOR plus 2.6%. The borrowings will be secured by customary ship mortgages on VLCCs that we expect to be delivered to us in April, July and September 2016. The Term Loan Facility is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

Financial Statements and Exhibits

(a) **Historical Financial Statements of Samco Shipholding.**

The audited consolidated financial statements of Samco Shipholding for the two years ended December 31, 2013 and 2012, together with the notes thereto and the auditor's report thereon, and the unaudited consolidated financial statements of Samco Shipholding for the six-month period ended June 30, 2014, are attached hereto as Exhibit 99.1 and are incorporated herein by reference.

(b) **Historical Financial Statements of the Company.**

The unaudited consolidated financial statements of the Company for the six-month period ended June 30, 2014 are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

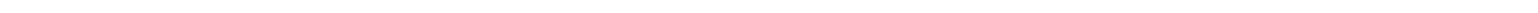
(c) **Pro Forma Financial Information.**

The unaudited pro forma condensed financial statements of the Company, together with the notes thereto, are attached hereto as Exhibit 99.3 and are incorporated herein by reference, including:

- the unaudited pro forma income statement for the year ended December 31, 2013;
- the unaudited pro forma income statement for the six-month period ended June 30, 2014; and
- the unaudited pro forma balance sheet as of June 30, 2014.

(d) **Exhibits.**

<u>Exhibit</u>	<u>Description</u>
4.1	Term Loan Facility Agreement, dated as of July 22, 2014, between ABN AMRO Bank N.V. Oslo Branch, DVB Bank London Branch, Nordea Bank Norge ASA and DHT Holdings, Inc.
10.1	Share Purchase Agreement, dated as of September 9, 2014, between the various selling shareholders of Samco Shipholding Pte. Ltd. party thereto and DHT Holdings, Inc.
23.1	Consent of KPMG LLP
99.1	Historical Financial Statements of Samco Shipholding Pte. Ltd.
99.2	Historical Financial Statements of DHT Holdings, Inc.
99.3	Unaudited Pro Forma Condensed Financial Information



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DHT Holdings, Inc.
(Registrant)

Date: September 9, 2014

By: /s/ Eirik Ubøe
Name: Eirik Ubøe
Title: Chief Financial Officer

DATED 22 July 2014

Up to USD 141,000,000

TERM LOAN FACILITY AGREEMENT

for

Borrowers to be nominated

with

DHT Holdings Inc
as Guarantor

arranged by
DVB Bank SE

Nordea Bank Norge ASA, and
ABN AMRO BANK N.V. Oslo Branch
acting as Mandated Lead Arrangers

with

ABN AMRO BANK N.V.
acting as Agent and Security Agent

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THIS AGREEMENT is dated 22 July 2014 and made between:

- (1) **ONE (1) OR UP TO THREE (3) COMPANIES** to be nominated by the Guarantor prior to Utilisation by issuance of an Accession Letter as joint and several borrowers (the "**Borrowers**");
- (2) **DHT HOLDINGS INC**, The Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands as guarantor (the "**Guarantor**");
- (3) **DVB BANK SE**, acting through its offices at Park House, 16-18 Finsbury Circus, London EC2M 7 EB, United Kingdom;
NORDEA BANK NORGE ASA, acting through its offices at Middelthuns gate 17, 0368 Oslo, Norway and
ABN AMRO BANK N.V. OSLO BRANCH, acting through its offices at Olav Vs gate. 5, 0161 Oslo, Norway as mandated lead arrangers (the "**Mandated Lead Arrangers**");
- (4) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 as lenders (the "**Original Lenders**");
- (5) **DVB BANK SE**, acting through its offices at Platz der Republik 6, 60325 Frankfurt, Germany;
NORDEA BANK FINLAND PLC acting through its offices at Aleksanterinkatu 36, Helsinki, Finland and
ABN AMRO BANK N.V., acting through its offices at Gustav Mahlerlaan 10, 1082 Amsterdam, the Netherlands (the "**Hedging Banks**");
- (6) **ABN AMRO BANK N.V.** acting through its offices at Gustav Mahlerlaan 10, 1082 Amsterdam, the Netherlands as agent of the other Finance Parties (the "**Agent**"); and
- (7) **ABN AMRO BANK N.V.**, acting through its offices at Gustav Mahlerlaan 10, 1082 Amsterdam, the Netherlands as security agent of the other Finance Parties and the Hedging Banks (the "**Security Agent**")

IT IS AGREED as follows:

**SECTION 1
INTERPRETATION**

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Accession Letter" means a letter in the form set out in Schedule 6 (*Form of Accession Letter*) whereby a company becomes a Borrower to this Agreement in relation to all existing Parties, and all existing Parties, including any subsequent Party, becomes bound in relation to such new acceding Party, and making necessary amendments and adjustments to this Agreement as a consequence of such accession.

"Account Bank" means ABN AMRO BANK N.V..

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agreement" means this facility agreement, as it may be amended, supplemented and varied in writing from time to time, including its schedules.

"Approved Brokers" means Clarksons, SSY, RS Platou, Arrow, Compass and Fearnleys.

"Approved Ship Registry" means the Marshall Islands Ship Registry, the Hong Kong Ship Registry and any ship registry as approved in writing by the Agent (on behalf of the Finance Parties and the Hedging Banks).

"Assignment Agreement" means a general assignment agreement for assignment on first priority of the Earnings, the insurance proceeds in respect of all Insurances and rights under any Hedging Agreement to be executed by the Borrowers in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks) in form and substance acceptable to the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisisation or registration.

"Availability Period" means the period from and including the date of this Agreement to and including the earlier of (i) the scheduled delivery date of the relevant Vessel taking into account the maximum permissible delays under the relevant Shipbuilding Contract before the relevant Borrower is entitled to cancel such Shipbuilding Contract, or (ii) 30 June 2017 whichever is the earlier, or such later date as the Agent (on behalf of the Finance Parties) may agree.

"Available Facility" means the aggregate of each Lender's Commitment.

"Break Costs" means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan, a Tranche or Unpaid Sum to the last day of the current Interest Period in respect of the Loan, that Tranche or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Amsterdam, Frankfurt, London, New York City and Oslo. For the purpose of Utilisation, Seoul, Hong Kong, Singapore (or any other relevant place of payment of the proceeds) shall be included.

"Cash" means the aggregate amount of cash, bank deposits and fully marketable securities (issued by an A rated or better financial institution), excluding restricted cash which is not at the disposal of the relevant company.

"Change of Control" means if any person or a group of persons acting in concert gain ownership or control of 33 1/3 % or more of the voting rights of the Guarantor. For the purposes of this definition, **"control"** of the Guarantor means (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 33 1/3 % of the maximum number of votes that might be cast at a general meeting of the Guarantor, and/or (ii) the holding beneficially of more than 33 1/3 % of the issued share capital of the Guarantor (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), and **"acting in concert"** means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of 33 1/3 % of the Guarantor.

"Charterer" means any charterer approved by the Agent (on behalf of the Finance Parties) under a Charterparty.

"Charterparty" means any time or bareboat charter or any pool agreement or any other agreements of employment entered or to be entered into between the relevant Borrower and the relevant Charterer for the chartering of a Vessel for a period of 12 Months or more, in form and substance acceptable to the Agent (on behalf of the Finance Parties).

"Code" means the US Internal Revenue Code of 1986.

"Commercial Management Agreement" means any agreement made or to be made between a Borrower and the Commercial Manager for the commercial management of a Vessel.

"Commercial Manager" means any commercial manager acceptable to the Agent (on behalf of the Finance Parties).

"Commitment" means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1 (The Original Lenders) and the amount of any other Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

"**Current Assets**" means the aggregate of the current assets of a company as determined in accordance with GAAP.

"**Current Liabilities**" means the aggregate of the current liabilities of a company, excluding the next 6 months installments on any long-term loans, as determined in accordance with GAAP.

"**Deed of Assignment**" means one or more general deed of assignment in respect of any Charterparty, to be executed by the relevant Borrower in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks), in form and substance acceptable to the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"**Default**" means an Event of Default or any event or circumstance specified in Clause 24 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Delivery Date**" means in respect of a Vessel, the date of actual delivery of the relevant Vessel to the relevant Borrower.

"**Disruption Event**" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**DOC**" means in relation to the Technical Manager a valid document of compliance relevant to the Vessels issued to such company pursuant to paragraph 13.2 of the ISM Code.

"**Earnings**" means all moneys whatsoever which are now or later become, payable (actually or contingently) to a Borrower in respect of and/or arising out of the use of or operation of a Vessel, including (but not limited to):

- (a) all freight, hire and passage moneys payable to any of the Borrowers, including (without limitation) payments of any nature under any contract or any other agreement for the employment, use, possession, management and/or operation of any of the Vessels;
- (b) any claim under any guarantees related to hire payable to any of the Vessels as a consequence of the operation of the Vessels;

- (c) any compensation payable to any of the Borrowers in the event of any requisition of a Vessel or for the use of a Vessel by any government authority or other competent authority;
- (d) remuneration for salvage, towage and other services performed by a Vessel payable to any of the Borrowers;
- (e) demurrage and retention money receivable by any of the Borrowers in relation to any of the Vessels;
- (f) all moneys which are at any time payable under the Insurances in respect of loss of earnings from any of the Vessels;
- (g) if and whenever a Vessel is employed on terms whereby any moneys falling within paragraph a) to f) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to such Vessel; and
- (h) any other money which arise out of the use of or operation of a Vessel and moneys whatsoever due or to become due to any of the Borrowers from third parties in relation to the Vessels.

"Earnings Accounts" means any account to be nominated and designated as Earnings Accounts for this purpose by the Borrowers or the Guarantor in cooperation with the Agent, with the Account Bank, or such other accounts as designated by the Agent.

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person or company in respect of any Environmental Law or Environmental Permits.

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the environment or to the carriage of material which is capable of polluting the environment;
- (b) harm to or the protection of human health;
- (c) the conditions of the workplace; or
- (d) any emission or substance capable of causing harm to any living organism or the environment.

"Environmental Permits" means any permit, licence, consent, approval and other and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of business conducted on or from the properties owned or used by the relevant company.

"Event of Default" means any event or circumstance specified as such in Clause 24 (*Events of Default*).

"Excess Values" means the positive or negative (as the case may be) difference between (i) the Market Value (in respect of the Vessels) or the market value as established in accordance with the procedure described in the definition of "Market Value" (in respect of other vessels), and (ii) the book value of the relevant vessel.

"FA Act" means the Norwegian Financial Agreements Act of 25 June 1999 No. 46 (in No. *finansavtaleloven*).

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five (5) Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" (Foreign Account Tax Compliance Act) means:

- (a) sections 1471 to 1474 of the Code or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

"**FATCA FFI**" means a foreign financial institution as defined in section 1471(d)(4) of the Code which, if any Finance Party is not a FATCA Exempt Party, could be required to make a FATCA Deduction.

"**FATCA Payment**" means either:

- (a) the increase in a payment made by an Obligor to a Finance Party under Clause 12.7 (*FATCA Deduction and gross-up by Obligor*) or paragraph (b) of Clause 12.8 (*FATCA Deduction by Finance Party*); or
- (b) a payment under paragraph (d) of Clause 12.8 (*FATCA Deduction by Finance Party*); or

"**Fee Letter**" means any letter or letters between the Agent and the Borrowers setting out any of the fees referred to in Clause 11 (*Fees*).

"**Finance Document**" means this Agreement, any Security Document, any Accession Letter, any Fee Letter and any other document designated as such by the Agent and the Borrowers.

"**Finance Party**" means the Agent, the Security Agent, a Mandated Lead Arranger or a Lender.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**GAAP**" means generally accepted accounting principles such as IFRS.

"**Guarantee**" means the irrevocable, unconditional and on-first-demand guarantee given by the Guarantor under Clause 18 of this Agreement.

"**Hedging Agreement**" means any master agreement (as amended at any time) and/or any swap transaction, confirmation, schedule or hedging agreement pursuant to such master agreement for the purpose of hedging the interest rate risk entered or to be entered into between any of the Borrowers and the Hedging Banks.

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"**IAPPC**" means the International Air Pollution Prevention Certificate required under Regulation 6 of the International Convention for the Prevention of Pollution From Ships 1973/1978 (MARPOL).

"**IFRS**" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Insurances" means, in relation to the Vessels, all policies and contracts of insurance (which expression includes all entries of the Vessels in a protection and indemnity or war risk association) which are from time to time during the Security Period in place or taken out or entered into by or for the benefit of any of the Borrowers (whether in the sole name of a Borrower or in the joint names of a Borrower and any other person) in respect of the Vessels or otherwise in connection with the Vessels and all benefits thereunder (including claims of whatsoever nature and return of premiums).

"Interest Payment Date" means the last day of each Interest Period, and in respect of Interest Periods exceeding three (3) months, also the date falling three (3) months after the commencement thereof, and each date falling at quarterly intervals thereafter.

"Interest Period" means, in relation to the Loan or a Tranche, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"Intra Group Loans" means any loans granted by any of the Obligors to any of their Affiliates.

"Intra Group Loans Assignment Agreement" means one or more general assignment agreements on first priority of any claims any Obligor may have in respect of any Intra Group Loans, to be executed by any Obligor in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"ISM Code" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevent.

"ISPS Code" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002.

"ISSC" means an International Ship Security Certificate issued by the Classification Society confirming that a Vessel is in compliance with the ISPS Code.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 25 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"LIBOR" (London Interbank Offered Rate) means, in relation to the Loan or a Tranche:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for USD for the Interest Period of the Loan or that Tranche) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of 11.00 a.m. London time on the Quotation Day for the offering of deposits in USD and for a period comparable to the Interest Period for the Loan or that Tranche.

"Loan" means the total principal amount outstanding for the time being under the Facility.

"Majority Lenders" means:

- (a) if there are no amounts then outstanding, a Lender or Lenders whose Commitments aggregate more than 66²/₃% of the Total Commitments; or
- (b) at any other time, a Lender or Lenders whose participations in the Loan aggregate more than 66²/₃% of the Loan.

"Margin" means two point sixty per cent (2.60 %) per annum.

"Market Value" means the fair market value of a Vessel as (i) determined by one (1) independent Approved Broker appointed by the Borrowers, or (ii) at the request of the Agent, calculated as the average of valuations of a Vessel obtained from two (2) Approved Brokers (of which one is appointed by the Borrowers and one is appointed by the Agent), in each case, with or without physical inspection of the relevant Vessel (as the Agent may require) on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing buyer and a willing seller, on an "as is, where is" basis, free of any existing charter or other contract of employment and/or pool arrangement, provided however that if the higher of the two valuations is more than hundred and ten per cent (110 %) of the lower, a third valuation shall be obtained from another reputable and independent broker to be selected by the Borrowers but approved and appointed by the Agent, and the fair market value shall be the arithmetic average of the three (3) valuations.

"Material Adverse Effect" means any event or occurrence that in the reasonable opinion of the Lenders has or would have materially adversely affected or could materially adversely affect:

- (a) the business, condition (financial or otherwise), operations, performance, assets or prospects of an Obligor since the date at which its latest audited financial statements were prepared; or
- (b) the ability of an Obligor to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to, any Finance Document; or
- (d) the right or remedy of a Finance Party in respect of a Finance Document.

"Maturity Date" means 5 years from the first Utilisation Date, but in any event no later than 31 December 2021, or earlier in accordance with this Agreement.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

"Mortgages" means the cross-collateralised first priority mortgages (and deed of covenants collateral thereto (if applicable)), to be executed and recorded by the relevant Borrower against each Vessel in favour of the Lenders in the relevant Approved Ship Registry, in form and substance satisfactory to the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"Mortgaged Assets" means:

- (a) the Vessels;
- (b) the Earnings;
- (c) any Charterparty;
- (d) the Shares;
- (e) any Hedging Agreement;
- (f) any Intra Group Loans;
- (g) the Insurances; and
- (h) the Earnings Accounts.

"Obligor" means a Borrower or the Guarantor.

"Original Financial Statements" means the audited financial statements of the Guarantor for the financial year ended 31st December 2013.

"Outstanding Indebtedness" means the aggregate of all sums of money at any time and from time to time owing to the Finance Parties under or pursuant to the Finance Documents.

"Participating Member State" means any member state of the European Union that has adopted the EURO as its lawful currency.

"Party" means a party to this Agreement.

"Pledge of Earnings Accounts" means a pledge of the Earnings Accounts to be executed by the Borrowers in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks) in form and substance satisfactory to the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"Pledge of Shares" means a pledge of the Shares to be executed by the Guarantor in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks) in form and substance satisfactory to the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period unless market practice differs in the Relevant Interbank Market in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Reference Banks" means the principal office in Platz der Republik 6, 60325 Frankfurt of DVB Bank SE, the principal office in Middelthuns gate 17, 0368 Oslo, Norway of Nordea Bank Norge ASA and the principal office in Gustav Mahleraan 10, 1082 Amsterdam, the Netherlands of ABN AMRO BANK N.V. or such other banks as may be appointed by the Agent in consultation with the Borrowers.

"Relevant Interbank Market" means the London interbank market.

"Repayment Date" means a date on which a repayment instalment is required to be made pursuant to Clause 6 (*Repayment*).

"Repeating Representations" means each of the representations set out in Clause 19 (*Representations*).

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"Restricted Party" means a person:

- (a) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person);
- (b) that is domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a country which is subject to Sanctions Laws (including, without limitation, at the date of this agreement Cuba, Iran, Myanmar (Burma), North Korea, Syria and Sudan);
- (c) that is directly or indirectly owned or controlled by a person referred to in (i) and/or (ii) above; or
- (d) with which any Lender is prohibited from dealing or otherwise engaging in a transaction with by any Sanctions Laws; or
- (e) is otherwise a target of Sanctions Laws.

"Sanctions Authority" means the Norwegian State, the United Nations, the European Union, the member states of the European Union (including without limitation the United Kingdom), the United States of America, any country to which any Obligor or any Affiliate of any of them is bound, and any authority acting on behalf of any of them in connection with Sanctions Laws including without limitation, the Office of Foreign Assets Control of the US Department of Treasury, the United States Department of State, and Her Majesty's Treasury.

"Sanctions Laws" means the economic or financial sanctions laws and/or regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

"Sanctions List" means any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority.

"Screen Rate" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers. **"Security"** means a mortgage, charge, pledge, lien, assignment, subordination or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Document" means each document listed in Clause 17 (*Security*) and any other document agreement agreed between the Parties to be a Security Document.

"**Security Period**" means the period commencing on the date of this Agreement and ending the date on which the Agent notifies the Borrowers and the other Finance Parties and the Hedging Banks that:

- (a) all amounts which have become due for payment by the Borrowers under the Finance Documents and any Hedging Agreement have been paid;
- (b) no amount is owing or has accrued (without yet having become due for payment) under any of the Finance Documents or any Hedging Agreement;
- (c) none of the Obligors have any future or contingent liability under any provision of this Agreement, the other Finance Documents or any Hedging Agreement; and
- (d) the Agent, the other Finance Parties or any Hedging Bank do not consider that there is a significant risk that any payment or transaction under a Finance Document or any Hedging Agreement would be set aside, or would have to be reversed or adjusted, in any present or possible future proceeding relating to a Finance Document or any Hedging Agreement or any asset covered (or previously covered) by a Security created by a Finance Document.

"**Selection Notice**" means a notice substantially in the form set out in Part II of [Schedule 3 \(Requests\)](#) given in accordance with Clause 9 (*Interest Periods*).

"**Shares**" means all current and future shares in the Borrowers.

"**Shipbuilding Contracts**" means the Shipbuilding contracts entered into between the Guarantor as buyer and the Yard as builder for the construction of the Vessels.

"**SMC**" means a valid safety management certificate issued for a Vessel issued by the Classification Society pursuant to paragraph 13.7 of the ISM Code.

"**SMS**" means a safety management system for a Vessel developed and implemented in accordance with the ISM Code and including the functional requirements duties and obligations that follow from the ISM Code.

"**Subsidiary**" means an entity of which a person has direct or indirect control (whether through the ownership of voting capital, by contract or otherwise) or owns directly or indirectly more than 50 % of the shares and for this purpose an entity shall be treated as controlled by another if that entity is able to direct its affairs and/or to control the composition of the board of directors or equivalent body.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Technical Management Agreement**" means any technical management agreement made between the Technical Manager and a Borrower for the technical management of a Vessel.

"**Technical Manager**" means any technical manager acceptable to the Agent (on behalf of the Finance Parties).

"**Total Commitments**" means the aggregate of the Commitments being USD 141,000,000 at the date of this Agreement.

"Total Interest Bearing Debt" means all debt and financial instruments (including financial leases) which bear interests.

"Total Loss" means, in relation to a Vessel:

- (a) the actual, constructive, compromised, agreed, arranged or other total loss of that Vessel; and
- (b) any expropriation, confiscation, requisition or acquisition of a Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a governmental or official authority (excluding a requisition for hire for a fixed period not exceeding one (1) year without any right to extension) unless it is within one (1) month from the Total Loss Date redelivered to the full control of the relevant Borrower.

"Total Loss Date" means:

- (a) in the case of an actual total loss of a Vessel, the date on which it occurred or, if that is unknown, the date when that Vessel was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of a Vessel, the earlier of: (i) the date on which a notice of abandonment is given to the insurers (provided a claim for total loss is admitted by such insurers) or, if such insurers do not forthwith admit such a claim, at the date at which either a total loss is subsequently admitted by the insurers or a total loss is subsequently adjudged by a competent court of law or arbitration panel to have occurred or, if earlier, the date falling three (3) months after notice of abandonment of that Vessel was given to the insurers; and (ii) the date of compromise, arrangement or agreement made by or on behalf of the relevant Borrower with the relevant Vessel's insurers in which the insurers agree to treat that Vessel as a total loss; or
- (c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred.

"Tranche" means one tranche per Vessel in the amount up to the lower of (i) USD 47,000,000 and (ii) 50 % of the Market Value of the relevant Vessel at the relevant Delivery Date, and **"Tranches"** means all of them.

"Transaction Documents" means the Finance Documents, any Shipbuilding Contract, any Hedging Agreement, any Technical Management Agreement, any Commercial Management Agreement and any Charterparty, together with the other documents contemplated herein or therein.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 (Form of Transfer Certificate) or any other form agreed between the Agent and the Borrowers.

"Transfer Date" means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Transfer Certificate.

"Unpaid Sum" means any sum due and payable but unpaid by the Borrowers and/or the Guarantor under the Finance Documents.

"**US Tax Obligor**" means:

- (a) a Borrower which is resident for tax purposes in the US; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"**USD**" means the lawful currency of the United States of America.

"**Utilisation**" means the utilisation of the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the Loan or a Tranche is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 3 (Requests).

"**Value Adjusted Tangible Net Worth**" means Value Adjusted Total Assets, less the value of all liabilities and intangible assets, as determined by GAAP.

"**Value Adjusted Total Assets**" means on consolidated basis, the book value of all assets (both tangible and intangible) at the relevant time, as determined by GAAP, adjusted with Excess Values.

"**VAT**" means value added tax and any other tax of a similar nature in the relevant jurisdiction.

"**Vessels**" means Hull No. 2748, Hull No. 2749 and Hull No. 2750, three (3) 299,900 dead weight ton new building VLCC Vessels to be built at the Yard for USD 92,700,000 per Vessel and to be registered in an Approved Ship Registry in the name of the relevant Borrower on the relevant Delivery Date. Delivery of the Vessels is scheduled to take place in April, July and September 2016.

"**Working Capital**" means Current Assets less Current Liabilities.

"**Yard**" means Hyundai Heavy Industries Co. Ltd., Ulsan, Korea.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
 - (i) the "**Agent**", the "**Security Agent**", any "**Mandated Lead Arranger**", any "**Finance Party**", any "**Lender**", the Hedging Banks, or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iii) a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (iv) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (v) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

- (vi) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (vii) a provision of law is a reference to that provision as amended or re-enacted;
 - (viii) words importing the singular shall include the plural and vice versa; and
 - (ix) a time of day is a reference to Amsterdam time unless specified otherwise.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been waived.
 - (e) In case of conflict between this Agreement and any of the Security Documents, the provisions of this Agreement shall prevail.

**SECTION 2
THE FACILITY**

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a USD secured term loan facility split in three (3) cross-collateralised Tranches each of the lower of (i) USD 47,000,000 per Vessel, and (ii) 50 % of the Market Value of each Vessel at the relevant Delivery Date.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party or the Hedging Banks under or in connection with the Finance Documents and any Hedging Agreement are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Borrowers and/or the Guarantor shall be a separate and independent debt.
- (c) A Finance Party or the Hedging Banks may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents and any Hedging Agreement. The rights of the Hedging Banks shall be subordinated to the rights of the Finance Parties under the Finance Documents.

3. PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility towards post-delivery debt financing of the Vessels.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (a) The Finance Parties' obligations hereunder are subject to the Agent's receipt of all of the documents and other evidence listed in Schedule 2 (Conditions precedent) Part I. The Agent shall notify the Borrowers and the Lenders promptly upon being so satisfied.
- (b) The Borrowers may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Schedule 2 (Conditions precedent) Part II, except those documents which specifically will only be available on the relevant Utilisation Date or within another specified date. The Agent shall notify the Borrowers and the Lenders promptly upon being so satisfied.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of an Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Loan or Tranche; and

(b) the Repeating Representations to be made by each of the Borrowers and the Guarantor are true in all material respects.

4.3 Maximum number of Tranches

The Facility may be drawn in three (3) Tranches.

4.4 Form and content

All documents and evidence delivered to the Agent pursuant to this Clause 4 (*Conditions of Utilisation*) shall:

- (a) be in form and substance satisfactory to the Agent;
- (b) if required by the Agent, be in original; and
- (c) if required by the Agent, be certified, notarized, legalized or attested in a manner acceptable to the Agent.

4.5 Waiver of conditions precedent

The conditions specified in this Clause 4 (*Conditions of Utilisation*) are solely for the benefit of the Lenders and may be waived on their behalf in whole or in part and with or without conditions by the Agent (acting on the instructions of all of the Lenders).

**SECTION 3
UTILISATION**

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrowers may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than 12:00 noon Amsterdam time on the date falling three (3) Business Days prior to the relevant Utilisation Date.

5.2 Completion of a Utilisation Request

An Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) the proposed Utilisation Date is a Business Day within the Availability Period;
- (b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
- (c) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

5.3 Currency and amount

- (a) The currency specified in the Utilisation Request must be USD.
- (b) The amount of the proposed Tranche must be an amount which is not more than the Available Facility and the relevant Tranche.

5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the Loan or a Tranche available by the relevant Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in the Loan or a Tranche will be equal to the proportion borne by its Commitment to the Available Facility immediately prior to making the Loan or a Tranche.
- (c) The Agent shall notify each Lender of the amount of the Loan or a Tranche and the amount of its participation in the Loan or a Tranche upon receipt of the relevant Utilisation Notice from the Borrowers.

5.5 Cancellation of Commitment

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period. Also, any part of the Commitments outstanding after the Utilisation shall be immediately cancelled.

**SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION**

6. REPAYMENT

6.1 Repayment of Loans

- (a) The Borrowers shall repay each Tranche by 20 (twenty) consecutive quarterly repayment instalments commencing three (3) months after Utilisation of the relevant Tranche, each instalment in the amount of USD 691,177.00, in total USD 13,823,540.00, plus a balloon payment of USD 33,176,460.00 payable concurrently with the last instalment. Should the Utilisation of the relevant Tranche be lower than USD 47,000,000, each instalment and the balloon shall be reduced accordingly on a pro-rata basis. Should the instalments and balloon be reduced as aforesaid, the Agent shall deliver a statement to the Lenders and the Borrowers with details of the new repayment schedule.
- (b) Following the Utilisation or cancellation of the last Tranche the instalments of all Tranches shall be consolidated by the due date of the next instalments of any previous drawn Tranche to fall due on the next Repayment Date of the last drawn Tranche, and thereafter be repaid as one Loan in the aggregate amounts of the instalments and balloon payments of the Tranches.
- (c) In addition to the instalments and balloon payments described above, the Borrowers shall the first three (3) years following the first Utilisation Date make addition repayments as follows:
 - (i) The Borrowers shall, based on the quarterly management accounts of the Borrowers delivered to the Agent in accordance with Clause 20.1, apply all Free Cash accrued during the relevant quarter, however limited to USD 312,500 per quarter per Vessel as repayment of the Loan.
 - (ii) The Borrowers shall, based on the annual accounts (P&L and balance sheet) of the Borrowers delivered to the Agent in accordance with Clause 20.1, apply all Free Cash accrued during the relevant year, however limited USD 1,250,000 per year per Vessel, less any payments already made for that year as per Clause 6.1 (c) (i) above, as repayment of the Loan.
 - (iii) Should the calculation based on the annual accounts (P&L and balance sheet) as described in Clause 6.1 (c) (ii) show that the quarterly amounts paid by the Borrowers for the relevant year in accordance with Clause 6.1 (c) (i) exceed the amounts payable under Clause 6.1 (c) (ii), the excess amount shall be deducted from any future quarterly/annual payments under Clauses 6.1 (c) (i) and (ii) (if any).
 - (iv) The repayments made in accordance with this Clause 6.1 (c) shall be made on the first Repayment Date following the delivery of the relevant accounts to the Agent as per Clause 20.1 and be applied pro-rata against the Tranches, or against the Loan if consolidated as per Clause 6.1 (b) above, first against the balloon payment and then against the instalments in inverse order of maturity.

For the purpose of this Clause 6.1 (*Repayment of Loans*) the following definitions shall apply:

"CapEx Amount" means, in relation to any relevant accounting period, the amount estimated by the Borrowers in good faith to be the aggregate on a consolidated basis of the amounts to be payable by the Borrowers during the two next accounting periods for special surveys, intermediate surveys and regulatory requirements applicable to the Vessels.

"Change in Working Capital" means, in relation to any relevant accounting period, the difference (whether negative or positive) of (a) the amount of Working Capital as at the last day of such accounting period, minus (b) the amount of Working Capital as at the first day of such accounting period, but without taking account of any prepayment made during such accounting period pursuant to this Clause 6.1 (*Repayment of Loans*).

"Free Cash" means, in relation to any relevant accounting period, an amount calculated as of the last day of such accounting period equal to the positive difference, if any, between:

- (i) the sum of the Earnings of the Vessels received by the Borrowers during such accounting period; and
- (ii) the sum of the (1) Vessel Operating Expenses, (2) Voyage Expenses, (3) the CapEx Amount, (4) General & Administrative Expenses, (5) Interest Charges, and (6) Change in Working Capital.

"General & Administrative Expenses" means, in relation to any relevant accounting period, amounts paid by the Borrowers during such accounting period with respect to salaries and related expenses (including bonuses), costs related to board of director activities and director and officer indemnification insurance, travel expenses, office rent and office expenses, professional service costs such as audit and legal fees and all other expenses accounted for as such in the Borrowers' accounts for such accounting period.

"Interest Charges" means, in relation to any relevant accounting period, the aggregate of all interest and other financial costs paid by the Borrowers during such accounting period.

"Vessel Operating Expenses" means, in relation to any relevant accounting period, the aggregate of the fair and reasonable expenses paid by the Borrowers during such accounting period, with respect to crew's wages and related costs, third party management fees, insurance costs including deductibles, docking-related expenses (not including capital expenditures), costs for lubricants, repair, class fees and maintenance costs, vetting costs, telecommunications, tonnage tax, the costs of spares and consumable stores and unrecoverable claims and all other expenses accounted for as such in the Borrowers' accounts for such accounting period.

"Voyage Expenses" means, in relation to any relevant accounting period, the aggregate (on a consolidated basis) of the expenses paid by the Borrowers during such accounting period due to a Vessel travelling to a destination, including fuel costs and port charges, security expenses, canal fees, voyage-specific insurance expenses, brokers' commissions and all other expenses accounted for as such in the in the Borrowers' accounts for such accounting period.

Any item of cost in the definitions above shall not be double counted and shall therefore only be treated as a cost in one of the definitions at any time.

- (d) Any Outstanding Indebtedness is due and payable on the Maturity Date.

6.2 Re-borrowing

No Borrower may re-borrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Voluntary cancellation

The Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, may, if they give the Agent not less fifteen (15) days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of USD 500,000 of the Available Facility. Any cancellation under this Clause 7.1 (*Voluntary cancellation*) shall reduce the Commitments of the Lenders proportionately.

7.2 Voluntary prepayment of Loans

- (a) The Borrowers may, if they give the Agent not less than fifteen (15) days' (or such shorter period as the Majority Lenders may agree) prior written notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of USD 500,000 or multiples thereof).
- (b) Any prepayment under this Clause 7.2 (*Voluntary prepayment of Loans*) shall be applied against the Tranches, or against the Loan if consolidated as per Clause 6.1 (b) above against the instalments and/or the balloon payment as per the Borrowers' discretion.

7.3 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, the Commitment of that Lender will be immediately cancelled; and
- (c) the Borrowers shall repay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Agent has notified the Borrowers or, if earlier, the date specified by the relevant Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

7.4 Total Loss or sale of a Vessel

If a Vessel is sold or suffers a Total Loss, the Facility shall be repaid by the higher of;

- (a) the amount outstanding under the Tranche relevant to such Vessel, or its pro-rata part of the Loan if consolidated as per Clause 6.1 (b) above; or
- (b) an amount equal to the then aggregate outstanding principal amount of the Loan multiplied by a fraction, the numerator of which is the Market Value of such Vessel subject to such sale or loss and the denominator of which is the aggregate of the Market Value of all Vessels;

Any prepayment under this Clause 7.4 (*Total Loss or sale of a Vessel*) shall (i) in case of a sale be made on or before the date on which the sale is completed by delivery of the relevant Vessel to the buyer, or (ii) in the case of a Total Loss, on the earlier of the date falling ninety (90) days after the Total Loss Date and the receipt by the Agent of the proceeds of Insurance relating to such Total Loss (or in the event of a requisition for title of the relevant Vessel, immediately after the occurrence of such requisition of title), and be applied as full repayment of the relevant Tranche and any excess payment be applied pro-rata against the remaining Tranches, or against the Loan if consolidated as per Clause 6.1 (b) above pro rata against the balloon payment and the instalments.

7.5 Market Value

- (a) If the Market Value of the Vessels are less than 135 % of the Loan the Borrowers shall, unless otherwise agreed with the Agent (on behalf of the Lenders) within fifteen (15) Business Days, either
 - (i) prepay the Loan or a part of the Loan (as the case may be) required to restore the aforesaid ratio; or

- (ii) if consented to by the Agent (on behalf of the Lenders) provide the Lenders with such additional security, in form and substance satisfactory to the Lenders.
- (b) Any prepayment under this Clause 7.5 (*Market Value*) shall be applied pro-rata against the Tranches, or against the Loan if consolidated as per Clause 6.1 (b) above, first against the balloon payment and then against the instalments in inverse order of maturity.

7.6 **Change of Control**

If a Change of Control occurs, the Borrowers shall within ten (10) Business Days prepay the Loan in full.

7.7 **Right of replacement or repayment and cancellation in relation to a single Lender**

- (a) If:
 - (i) any sum payable to any Lender by the Borrowers and/or the Guarantor is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*);
 - (ii) any Lender claims indemnification from the Borrowers under Clause 12.3 (*Tax indemnity*) or Clause 13.1 (*Increased costs*); or
 - (iii) at any time on or after the date which is six (6) months before the earliest FATCA Application Date for any payment by a Party to a Lender (or to the Agent for the account of that Lender), that Lender is not, or has ceased to be, a FATCA Exempt Party and, as a consequence, a Party will be required to make a FATCA Deduction from a payment to that Lender (or to the Agent for the account of that Lender) on or after that FATCA Application Date,

the Borrowers may, whilst the circumstance giving rise to the requirement for that increase or indemnification or FATCA Deduction continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrowers have given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan.
- (d) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
 - (i) the Borrowers shall have no right to replace the Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender; and
 - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.

7.8 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) The Borrowers may not re-borrow any part of the Facility which is prepaid.
- (d) The Borrowers shall not repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 7 (*Prepayment and cancellation*) it shall promptly forward a copy of that notice to either the Borrowers or the affected Lender, as appropriate.
- (g) If all or part of the Loan is repaid or prepaid and is not available for redrawing, an amount of the Commitments (equal to the amount of the Loan which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (g) shall reduce the Commitments of the Lenders proportionately.

**SECTION 5
COSTS OF UTILISATION**

8. INTEREST

8.1 Calculation of interest

- (a) The rate of interest on the Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:
 - (i) Margin; and
 - (ii) LIBOR.
- (b) It is not possible to calculate the effective interest rate on the Loan in advance. The Lenders are nevertheless, according to the FA Act obliged to give a representative example. LIBOR for 3 (three) months was at 13 June 2014 0.2321 % p.a. and provided unaltered LIBOR and Margin for the duration of the Loan, fees agreed hereunder and Utilisation of the Total Commitments in full on 1 April 2016, the effective interest rate will be 3.263 % p.a.
- (c) Interest shall be calculated on the actual number of days elapsed on the basis of a three hundred and sixty (360) day year.

8.2 Payment of interest

The Borrowers shall pay accrued interest on the Loan on each Interest Payment Date.

8.3 Default interest

- (a) If any Borrower or Guarantor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two (2) per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably) above the Margin. Any interest accruing under this Clause 8.3 (*Default interest*) shall be immediately payable by the Borrowers and/or the Guarantor on demand by the Agent.
- (b) If any overdue amount consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to the Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two (2) per cent higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

8.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest under this Agreement.

9. INTEREST PERIODS

9.1 Selection of Interest Periods

- (a) The Borrowers may select an Interest Period for a Tranche in the Utilisation Request for that Tranche or (if the Loan has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for the Loan or a Drawing is irrevocable and must be delivered to the Agent by the Borrowers not later than the 12:00 noon Amsterdam time on the date falling three (3) Business Days prior to the last day of the current Interest Period.
- (c) If the Borrowers fail to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three (3) Months.
- (d) The Borrowers may select an Interest Period of three (3), six (6), nine (9) or twelve (12) Months or any such longer periods as the Agent may agree.
- (e) An Interest Period for the Loan or a Tranche shall not extend beyond the Maturity Date.
- (f) Each Interest Period for the Loan or a Tranche shall start on the relevant Utilisation Date or (if already made) on the last day of its preceding Interest Period.
- (g) Following the Utilisation or cancellation of the last Tranche the Interest Periods of all Tranches shall be consolidated by the duration of the current Interest Periods of any previous drawn Tranches being shortened or extended to have such duration as to expire on the same date as the current running Interest Period of the last drawn Tranche, where after the Tranches shall be consolidated and treated as one loan as regards Interest Periods.
- (h) Once selected the Interest Period may not be changed by the Borrowers at any time during the term of the Facility.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. CHANGES TO THE CALCULATION OF INTEREST

10.1 Absence of quotations

Subject to Clause 10.2 (*Market disruption*), if LIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by 11:00 a.m. Amsterdam time on the Quotation Day, the applicable LIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

10.2 Market disruption

- (a) If a Market Disruption Event occurs in relation to the Loan or a Tranche for any Interest Period, then the rate of interest on each Lender's share of the Loan or a Tranche for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in the Loan or a Tranche from whatever source it may reasonably select.

- (b) In this Agreement "**Market Disruption Event**" means:
- (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR for USD for the relevant Interest Period; or
 - (ii) before close of business in Amsterdam on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in the Loan or a Tranche exceed twenty five per cent (25 %) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR; or
 - (iii) at least one (1) Business Day before the start of an Interest Period, the Agent receives notification from any Lender that for any reason it is unable to obtain USD in the Relevant Interbank Market in order to fund its participation in the Loan or any Tranche.

10.3 **Alternative basis of interest or funding**

- (a) If a Market Disruption Event occurs and the Agent or the Borrowers so requires, the Agent and the Borrowers shall enter into negotiations (for a period of not more than thirty (30) days with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.
- (c) Should no agreement be reached, the rate calculated by the Agent in accordance with Clause 10.2 (*Market disruption*) shall apply.

10.4 **Break Costs**

- (a) Each Borrower shall, within three (3) Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or a Tranche or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for the Loan or a Tranche or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11. **FEES**

11.1 **Commitment fee**

- (a) The Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, shall pay to the Agent (for the account of each Lender) a fee computed at the rate of forty per cent (40 %) of the Margin per annum and calculated on the undrawn portion of the Facility from the date of this Agreement.
- (b) The accrued commitment fee is payable on the earlier of (i) each Utilisation Date and (ii) the last day of each successive period of three (3) Months after the date of this Agreement and, if cancelled in full, on the time the cancellation is effective.

11.2 **Arrangement fee**

The Guarantor shall upon signing of this Agreement pay to the Agent for further distribution to the Lenders a non-refundable arrangement fee of one point twenty five per cent (1.25 %) of the Facility in the amount of USD 1,762,500.

11.3 **Agency fee**

The Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, shall upon signing of this Agreement pay to the Agent an Agency Fee as per the Fee Letter.

**SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS**

12. TAX GROSS UP AND INDEMNITIES

12.1 Definitions

(a) In this Agreement:

"Protected Party" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

12.2 Tax gross-up

- (a) All payments under the Facility shall be made free and clear of all present and future taxes, levies or duties of any nature whatsoever, levied either now or at any future time.
- (b) Each Obligor shall make all payments to be made by it without any Tax Deduction whatsoever, unless a Tax Deduction is required by law.
- (c) The Borrowers shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrowers and the Guarantor.
- (d) If a Tax Deduction is required by law to be made by the Borrowers and/or the Guarantor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

- (a) The Obligors shall (within three (3) Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*), Clause 12.7 (*FATCA Deduction and gross-up by Obligor*) or paragraph (b) of Clause 12.8 (*FATCA Deduction by Finance Party*);
 - (B) would have been compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or
 - (C) is compensated for by a payment under paragraph (d) of Clause 12.8 (*FATCA Deduction by Finance Party*).
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrowers.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 12.3 (*Tax indemnity*), notify the Agent.

12.4 Stamp taxes

The Borrowers shall pay and, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

12.5 VAT

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party which (in whole or in part) constitute the consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply or supplies, that Party shall pay to the Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Finance Party shall promptly provide an appropriate VAT invoice to such Party).
- (b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

12.6 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:
- (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA (including its applicable "passthru payment percentage" or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA.
- (b) If a Party confirms to another Party pursuant to 12.6 (a) (i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then:
- (i) if that Party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such Party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that Party failed to confirm its applicable "passthru payment percentage" then such Party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable "passthru payment percentage" is 100%,
- until (in each case) such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.7 FATCA Deduction and gross-up by Obligor

- (a) If an Obligor is required to make a FATCA Deduction, that Obligor shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If a FATCA Deduction is required to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.

- (c) An Obligor shall promptly upon becoming aware that an Obligor must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Agent accordingly. Similarly, a Finance Party shall notify the Agent on becoming so aware in respect of a payment payable to that Finance Party. If the Agent receives such notification from a Finance Party it shall notify the Obligors.
- (d) Within thirty (30) days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Obligor making that FATCA Deduction or payment shall deliver to the Agent (on behalf of the Finance Party entitled to the payment) evidence reasonably satisfactory to that Finance Party that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

12.8 FATCA Deduction by a Finance Party

- (a) Each Finance Party may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction, and no Finance Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction. A Finance Party which becomes aware that it must make a FATCA Deduction in respect of a payment to another Party (or that there is any change in the rate or the basis of such FATCA Deduction) shall notify that Party and the Agent.
- (b) If the Agent is required to make a FATCA Deduction in respect of a payment to a Finance Party under Clause 30.2 (*Distributions by the Agent*) which relates to a payment by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after the Agent has made such FATCA Deduction), leaves the Agent with an amount equal to the payment which would have been made by the Agent if no FATCA Deduction had been required.
- (c) The Agent shall promptly upon becoming aware that it must make a FATCA Deduction in respect of a payment to a Finance Party under Clause 30.2 (*Distributions by the Agent*) which relates to a payment by an Obligor (or that there is any change in the rate or the basis of such a FATCA Deduction) notify the relevant Obligor and the relevant Finance Party.
- (d) The relevant Obligor shall (within three (3) Business Days of demand by the Agent) pay to a Finance Party an amount equal to the loss, liability or cost which that Finance Party determines will be or has been (directly or indirectly) suffered by that Finance Party as a result of another Finance Party making a FATCA Deduction in respect of a payment due to it under a Finance Document. This paragraph shall not apply to the extent a loss, liability or cost is compensated for by an increased payment under paragraph (b) above.
- (e) A Finance Party making, or intending to make, a claim under paragraph (d) above shall promptly notify the Agent of the FATCA Deduction which will give, or has given, rise to the claim, following which the Agent shall notify the Obligors.

12.9 Tax Credit and FATCA

If an Obligor makes a FATCA Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that FATCA Payment forms part, to that FATCA Payment or to a FATCA Deduction in consequence of which that FATCA Payment was required; and

(b) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to that Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the FATCA Payment not been required to be made by that Obligor.

13. INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*) the Borrowers shall, within three (3) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.

(b) In this Agreement "**Increased Costs**" means:

- (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrowers.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

(a) Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

- (i) attributable to a Tax Deduction required by law to be made by the Borrowers and/or the Guarantor
- (ii) attributable to a FATCA Deduction required to be made by an Obligor or a Finance Party;
- (iii) compensated for by paragraph (d) of Clause 12.8 (*FATCA Deduction by a Finance Party*);
- (iv) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);

- (v) compensated for by any payment made pursuant to Clause 14.4 (*Mandatory Cost*); or
 - (vi) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (vii) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) ("Basel II") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Lender or any of its Affiliates)
- (b) In this Clause 13.3 (*Exceptions*),
- (i) a reference to a "**Tax Deduction**" has the same meaning given to the term in Clause 12.1 (*Definitions*); and
 - (ii) "**Basel III**" means the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated, and any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

14. OTHER INDEMNITIES

14.1 Currency indemnity

- (a) If any sum due from the Obligors under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
- (i) making or filing a claim or proof against that Obligor;
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 Other indemnities

The Obligors shall, within three (3) Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party in any jurisdiction (including but not limited to any cost, loss or liability incurred by any of the Finance Parties arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions Laws) as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by the Borrowers and/or the Guarantor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in the Loan requested by the Borrowers in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement;
- (d) a third party claim related to the Finance Documents, the Obligors or the Vessels, hereunder any Environmental Claims or any non-compliance by any Obligor, the Technical Manager, the Commercial Manager and/or any Charterer with applicable laws including Sanctions Laws;
- (e) any claim, action, civil penalty or fine against, any settlement, and any other kind of loss or liability, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred by the Agent or any other Finance Party as a result of conduct of any Obligor or any of their partners, directors, officers, employees, agents or advisors, that violates any Sanctions Laws; or
- (f) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers.,
in each case other than by reason of default or negligence by that Finance Party alone.

14.3 Indemnity to the Agent

The Obligors shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

14.4 Mandatory Cost

The Borrowers shall, on demand by the Agent, pay to the Agent for the account of the relevant Lender, such amount which any Lender certifies in a notice to the Agent to be its good faith determination of the amount necessary to compensate it for complying with:

- (a) in the case of a Lender lending from a Facility Office in a Participating Member State, the minimum reserve requirements (or other requirements having the same or similar purpose) of the European Central Bank or any other authority or agency which replaces all or any of its functions) in respect of loans made from that Facility Office; and
- (b) in the case of any Lender lending from a Facility Office in the United Kingdom, any reserve asset, special deposit or liquidity requirements (or other requirements having the same or similar purpose) of the Bank of England (or any other governmental authority or agency) and/or paying any fees to the Financial Conduct Authority and/or the Prudential Regulation Authority (or any other governmental authority or agency which replaces all or any of their functions),

which, in each case, is referable to that Lender's participation in the Loan.

15. MITIGATION BY THE LENDERS

15.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.3 (*Illegality*), Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 Limitation of liability

- (a) The Borrowers shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16. COSTS AND EXPENSES

16.1 Transaction expenses

The Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, shall promptly on demand pay the Agent, the Finance Parties and the Hedging Banks the amount of all costs and third party expenses (including legal fees, travel expenses and out of pocket expenses) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment and enforcement costs

The Borrowers shall, within three (3) Business Days of demand, reimburse the Agent and any Finance Party or Hedging Bank for the amount of all duly documented costs and expenses (including but not limited to legal fees and other professional fees) incurred by the Agent and any such Finance Party or Hedging Bank in connection with:

- (a) responding to, evaluating, negotiating or complying with a request or requirement for any amendment, waiver or consent;
- (b) the granting of any release, waiver or consent under the Finance Documents;
- (c) any amendment or variation of a Finance Document; and

- (d) the enforcement of, or the preservation, protection or maintenance of, or attempt to preserve or enforce, any of the rights of the Finance Parties under the Finance Documents.

For the avoidance of doubt, costs payable by the Borrowers under Clause 16.1 (*Transaction Expenses*) and this Clause 16.2 (*Amendment and enforcement costs*) remain payable whether or not any Utilisation is ever made.

**SECTION 7
SECURITY**

17. SECURITY

17.1 Security

The obligations and liabilities of the Borrowers and the Guarantor under the Finance Documents and any Hedging Agreement, whether present and future, actual or contingent, whether as primary obligor or as guarantor, including (without limitation) the Borrowers' obligation to repay the Loan together with all unpaid interest, default interest, commissions, charges, expenses and any other derived liability whatsoever of the Borrowers towards the Finance Parties or the Hedging Banks in connection with this Agreement or any Hedging Agreement, shall at any time until all amounts due to the Finance Parties or the Hedging Banks under any Finance Document and any Hedging Agreement have been paid and/or repaid in full, be secured on a cross-collateralized basis by the following security:

- (a) the Mortgages;
- (b) the Guarantee;
- (c) the Assignment Agreement;
- (d) the Pledge of Earnings Accounts;
- (e) any Intra Group Loans Assignment Agreement;
- (f) any Deed of Assignment; and
- (g) the Pledge of Shares, including customary power of attorney for sale of the Shares and signed but undated letters of resignation from each director.

and any other document that may have been or shall from time to time hereafter be executed as Security for the Borrowers' obligations under or pursuant to the Finance Documents and any Hedging Agreement.

The Security Documents shall rank with first priority, save for the Pledge of Earnings Accounts which will rank after a general first ranking right of pledge in favour of the Account Bank subject to the Account Bank's general banking conditions, and shall include any obligations under the Finance Documents and any Hedging Agreement, always subject to the provision of Clause 30.5 (*Partial Payments*).

17.2 Perfection etc.

The Borrowers undertake to ensure that the Security Documents are duly executed by the parties thereto in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks) and/or the Lenders (as the case may be) in accordance with Clause 4 (*Conditions of Utilisation*), legally valid and in full force and effect, and to execute or procure the execution of such further documentation as the Security Agent may reasonable require in order for the relevant Finance Parties and the Hedging Banks, to maintain the security position envisaged hereunder.

17.3 Further assignment of Earnings and Charterparty and Shareholders Loans

In the event that any of the Borrowers enters into any Charterparty, the relevant Borrower shall prior to the relevant commencement date do its best endeavours to assign by way of a Deed of Assignment such Charterparty and any Earnings accruing thereunder in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

In the event that any of the Obligors enter into any Intra Group Loans, the relevant Obligor shall prior to the relevant commencement date assign by way of an Intra Group Loans Assignment Agreement such claims the relevant Obligor may have thereunder in favour of the Security Agent (on behalf of the Finance Parties and the Hedging Banks).

17.4 Security - Hedging Agreement

The Borrowers' obligations and liabilities under any Hedging Agreement, whether present and future, actual or contingent, whether as primary obligor or as guarantor, together with all unpaid interest, default interest, commissions, charges, expenses and any other derived liability whatsoever of the Borrowers towards a Hedging Bank in connection with any Hedging Agreement, shall at any time until all amounts due to a Hedging Bank under any Hedging Agreement have been paid and/or repaid in full, be secured by the Security Documents and the guarantee liabilities of the Guarantor pursuant to Clause 18 (*Guarantee, indemnity and joint and several liability*), however on subordinated basis to the rights of the other Finance Parties.

17.5 Parallel Debt

- (a) In this Clause:
- (i) **Corresponding Debt** means any amount which an Obligor owes to a Finance Party under or in connection with the Finance Documents and the Hedging Banks under or in connection with the Hedging Agreement.
 - (ii) **Parallel Debt** means any amount which an Obligor owes to the Security Agent under this Clause.
- (b) Each Obligor irrevocably and unconditionally undertakes to pay to the Security Agent as creditor in its own right and not as representative of the other Finance Parties or the Hedging Banks amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- (c) The Parallel Debt of each Obligor:
- (i) shall become due and payable at the same time as its Corresponding Debt;
 - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- (d) For purposes of this Clause, the Security Agent:
- (i) is the independent and separate creditor of each Parallel Debt;

- (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties or the Hedging Banks and its claims in respect of each Parallel Debt shall not be held on trust; and
 - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).
- (e) The Parallel Debt of an Obligor shall be (a) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged, and (b) increased to the extent to that its Corresponding Debt has increased, and the Corresponding Debt of an Obligor shall be (x) decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged, and (y) increased to the extent that its Parallel Debt has increased, in each case provided that the Parallel Debt of an Obligor shall never exceed its Corresponding Debt.
- (f) All amounts received or recovered by the Security Agent in connection with this Clause, to the extent permitted by applicable law, shall be applied in accordance with Clause 30.5 (*Partial payments*).

18. GUARANTEE, INDEMNITY AND JOINT AND SEVERAL LIABILITY

18.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party and the Hedging Banks punctual performance by the Borrowers of all the Borrowers' obligations under the Finance Documents and any Hedging Agreement.
- (b) undertakes with each Finance Party and the Hedging Banks that whenever the Borrowers do not pay any amount when due under or in connection with any Finance Document and any Hedging Agreement, it shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party and the Hedging Banks that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party or Hedging Banks immediately on demand against any cost, loss or liability it incurs as a result of the Borrowers not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document and any Hedging Agreement on the date when it would have been due. The amount payable by the relevant Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 18 (*Guarantee, indemnity and joint and several liability*) if the amount claimed had been recoverable on the basis of a guarantee;

provided, however, that the maximum guarantee liability of the Guarantor hereunder shall always be limited to USD 153,000,000 plus (i) any interest, default interest, Break Cost or other costs, fees and expenses related to the Borrowers' obligations under the Finance Documents and any Hedging Agreement and (ii) any default interest or other costs, fees and expenses related to the liability of the relevant Guarantor hereunder.

18.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents and any Hedging Agreement, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party or the Hedging Banks in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Clause 18 (*Guarantee, indemnity and joint and several liability*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Joint and several liability of the Borrowers

Notwithstanding anything to the contrary herein contained, each Borrower shall be and remain jointly and severally liable with the other Borrowers for (i) the payment of each and every sum from time to time due from the Borrowers, (ii) each and every obligation undertaken and (iii) each and every liability incurred on the part of the Borrowers under or pursuant to the Finance Documents.

If at any time a Borrower has paid to the Lenders or the Lenders have recovered from such Borrower a sum which was due from the Borrowers under or pursuant to the Finance Documents and such sum is higher than the amount such Borrower was obliged to contribute in its relation (if any) with the other Borrowers, then such Borrower shall not have the benefit of any right of subrogation and shall not exercise any right of recourse or claim any set-off or counterclaim against the other Borrowers or prove otherwise in competition with the Finance Parties (all such rights being hereby irrevocably waived by each Borrower) unless and until the Loan has been paid and discharged in full.

18.5 Waiver of defences

The obligations of the Guarantor under this Clause 18 (*Guarantee, indemnity and joint and several liability*), and the joint and several obligations and liability of the Borrowers under this Agreement and the other Finance Documents and any Hedging Agreement, will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 18 (*Guarantee, indemnity and joint and several liability*) (without limitation and whether or not known to it or any Finance Party or the Hedging Banks) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of the Obligor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any Hedging Agreement or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document, any Hedging Agreement or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Hedging Agreement or any other document or security; or
- (g) any insolvency or similar proceedings.

18.6 Immediate recourse

Each of the Borrowers and the Guarantor waives any right it may have of first requiring any Finance Party or the Hedging Banks (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Borrowers or the Guarantor under this Clause 18 (*Guarantee, indemnity and joint and several liability*). This waiver applies irrespective of any law or any provision of a Finance Document and any Hedging Agreement to the contrary.

18.7 Appropriations

Until all amounts which may be or become payable by the Obligor under or in connection with the Finance Documents and any Hedging Agreement have been irrevocably paid in full, each Finance Party and the Hedging Banks (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party or Hedging Banks (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Borrowers and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 18 (*Guarantee, indemnity and joint and several liability*).

18.8 Deferral of the Borrowers' and the Guarantor's rights

Until all amounts which may be or become payable by the Borrowers or the Guarantor under or in connection with the Finance Documents and any Hedging Agreement have been irrevocably paid in full and unless the Agent otherwise directs, the Borrowers and the Guarantor will not exercise any rights which they may have by reason of performance by them of their obligations under the Finance Documents and any Hedging Agreement or by reason of any amount being payable, or liability arising, under this Clause 18 (*Guarantee, indemnity and joint and several liability*):

- (a) to be indemnified by another Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents or any Hedging Agreement;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties or the Hedging Banks under the Finance Documents and any Hedging Agreement or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents and any Hedging Agreement by any Finance Party or the Hedging Banks;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 18.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any other Obligor; and/or

- (f) to claim or prove as a creditor of any other Obligor in competition with any Finance Party or the Hedging Banks.

If any Borrower or any Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties and the Hedging Banks by the Obligors under or in connection with the Finance Documents and any Hedging Agreement to be repaid in full on trust for the Finance Parties and the Hedging Banks and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (*Payment mechanics*).

18.9 Additional security

The guarantee given by the Guarantor herein is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party or the Hedging Banks.

18.10 Norwegian Financial Agreements Act

The Guarantor and each Borrower, to the extent it is to be considered a guarantor for the obligations of the other Borrowers pursuant to the FA Act, specifically waives all rights under the provisions of the FA Act not being mandatory provisions, including (but not limited to) the following provisions (the main contents of the relevant provisions being as indicated in the brackets):

- (a) § 29 (as the Agent and/or any Finance Party and/or the Hedging Banks shall be entitled to exercise all its rights under this Agreement and applicable law in order to secure payment. Such rights shall include the right to set-off any credit balance in any currency, on any bank account the Guarantor might have with each of the Finance Parties or the Hedging Banks individually against the amount due);
- (b) § 63 (1) – (2) (to be notified of an Event of Default hereunder and to be kept informed thereof);
- (c) § 63 (3) (to be notified of any extension granted to the Borrowers in payment of principal and/or interest);
- (d) § 63 (4) (to be notified of another Obligor's bankruptcy proceedings or debt reorganisation proceedings and/or any application for the latter);
- (e) § 65 (3) (that its consent is required for it to be bound by amendments to the Finance Documents or any Hedging Agreement that may be detrimental to its interest);
- (f) § 67 (2) (about any reduction of its liabilities hereunder, since no such reduction shall apply as long as any amount is outstanding under the Finance Documents and any Hedging Agreement);
- (g) § 67 (4) (that its liabilities hereunder shall lapse after ten (10) years, as it shall remain liable hereunder as long as any amount is outstanding under any of the Finance Documents and any Hedging Agreement);
- (h) § 70 (as it shall not have any right of subrogation into the rights of the Finance Parties and the Hedging Banks under the Finance Documents and any Hedging Agreement until and unless the Finance Parties and the Hedging Banks shall have received all amounts due or to become due to them under the Finance Documents and any Hedging Agreement);

- (i) § 71 (as the Finance Parties and the Hedging Banks shall have no liability first to make demand upon or seek to enforce remedies against any other Obligor or any other Security Interest provided in respect of the Borrowers' liabilities under the Finance Documents and any Hedging Agreement before demanding payment under or seeking to enforce its guarantee obligations hereunder);
- (j) § 72 (as all interest and default interest due under any of the Finance Documents and any Hedging Agreement shall be secured by its obligations hereunder);
- (k) § 73 (1) – (2) (as all costs and expenses related to a termination event or an Event of Default under this Agreement shall be secured by its guarantee obligations hereunder); and
- (l) § 74 (1) – (2) (as it shall not make any claim against the other Obligors for payment by reason of performance by it of its obligations under the Finance Documents and any Hedging Agreement until and unless the Finance Parties and the Hedging Banks first shall have received all amounts due or to become due to them under the Finance Documents and any Hedging Agreement).

18.11 Guarantee Limitations

The guarantee and liability set out in this Clause 18 (*Guarantee, indemnity and joint and several liability*) does not apply to any liability if and to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of applicable provisions under the laws of the relevant jurisdiction of the Obligors.

**SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

19. REPRESENTATIONS

Each of the Borrowers and the Guarantor makes the representations and warranties set out in this Clause 19 (*Representations*) to each Finance Party on the date of this Agreement, provided however that the representations and warranties set out in this Clause 19 (*Representations*) will not apply for the Borrowers until the date of the execution of the relevant Accession Letter.

19.1 Status

- (a) Each Obligor is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) Each Obligor and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.
- (c) No Obligor is a FATCA FFI or a US Tax Obligor.

19.2 Binding obligations

- (a) The obligations expressed to be assumed by the relevant Obligor in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*), legal, valid, binding and enforceable obligations.
- (b) Save as provided herein or therein and/or as have been or shall be completed prior to the relevant Utilisation Date, no registration, filing, payment of tax or fees or other formalities are necessary or desired to render the Finance Documents enforceable against the Obligors, and in respect of the Vessels, for the Mortgages to constitute valid and enforceable first priority mortgage over the Vessels.

19.3 Non-conflict with other obligations

The entry into and performance by any of the Obligors of, and the transactions contemplated by, the Finance Documents and the Transaction Documents do not and will not conflict with:

- (a) any law, statute, rule or regulation applicable to it, or any order, judgment, decree or permit to which it is subject, including any law, statute, rule or regulation implemented to combat money laundering and bribery;
- (b) its or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets.

19.4 Power and authority

- (a) Each Obligor has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents and the Transaction Documents to which it is a party and the transactions contemplated by those Finance Documents and Transaction Documents.
- (b) All necessary corporate, shareholder and other action have been taken by each Obligor to approve and authorize the execution of the Finance Documents and the Transaction Documents, the compliance with the provisions thereof and the performance of its obligations thereunder.

- (c) Each of the Borrowers acts for its own account by entering into the Finance Documents and obtaining the Facility.

19.5 **Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable each Obligor lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents and the Transaction Documents to which it is a party;
- (b) to make the Finance Documents and the Transaction Documents admissible in evidence in its jurisdiction of incorporation; and
- (c) in connection with each Obligor's business and ownership of assets,

have been obtained or effected and are in full force and effect, and there are no circumstances which indicate that any of the same are likely to be revoked in whole or in part.

19.6 **Governing law and enforcement**

- (a) The choice of Norwegian law and any other applicable law respectively as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained in Norway and/or any other applicable jurisdiction in relation to a Finance Document will be recognised and enforced in the relevant Obligor's jurisdiction of incorporation.

19.7 **Insolvency**

No corporate action, legal proceeding or other procedure or step described in Clause 24.6 (*Insolvency*), Clause 24.8 (*Insolvency proceedings*) or Clause 24.9 (*Creditors' process*) is currently pending or, to its knowledge, threatened in relation to any Obligor, and none of the circumstances described in Clause 24.6 (*Insolvency*), Clause 24.8 (*Insolvency proceedings*) or Clause 24.9 (*Creditors' process*) applies to any of the Obligors.

19.8 **Deduction of Tax**

No Obligor is required to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

19.9 **No filing or stamp taxes**

Under the law of the relevant Obligor's jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents, other than the Mortgages.

19.10 **No default**

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of a Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on any Obligor or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

19.11 No misleading information

- (a) Any factual information provided by any Obligor was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) The financial information provided by any Obligor has been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted and no information has been given or withheld that results in the information provided by any Obligor being untrue or misleading in any material respect.

19.12 Financial statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements fairly represent its financial condition and operations (consolidated in the case of the Guarantor) during the relevant financial year.
- (c) There has been no material adverse change in its business or financial condition (or the business or consolidated financial condition of any Obligor) since the date of delivery of its latest financial statements.

19.13 Pari passu ranking

The relevant Obligor's payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

19.14 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against any Obligor or any of its Subsidiaries.

19.15 Title

The relevant Obligor will hold the legal title and/or will be the beneficial party, as the case may be, to the Mortgaged Assets.

19.16 No security

None of the Mortgaged Assets will from the first Utilisation Date be affected by any Security, and no Obligor will be a party to, nor is it or any of the Mortgaged Assets bound by any order, agreement or instrument under which it is, or in certain events may be, required to create, assume or permit to arise any Security over any of the Mortgaged Assets, save for the Security created under the Security Documents, for liens arising solely by operation of law and/or in the ordinary course of business or otherwise as agreed with the Agent (on behalf of the Finance Parties and the Hedging Banks).

19.17 No immunity

No Obligor, nor any of their assets, are entitled to immunity from suit, execution, attachment or other legal process, and the relevant Obligor's entry into of the Finance Documents and the Transaction Documents constitutes, and the exercise of its rights and performance of and compliance with its obligations under Finance Documents and the Transaction Documents will constitute, private and commercial acts done and performed for private and commercial purposes.

19.18 **Ranking of Security Documents**

The Security created by the Security Documents has or will have the ranking in priority which it is expressed to have in the Security Documents and the Security is not subject to any prior ranking.

19.19 **Taxation**

- (a) No Obligor is overdue in the filing of any Tax returns.
- (b) To the best of its knowledge and belief, no claims or investigations are being, or are reasonably likely to be, made or conducted against any Obligor with respect to Taxes which is reasonably likely to have a material adverse effect on its ability to perform its obligations under the Finance Documents.
- (c) The relevant Obligor is resident for Tax purposes only in the jurisdiction of its incorporation, unless the Agent shall have been otherwise informed in writing.

19.20 **Environmental compliance**

Each of the Borrowers (and any of its Affiliates), the Technical Manager and any Charterers have performed and observed all Environmental Laws, Environmental Approvals and all other covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with the Vessels.

19.21 **Environmental Claims**

No Environmental Claim has been commenced or (to the best of its knowledge and belief, having made due and careful enquiry) is threatened against it where that claim has or is reasonably likely to have a material adverse effect on its ability to perform its obligations under the Finance Documents and the Transaction Documents.

19.22 **ISM Code and ISPS Code compliance**

All requirements of the ISM Code and the ISPS Code as they relate to the Borrowers (or any of their Affiliates), the Technical Manager, any Charterers and the Vessels have been complied with.

19.23 **The Vessels**

The Vessels will on the relevant Utilisation Date be:

- (a) in the absolute ownership of the relevant Borrower free and clear of all encumbrances (other than current crew wages and the Mortgages) and the relevant Borrower will be the sole, legal and beneficial owner of the relevant Vessel;
- (b) registered in the name of the relevant Borrower with the relevant Approved Ship Registry under the laws and flag applicable for the relevant Approved Ship Registry;
- (c) operationally seaworthy in every way and fit for service; and
- (d) classed with ABS or such other classification society as approved by the Agent, free of all overdue requirements and other recommendations.

19.24 **Financial Indebtedness**

No Obligor is in breach of or in default under any agreement or other instrument relating to Financial Indebtedness to which it is a party or by which it is bound (nor would it be with the giving of notice or lapse of time or both).

19.25 Sanctions

- (a) Each Obligor, each of their Affiliates, their joint ventures, and their respective directors, officers, employees, agents or representatives has been and is in compliance with Sanctions Laws;
- (b) No Obligor, nor any of their Affiliates, their joint ventures, and their respective directors, officers, employees, agents or representatives:
 - (i) is a Restricted Party, or is involved in any transaction through which it is likely to become a Restricted Party; or
 - (ii) is subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws by any Sanctions Authority.

19.26 Repetition

The Repeating Representations are deemed to be made by each of the Borrowers and the Guarantor by reference to the facts and circumstances then existing on the date of the Utilisation Request and the first day of each Interest Period and on the date of delivery of each Compliance Certificate (or, if no such Compliance Certificate is forwarded, on each day such certificate should have been forwarded to the Agent at the latest).

20. INFORMATION UNDERTAKINGS

The undertakings in this Clause 20 (*Information undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Financial statements

The Borrowers, or the Guarantor if no Borrower has acceded to the Agreement, shall supply to the Agent copies for all the Lenders of:

- (i) their most recent quarterly management accounts (profit and loss statements and balance sheet) to be delivered as soon as the same become available but in any event within 60 days after the reporting period, provided however, that quarterly management accounts of the relevant Borrower shall only be delivered from the beginning at the first quarter after Delivery of the respective Vessels;
- (ii) the most recent annual audited accounts of the Guarantor and the unaudited annual accounts of the Borrowers to be delivered as soon as the same become available but in any event within 180 days after the end of the reported fiscal year;

Cash flow projections shall be delivered by the Borrowers by 31 December for the following 12 months, or upon request of any Lender.

20.2 Compliance Certificate

The Borrowers shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (i) and (ii) Clause 20.1 (*Financial statements*), a Compliance Certificate signed by an authorised officer of the Borrowers and the Guarantor setting out (in reasonable detail) computations as to compliance with Clause 21 (*Financial covenants*) as at the date as at which those financial statements were drawn up.

20.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Borrowers pursuant to Clause 20.1 (*Financial statements*) shall be certified by an authorised officer of the relevant company as fairly representing its financial condition as at the date as at which those financial statements were drawn up.

- (b) The Borrowers shall procure that each set of financial statements delivered pursuant to Clause 20.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the relevant Obligor) deliver to the Agent:
- (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 21 (*Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

20.4 **Information: miscellaneous**

The Borrowers shall supply to the Agent (with copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Borrowers and the Guarantor to their shareholders generally (or any class of them) or their creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any Obligor, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly, such further information regarding the financial condition, business and operations of any Obligor as any Finance Party (through the Agent) may reasonably request, promptly, such information about the Vessels' classification records and status as the Agent may reasonably request;
- (d) promptly upon becoming aware of them, the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions Laws by any Sanctions Authority against it, any of its direct or indirect owners, Affiliates, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives, as well as information on what steps are being taken with regards to answer or oppose such; and
- (e) promptly upon becoming aware that it, any of its direct or indirect owners, Affiliates, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives has become or is likely to become a Restricted Party.

20.5 **Notification of default**

- (a) Each of the Borrowers and the Guarantor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Borrower or Guarantor is aware that a notification has already been provided by another Borrower or Guarantor).

- (b) Promptly upon a request by the Agent, the Borrowers shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.6 **Notification of Environmental Claims**

The Borrowers shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

- (a) if any Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against the Borrowers (or any of its Affiliates), any Charterers, the Technical Manager or the Vessels; and
- (b) of any fact and circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any of the Borrowers (or any of their Affiliates), any Charterers, the Technical Manager or any of the Vessels,

where the claim would be reasonably likely, if determined against the Borrowers (or any of its Affiliates) or the Vessels, to have a Material Adverse Effect.

20.7 **Market Value**

The Borrowers shall:

- (a) Arrange for, at their own expense, the Market Value of the Vessels to be determined on a quarterly basis, and deliver such market valuations to the Agent (on behalf of the Finance Parties) together with the financial statements to be delivered in accordance with Clause 20.1 (*Financial statements*); and
- (b) Should the Agent reasonably assume that a Default has occurred or may occur, or should a Vessel be sold or suffer a Total Loss, the Agent may arrange, or require the Borrowers to arrange, additional determinations of the Market Value of the Vessels at such frequency as the Agent (on behalf of Finance Parties) may request and at the Borrowers' expense.

20.8 **"Know your customer" checks**

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (ii) any change in the status of the Borrowers or the Guarantor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers and/or the Guarantor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Lenders to carry out and be satisfied with the results of all applicable know your customer requirements.

20.9 Disclosure of information

The Borrowers and the Guarantor irrevocably authorise the Finance Parties to give, divulge and reveal from time to time information and details relating to its account, the Vessels, the Finance Documents, and the Loan and any other agreement entered into by the Obligors or information provided by the Obligors in connection with the Loan to (i) any private, public or internationally recognised authorities, (ii) the Finance Parties' respective head office, branches and affiliates, and professional advisers, (iii) any other parties to the Finance Documents, (iv) a rating agency or their professional advisers, (v) any person with whom they propose to enter (or contemplate entering) into contractual relations in relation to the Loans, (vi) any insurance company relevant to the Finance Parties, the Obligors, the Vessels and/or the Loan, and (vii) any other person(s) regarding the funding, refinancing, transfer, assignment, sale, sub-participation or operational arrangement or other transaction in relation thereto, including without limitation, for purposes in connection with a securitization or any enforcement, preservation, assignment, transfer, sale or sub-participation of any of the Finance Parties' rights and obligations. The Finance Parties agree not to disclose information to any third party outside of the scope of the disclosure described above and further agree not to disclose any more information for such purposes than is reasonably necessary.

21. FINANCIAL COVENANTS

21.1 The Guarantor

The Guarantor shall on a consolidated basis, measured and documented quarterly, at all times maintain:

- (a) unencumbered consolidated Cash of minimum the higher of (i) USD 20.000.000 and (ii) six per cent (6 %) of the Total Interest Bearing Debt;
- (b) a Value Adjusted Tangible Net Worth of at least USD 100.000.000, but in any event the Value Adjusted Tangible Net Worth shall at all times be no less than twenty five per cent (25 %) of the Value Adjusted Total Assets; and
- (c) a positive Working Capital.

21.2 Each Borrower

Each Borrower shall at all times, measured and documented quarterly, maintain a positive Working Capital.

22. GENERAL UNDERTAKINGS

The undertakings in this Clause 22 (*General undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Authorisations

Each Obligor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

22.2 Compliance with laws

- (a) Each Obligor, their Affiliates, the Technical Manager, the Commercial Manager and any Charterer, shall comply in all respects with all laws, directives, regulations, decrees, rulings and such analogous rules to which it or its business may be subject.
- (b) Each Obligor shall, and shall procure that any Affiliate, the Technical Manager, the Commercial Manager and any Charterer comply in all respect with all Sanctions Laws and the laws of the Approved Ship Registry.
- (c) Each Obligor and parties acting on its behalf shall observe and abide with any law, official requirement or other regulatory measure or procedure implemented to combat (a) money laundering (as defined in Article 1 of the Directive (2005/60/EC) of the council of the European Communities (as amended, supplemented and/or replaced from time to time)) and (b) bribery and corrupt practices.

22.3 Negative pledge

- (a) The Borrowers shall not create or permit to subsist any Security over the Vessels or any of their assets.
- (b) No Borrower shall:
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any Obligor;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (iv) enter into any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to any Security listed below:
 - (i) any netting or set-off arrangement entered into by any Obligor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances, hereunder any rights of pledge and set-off in relation to a cash pool arrangement approved by the Agent (on behalf of the Finance Parties and the Hedging Banks);

- (ii) any lien arising by operation of law and in the ordinary course of trading and securing obligations not more than thirty (30) days overdue;
- (iii) any Security entered into pursuant to any Finance Document;
- (iv) any cash collateral from an Obligor to any Hedging Bank as security (for its own account) for any swap transaction to be entered to between that Hedging Bank and an Obligor, and any cash collateral so placed by an Obligor with a Hedging Bank shall be released, discharged and (if required) deregistered immediately after evidence of registration of the Mortgages on all of the Vessels;
- (v) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Borrower in the ordinary course of trading on arm's length terms and on the supplier's standard and usual terms;
- (vi) Security consented to in writing by the Agent (on behalf of the Finance Parties); or
- (vii) any Security or quasi-Security over bank accounts arising under the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*).

22.4 Disposals and acquisitions

The Borrowers shall not:

- (a) Whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time, sell, transfer, lease out, grant options, grant rights of first refusal or otherwise dispose of the whole or any part of its undertakings, assets, including but not limited to the Vessels, or revenues (present or future) or agree to do so; or
- (b) acquire or replace an asset or acquire any shares; or
- (c) charter in any vessel or make any investment other than in the normal course of business related to the operation of the Vessels or incur any Financial Indebtedness other than in the normal course of business related to the operation of the Vessels, provided, however, that the Borrowers shall be entitled to obtain non-amortizing, Intra Group Loans from the Guarantor as long as such loans are fully subordinated to the Borrowers' obligations under the Finance Documents with any interest thereunder to be accumulated and added to the outstanding loan amount and shall not be repaid as long as any amounts are outstanding under the Finance Documents and/or any Hedging Agreements, and pledged/assigned to the Agent (on behalf of the Finance Parties and the Hedging Banks) under an Intra Group Loans Assignment Agreement.

22.5 Merger

No Obligor shall enter into any form of amalgamation, merger, demerger or corporate reconstruction, or any acquisition of any other company or corporate entity.

22.6 Shareholding

The Guarantor shall always remain the 100 % owner of the Shares.

22.7 Change of business

No substantial change shall be made to the general nature of the business of Obligors from that carried on at the date of this Agreement, and the Borrowers shall not engage in any other business other than ownership and operation of the Vessels. The Guarantor shall always remain listed at the New York Stock Exchange.

22.8 Title

The Borrowers and/or the Guarantor (as the case may be) shall hold legal title to and own the entire beneficial interest in the Mortgaged Assets, free of all Security and other interests and rights of every kind, except for those created by the Financial Documents and as permitted in Clause 22.3 (c) (*Negative pledge*).

22.9 Insurances – general

Each of the Borrowers and the Guarantor shall maintain appropriate insurance cover with respect to its properties, assets and operations of such types, in such amounts and against such risks as are maintained by prudent companies carrying on the same or substantially similar business. All insurances must be with financially sound and reputable insurance companies, funds or underwriters.

22.10 Earnings Accounts

The Borrowers shall maintain the Earnings Accounts with the Account Bank and ensure that all Earnings are paid to the Earnings Accounts.

22.11 Derivative transactions

The Borrowers shall not enter into any derivative transactions with other parties than the Hedging Banks unless the Hedging Banks have received a reasonable opportunity, in writing, to provide competitive rates to the Borrowers.

22.12 Distribution restrictions and subordination of inter-company debt

- (a) The Borrowers may not distribute any dividend until 6 months after the Delivery Date of the last Vessel.
- (b) No Obligor shall distribute any dividends if a Default has occurred and is continuing.
- (c) All (i) Intra Group Loans to the Borrowers, (ii) claims of the Guarantor against the Borrowers and (iii) amounts owed to the Technical Managers and/or Commercial Managers (provided the Technical Managers and/or Commercial Managers are Affiliates of the Borrowers or the Guarantor) shall always be fully subordinated to the obligations of the Borrowers under the Finance Documents.

22.13 Transaction Documents

The Borrowers shall procure that no material terms of any of the Transaction Documents are amended or terminated, or any waivers of any material terms thereof are agreed, without the prior written consent of the Agent (on behalf of the Finance Parties).

22.14 Taxation

Each Obligor shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that such payment is being contested in good faith or can be lawfully withheld.

22.15 No change of name etc.

No Obligor shall change:

- (a) the end of its fiscal year;
- (b) its nature of business;
- (c) (applicable for the Borrowers only) its constitutional documents;

- (d) its legal name;
- (e) its type of organization; or
- (f) its jurisdiction;

without the prior written consent of the Agent (on behalf of the Finance Parties).

22.16 Sanctions

- (a) Without prejudice to the other provisions of this Agreement, each of the Obligors undertakes to the Finance Parties from the date of this Agreement that:
 - (i) it, and any Affiliate of any of them, or any director, officer, agent, employee, representative or person acting on behalf of the foregoing, is not a Restricted Party and does not act directly or indirectly on behalf of a Restricted Party;
 - (ii) it shall, and shall procure that each Affiliate of any of them shall, not use any revenue or benefit derived from any activity or dealing with a Restricted Party in discharging any obligation due or owing to the Finance Parties;
 - (iii) it shall procure that no proceeds from any activity or dealing with a Restricted Party are credited to any bank account held with any Finance Party in its name or in the name of any Affiliate of any of them;
 - (iv) it, and each Affiliate of any of them, has taken reasonable measures to ensure compliance with Sanctions Laws;
 - (v) it shall, and shall procure that each Affiliate of any of them shall, to the extent permitted by law promptly upon becoming aware of them supply to the Agent details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions Laws by any Sanctions Authority; and
 - (vi) it shall not accept, obtain or receive any goods or services from any Restricted Party, except (without limiting Clause 22.2 (*Compliance with laws*)), to the extent relating to any warranties and/or guarantees given and/or liabilities incurred in respect of an activity or dealing with a Restricted Party by an Obligor in accordance with this Agreement.
- (b) The Obligors shall not, and shall procure that any Affiliate of any of them shall not, permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of the Facility or other transactions contemplated by this Agreement to fund or facilitate trade, business or other activities: (i) involving or for the benefit of any Restricted Party; or (ii) in any other manner that could result in any Obligor or a Finance Party being in breach of any Sanctions Laws or becoming a Restricted Party.

22.17 Application of FATCA

No Obligor shall become a FATCA FFI or a US Tax Obligor.

23. **VESSELS UNDERTAKINGS**

23.1 **General**

The undertakings in this Clause 23 (*Vessels undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.2 **Insurance – Vessels**

- (a) The Borrowers shall maintain or ensure that the Vessels are insured against such risks, including but not limited to, hull and machinery, protection & indemnity (including cover for pollution liability as normally adopted by the industry for similar units for an amount not less than USD 1,000,000,000, and freight, demurrage and defence cover), hull interest, freight interest and war risk insurances, including blocking and trapping, confiscation, terrorism and piracy, in such amounts, on such terms and placed through first class insurance brokers with such first class insurers as the Agent shall approve, and always subject to the Nordic Marine Insurance Plan of 2013 latest version.
- (b) The aggregate insurance value, except for protection & indemnity and Loss of Hire, shall be at least equal to the higher of (i) the aggregate Market Value of the Vessels and (ii) hundred and twenty per cent (125%) of the Loan, whereof the hull and machinery insurance shall at all times cover at least eighty per cent (80%) of the insurable value (Hull and Machinery and Hull Interest). The deductible of the Hull and Machinery insurance shall never be higher than such amount as the Agent may from time to time approve.
- (c) The Borrowers shall procure that the Security Agent (on behalf of the Finance Parties and the Hedging Banks) is noted as first priority mortgagee in the insurance contracts, together with the confirmation from the underwriters, or confirmations from insurance brokers confirming this on behalf of underwriters, to the Security Agent thereof that the notice of assignment with regards to the Insurances and the loss payable clauses are noted in the insurance contracts and that standard letters of undertaking/cover notes/policies/certificates of entry are executed by the insurers and/or the insurance broker(s).
- (d) Within 15 days prior to the Utilisation Date inform the Agent of with whom the Insurances will be placed and on what main terms they will be effected, and within reasonable time prior to the expiry date of the relevant Insurances, the Borrowers shall procure the delivery to the Agent of a certificate from the insurance broker(s) through whom the Insurances referred to in paragraph (a) above have been renewed and taken out in respect of the Vessel with insurance values as required by paragraph (b) above, that such Insurances are in full force and effect and that the Security Agent (on behalf of the Finance Parties and the Hedging Banks) have been noted as first priority mortgagee by the relevant insurers.

- (e) The Borrowers shall allow for the Agent and/or any other Finance Party and/or any Hedging Bank to take out for the Borrowers' accounts a Mortgagee's Interest Insurance and a Mortgagee's Interest - Additional Perils Pollution Insurance (covering one hundred and twenty per cent (120%) of the Loan).
- (f) The Agent may also for the account of the Borrowers take out such other Insurances as the Finance Parties and the Hedging Banks may reasonably require considering the trading and flag of the Vessels.
- (g) If any of the Insurances referred to in paragraph (a) above form part of a fleet cover, the Borrowers shall procure, except for protection & indemnity (where the Borrowers shall procure to obtain standard market undertakings in favour of the Security Agent with respect to protection & indemnity from the insurers or the insurance broker), that the insurers or the insurer broker shall undertake to the Security Agent that they shall neither set-off against any claims in respect of the Vessels any premiums due in respect of other units under such fleet cover or any premiums due for other insurances, nor cancel this Insurance for reason of non-payment of premiums for other units under such fleet cover or of premiums for such other insurances, and shall undertake to issue a separate policy in respect of a Vessel if and when so requested by the Security Agent.
- (h) The Borrowers shall procure that the Vessels always are employed in conformity with the terms of the instruments of Insurances (including any warranties expressed or implied therein) and comply with such requirements as to extra premium or otherwise as the insurers may prescribe.
- (i) The Borrowers will not make any material change to the insurances described under (a) above without the prior written consent of the Agent.
- (j) The Borrowers shall pay for an insurance opinion commissioned by the Agent to be prepared by an independent insurance consultant, in form and contents acceptable to the Agent.

23.3 **Flag, name and registry**

The Vessels shall be registered in an Approved Ship Registry. The Borrowers may not move any of the Vessels to any other Approved Ship Register without the prior written approval of the Agent (on behalf of the Finance Parties and the Hedging Banks).

23.4 **Classification and repairs**

The Borrowers shall, and shall procure that any Charterer shall, keep or shall procure that the Vessels are kept in a good, safe and efficient condition consistent with first class ownership and management practice and in particular:

- (a) so as to maintain its class at the highest level with ABS or another IACS classification society approved to the Agent, free of overdue recommendations and qualifications; and
- (b) so as to comply with the laws and regulations (statutory or otherwise) applicable to units registered under the flag state of the Vessels or to vessels trading to any jurisdiction to which the Vessels may trade from time to time;
- (c) not, without the prior written consent of the Agent (which shall not be unreasonably withheld), change the classification society of any of the Vessels; and
- (d) not, without the prior written consent of the Agent, conduct modifications, repairs or remove parts which may reduce the value of the Vessels.

Within 15 days prior to the first Utilisation Date the Borrowers shall inform the Agent of the classification society the Vessels will be classed.

23.5 Inspections and class records

- (a) The Borrowers shall procure that the Agent's surveyor at the Borrowers' cost, is permitted to inspect the condition of the Vessels once a year, if so requested by the Agent, provided always that such arrangement shall not interfere with the operation of the Vessels and subject to satisfactory indemnities approved by the P&I insurers.
- (b) The Borrowers shall instruct the classification society to give the Agent access to class records and other information from the classification society in respect of the Vessels, by sending a written instruction in such form and substance as the Agent may require. The Agent shall also be granted electronic access to class records.

23.6 Surveys

The Borrowers shall submit to or cause the Vessels to be submitted to such periodic or other surveys as may be required for classification purposes and to ensure full compliance with regulations of the flag state of the Vessels and to supply or to cause to be supplied to the Agent copies of all survey reports and confirmations of class issued in respect thereof whenever such is required by the Agent, however such requests are limited to once a year.

23.7 Notification of certain events

The Borrowers shall immediately notify the Agent of:

- (a) any accident to any of the Vessels involving repairs where the costs will or is likely to exceed five per cent (5 %) of the insurance value of the relevant Vessel;
- (b) any requirement or recommendation made by any insurer or classification society or by any competent authority which is not, or cannot be, complied with immediately;
- (c) any exercise or purported exercise of any arrest or lien on any of the Vessels, their Earnings or the Insurances;
- (d) any occurrence as a result of which any of the Vessels has become or is, by the passing of time or otherwise, likely to become a Total Loss; and
- (e) any claim for a material breach of the ISM Code or the ISPS Code being made against a Borrower or the Technical Manager or otherwise in connection with a Vessel.

23.8 Operation of the Vessels

- (a) The Borrowers shall procure that the Vessels are managed by the Technical Manager pursuant to a Technical Management Agreement and shall not, without the prior written consent of the Agent (which shall not be unreasonably withheld), change or allow the change of the technical management of the Vessels.

- (b) The Borrowers shall procure that each of the Technical Manager and the Commercial Manager signs, executes and deliver a Manager's undertaking in such form as the Agent (on behalf of the Finance Parties) may require.
- (c) The Borrowers shall, and shall procure that the Technical Manager shall, comply, or procure the compliance in all material respects with the ISM Code and the ISPS Code, all Environmental Laws, all Sanction Laws, the laws of the Approved Ship Registry, the United States Oil Pollution Act 1990 and all other laws or regulations relating to the Vessels, their ownership, operation and management or to the business of the Borrowers and the Technical Manager and shall not employ the Vessels nor allow their employment:
 - (i) in any manner contrary to law or regulation in any relevant jurisdiction including but not limited to the ISM Code; and
 - (ii) in the event of hostilities in any part of the world (whether war is declared or not), in any zone which is declared a war zone by any government or by the war risk insurers of the Vessels unless the Borrowers have (at their own expense) effected any special, additional or modified insurance cover which shall be necessary or customary for first class unit owners within the territorial waters of such country at such time and has provided evidence of such cover to the Agent.

Without limitation to the generality of this Clause 23.8 (*Operation of the Vessels*), the Borrowers and the Technical Manager shall comply or procure compliance, with, as applicable, all requirements of the International Convention for the Safety of Life at Sea (SOLAS) 1974 as adopted, amended or replaced from time to time including, but not limited to, the ISM Code or the ISPS Code. None of the Vessels shall under any circumstances carry any nuclear waste/material.

23.9 ISM Code compliance

The Borrowers shall, and shall procure that the Technical Manager:

- (a) procure that the Vessels remains subject to a SMS;
- (b) procure that a valid and current SMC is maintained for the Vessels;
- (c) procure that the Technical Manager maintains a valid and current DOC;
- (d) immediately notify the Agent in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the SMC of any of the Vessels or of the DOC of the Technical Manager; and
- (e) immediately notify the Agent in writing of any "accident" or "major nonconformity", each as those terms is defined in the Guidelines in the application of the IMO International Safety Management Code issued by the International Chamber of Shipping and International Shipping Federation.

23.10 Environmental compliance

The Borrowers shall, and shall to the extent reasonably possible procure that the Technical Manager and any Charterers shall, comply in all respects with all Environmental Laws applicable to any of them or the Vessels, including without limitation, requirements relating to manning and establishment of financial responsibility and to obtain and comply with all Environmental Approvals applicable to any of them and/or the Vessel.

23.11 Arrest

The Borrowers shall pay and discharge when due:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Vessels, the Earnings or the Insurances;
- (b) all tolls, taxes, dues, fines, penalties and other amounts charged in respect of the Vessels, the Earnings or the Insurances; and
- (c) all other outgoings whatsoever in respect of the Vessels, the Earnings and the Insurances,

and forthwith (however not later than after twenty (20) Business Days) upon receiving a notice of arrest of a Vessel, or its detention in exercise or purported exercise of any lien or claim, the Borrowers shall procure its release by providing bail or providing the provision of security or otherwise as the circumstances may require.

23.12 Chartering

The Borrowers shall not, without the prior written consent of the Agent (acting on the instructions of all Lenders):

- (a) let any of the Vessels on bareboat charter for any period;
- (b) enter into any other agreement related to the chartering and operation of a Vessel exceeding twelve (12) months or any pooling arrangements related to the Earnings of the Vessels;
- (c) terminate, cancel, amend or supplement any Charterparty with a duration exceeding twelve (12) months, nor assign such Charterparty or other contract of employment to any other person.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in Clause 24 (*Events of Default*) is an Event of Default (save for Clause 24.15 (*Acceleration*)).

24.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within three (3) Business Days of its due date.

24.2 Financial covenants

Any requirement of Clause 21 (*Financial covenants*) is not satisfied.

24.3 Other obligations

An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (*Non-payment*) and Clause 24.2 (*Financial covenants*), and Clauses 24.4 – 24.14), provided that if such non-compliance is, in the opinion of the Agent, capable of remedy:

- (a) the Agent notifies the Borrowers of such non-compliance; and
- (b) such non-compliance remains unremedied for a period of 30 calendar days.

For the avoidance of doubt, a breach of Clause 22.16 (*Sanctions*), Clause 23.2 (*Insurances - Vessels*), Clause 23.3 (*Flag, name and registry*) and Clause 23.4 (*Classification and repairs*) are not capable of remedy

24.4 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

24.5 **Cross default**

- (a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).
- (d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 24.5 (*Cross default*) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than USD 100,000 in respect of the Borrowers and USD 5,000,000 of the Guarantor.

24.6 **Insolvency**

- (a) Any Obligor is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor.

24.7 **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor;
- (b) a composition, compromise, assignment or arrangement with any Obligor;

(c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of their assets ; or

(d) enforcement of any Security over any assets of any Obligor,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 24.8 (*Insolvency proceedings*) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

24.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value of USD 1,000,000 and is not discharged within thirty (30) days.

24.9 **Unlawfulness**

It is or becomes unlawful for an Obligor to perform any of its obligations under the Transaction Documents.

24.10 **Repudiation**

(a) An Obligor repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document.

(b) Any Transaction Document ceases to be legal, valid, binding, enforceable or effective.

24.11 **Material adverse change**

Any event or series of events occur which, in the opinion of the Majority Lenders, has or is likely to have a Material Adverse Effect, including but not limited to (i) instability affecting the country where the Vessels are flagged, (ii) changes in global economic and/or political developments and (iii) changes in the international money and/or capital markets.

24.12 **Cessation of business**

An Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a part of its business.

24.13 **Insurances**

Any insurance policy taken out in respect of the Vessels is cancelled, revoked or lapses, or any insurance claim(s) by the Borrowers is repudiated following a Total Loss.

24.14 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrowers:

(a) cancel the Total Commitments whereupon they shall immediately be cancelled;

(b) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

(c) declare that all or part of the Loan be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or

- (d) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

**SECTION 9
CHANGES TO PARTIES**

25. CHANGES TO THE LENDERS

25.1 Assignments and transfers by the Lenders

Subject to this Clause 25 (*Changes to the Lenders*), a Lender (the "**Existing Lender**") may assign and transfer any of its rights and/or obligations hereunder to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**"), provided that no assignment or transfer can be made to an Obligor or any of their Affiliates.

The Lenders shall notify the Borrower of any proposed assignment or transfer, unless an Event of Default has occurred.

The consent of the Obligors is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:

- (i) to another Lender or an Affiliate of a Lender;
- (ii) to a reputable shipping bank which has a minimum rating of "BBB" at S&P or "Baa" at Moody's; or
- (iii) made at a time when an Event of Default is continuing.

25.2 Conditions of assignment or transfer

(a) A transfer will only be effective if the procedure set out in Clause 25.4 (*Procedure for transfer*) is complied with.

(b) If:

- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
- (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, a Borrowers or the Guarantor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (f) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

(c) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

25.3 Limitation of responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document, and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 25 (*Changes to the Lenders*); or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

25.4 Procedure for transfer

- (a) Subject to the conditions set out in Clause 25.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.

- (c) Subject to Clause 25.6 (*Pro rata interest settlement*), on the Transfer Date:
- (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "**Discharged Rights and Obligations**");
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Mandated Lead Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Mandated Lead Arrangers and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a "Lender".

25.5 **Copy of Transfer Certificate to the Borrowers**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Borrowers a copy of that Transfer Certificate.

25.6 **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 25.4 (*Procedure for transfer*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than three (3) Months, on the next of the dates which falls at three (3) Monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
 - (i) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (ii) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 25.6 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

25.7 **Securitisation**

The Agent or the Lenders may include the Loan in a securitisation or similar transaction without the consent of, or any consultation with the Borrowers and/or the Guarantor. The Agent and/or the Lenders (as the case may be) shall have full right of disclosure of information in connection with or in contemplation of such securitisation (or similar transaction). The Borrowers and the Guarantor shall assist the Agent as necessary to achieve a successful securitisation (or similar transaction), hereunder inter alia the following:

- (a) Keep bank accounts where requested by the Agent and procure that the Earnings are paid to any such account; and
- (b) Procure that the Insurances according to Clause 23.2 (*Insurance – Vessels*) are placed with insurers of the requisite rating;

provided however that the Borrowers and/or the Guarantor shall not be required to bear any costs related to any such securitisation.

25.8 **Security over Lenders' rights**

In addition to the other rights provided in this Clause 25, each Lender may, without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure the obligations of that Lender, including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as Security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (c) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (d) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

26. **CHANGES TO THE OBLIGORS**

26.1 **Assignments and transfer by Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26.2 **Accession as Borrower**

The owners or prospective owners of any Vessel may become a Borrower under this Agreement by execution of the Accession Letter provided it is wholly owned by the Guarantor. The accession shall take effect by the relevant Borrower(s), the Guarantor and the Agent (on behalf of the Finance Parties and the Hedging Banks) signing and executing the relevant Accession Letter, and the Agent is hereby irrevocably authorised by the other Finance Parties and the Hedging Banks to execute any Accession Letter. The Finance Parties and the Hedging Banks agree that this authorisation is given to secure the interest of the Finance Parties and the Hedging Banks under this Agreement and is accordingly irrevocable. After the execution of an Accession Letter the acceding Borrower shall be bound by this Agreement and any other Accession Letters.

26.3 **Compulsory resignation of FATCA FFIs and US Tax Obligors**

If so directed by the Agent (acting on the instructions of all Finance Parties), an Obligor which is a FATCA FFI or a US Tax Obligor shall resign as a Borrower and/or Guarantor prior to the earliest FATCA Application Date relating to any payment by that Obligor (or any payment by the Agent which relates to a payment by that Obligor).

**SECTION 10
THE FINANCE PARTIES**

27. ROLE OF THE AGENT, THE SECURITY AGENT AND THE MANDATED LEAD ARRANGERS

27.1 Appointment of the Agent

- (a) Each other Finance Party and the Hedging Banks appoints the Agent to act as its agent under and in connection with the Finance Documents and each Lender, the Hedging Banks and the Agent appoints the Security Agent to act as its security agent for the purpose of the Security Documents.
- (b) Each other Finance Party and the Hedging Banks authorises the Agent, and each Lender, the Hedging Banks and the Agent authorises the Security Agent, to exercise the rights, powers, authorities and discretions specifically given to the Agent or the Security Agent (as the case may be) under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions
- (c) Except where the context otherwise requires, references in this Clause 27 (*Role of the Agent, the Security Agent and the Mandated Lead Arrangers*) to the "**Agent**" shall mean the Agent and the Security Agent individually and collectively.

27.2 Duties of the Agent

- (a) Subject to paragraph (b) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Without prejudice to Clause 25.5 (*Copy of Transfer Certificate to the Borrowers*), paragraph (a) above shall not apply to any Transfer Certificate.
- (c) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties and the Hedging Banks.
- (e) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party and the Hedging Banks (other than the Agent or the Mandated Lead Arrangers) under this Agreement it shall promptly notify the other Finance Parties and the Hedging Banks.
- (f) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

27.3 Role of the Mandated Lead Arrangers

Except as specifically provided in the Finance Documents, the Mandated Lead Arrangers have no obligations of any kind to any other Party under or in connection with any Finance Document.

27.4 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent or the Mandated Lead Arrangers as a trustee or fiduciary of any other person.
- (b) Neither the Agent nor any Mandated Lead Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.5 Business with any Obligor

The Agent and the Mandated Lead Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any Obligor.

27.6 Rights and discretions of the Agent

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24.1 (*Non-payment*));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (iii) any notice or request made by the Borrowers (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Borrowers and the Guarantor.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any Mandated Lead Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

27.7 Majority Lenders' instructions

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent is not authorised to act on behalf of a Lender or the Hedging Banks (without first obtaining that Party's consent) in any legal or arbitration proceedings relating to any Finance Document.

27.8 **Responsibility for documentation**

Neither the Agent nor any Mandated Lead Arranger:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, any Mandated Lead Arranger, an Obligor or any other person given in or in connection with any Finance Document; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

27.9 **Exclusion of liability**

- (a) Without limiting paragraph (b) below, the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent or any Mandated Lead Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Mandated Lead Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or any Mandated Lead Arranger.

27.10 **Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three (3) Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.11 Resignation of the Agent

- (a) The Agent may resign as Agent and/or Security Agent and appoint one of its Affiliates as successor by giving notice to the other Finance Parties, the Hedging Banks and the Borrowers.
- (b) Alternatively the Agent may resign as Agent and/or Security Agent by giving thirty (30) days' notice to the other Finance Parties, the Hedging Banks and the Borrowers, in which case the Majority Lenders (after consultation with the Borrowers) may appoint a successor Agent and/or Security Agent.
- (c) If the Majority Lenders have not appointed a successor Agent and/or Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrowers) may appoint a successor Agent and/or Security Agent.
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation as Agent and/or Security Agent (as the case may be) in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 27 (*Role of the Agent and the Mandated Lead Arrangers*). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Borrowers, the Majority Lenders may, by notice to the Agent, require it to resign as Agent and/or Security Agent in accordance with paragraph (b) above. In this event, the Agent shall resign as Agent and/or Security Agent in accordance with paragraph (b) above.
- (h) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three (3) months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 12.6 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 12.6 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

- (iii) the Agent notifies the Borrowers and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

27.12 Confidentiality

- (a) In acting as agent for the Finance Parties and the Hedging Banks, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

27.13 Relationship with the Lenders

- (a) Subject to Clause 25.6 (*Pro rata Interest Settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 32.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 32.2 (*Addresses*) and paragraph (a)(iii) of Clause 32.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

27.14 Credit appraisal by the Lenders and the Hedging Banks

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and the Hedging Banks confirms to the Agent and the Mandated Lead Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each Obligor;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender or Hedging Banks have recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.15 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Borrowers) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

27.16 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28. CONDUCT OF BUSINESS BY THE FINANCE PARTIES OR THE HEDGING BANKS

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party or the Hedging Banks to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party or the Hedging Banks to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party or the Hedging Banks to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29. SHARING AMONG THE FINANCE PARTIES

29.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor other than in accordance with Clause 30 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three (3) Business Days, notify details of the receipt or recovery to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

- (c) the Recovering Finance Party shall, within three (3) Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).

29.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

29.3 **Recovering Finance Party's rights**

On a distribution by the Agent under Clause 29.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

29.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

29.5 **Exceptions**

- (a) This Clause 29 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**SECTION 11
ADMINISTRATION**

30. PAYMENT MECHANICS

30.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account with such bank as the Agent specifies.

30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*) and Clause 30.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account with such bank as that Party may notify to the Agent by not less than five (5) Business Days' notice.

30.3 Distributions to an Obligor

The Agent may (with the consent of the relevant Obligor or in accordance with Clause 31 (*Set-off*)) apply any amount received by it from that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 Clawback

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.5 Partial payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement;

- (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents; and
 - (v) **fifthly**, in or towards any periodic payments and any other amounts due but unpaid under any Hedging Agreement.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a) (ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.6 No set-off by Borrowers and Guarantor

All payments to be made by a Borrower or the Guarantor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 Currency of account

- (a) Subject to paragraphs (b) and (c) below, USD is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than USD shall be paid in that other currency.

30.9 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrowers); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31. **SET-OFF**

- (a) A Finance Party may set off any matured or un-matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured or un-matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) Each Borrower and Guarantor hereby agrees and accepts that this Clause 31 (*Set-off*) shall constitute a waiver of the provisions of Section 29 of the FA Act and further agrees and accepts, to the extent permitted by law that Section 29 of the FA Act shall not apply to this Agreement.

32. **NOTICES**

32.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by e-mail, fax or letter.

32.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrowers and the Guarantor;

c/o DHT Management AS
Haakon VII's gate 1
P.O. Box 2039 Vika
0125 Oslo, Norway

- (b) in the case of the Security Agent and Agent, that identified with its name below,

ABN AMRO Bank N.V:
Agency Syndicated Loans/PAC HQ8042
Gustav Mahlerlaan 10
1082 PP Amsterdam, The Netherlands

E-mail: Iwan.Rahimbaks@nl.abnamro.com; Salima.Chaouaou@nl.abnamro.com;
Jessie.Chau@nl.abnamro.com; Yvonne.Souw-Portier@nl.abnamro.com

Attn: Iwan Rahimbaks / Yvonne Souw-Portier / Salima Chaouaou / Jessie Chau /

and (for the Agent's loan administration matters):
ABN AMRO Bank N.V:
P.O. Box 283
1000 EA Amsterdam, The Netherlands
E-mail: Agency.Services.Nederland@nl.abnamro.com
Fax no.: +31 20 628 30 30
Attn: Agency Services Nederland (PAC AA8222)

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

32.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrowers in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

32.4 Notification of address, e-mail and fax number

Promptly upon receipt of notification of an address, e-mail or fax number or change of address, e-mail or fax number pursuant to Clause 32.2 (*Addresses*) or changing its own address, e-mail or fax number, the Agent shall notify the other Parties.

32.5 Electronic communication

- (a) Any communication to be made between the Agent and a Lender under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (iii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the Agent and a Lender will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

32.6 English language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or

- (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

34. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

36. AMENDMENTS AND WAIVERS

36.1 Required consents

- (a) Subject to Clause 36.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the relevant Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.

36.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

- (iv) an increase in or an extension of any Commitment;
- (v) any provision which expressly requires the consent of all the Lenders;
- (vi) Clause 2.2 (*Finance Parties' rights and obligations*), Clause 25 (*Changes to the Lenders*) or this Clause 36 (*Amendments and waivers*);
- (vii) the nature or scope of the guarantee and indemnity granted under Clause 18 (*Guarantee, Indemnity and Joint and Several Liability*);
- (viii) release of any Security created by the Security Documents unless permitted under the Finance Documents or undertaken by the Agent acting on instruction of the Majority Lenders following an Event of Default which is continuing;
- (ix) change to any Obligor;
- (x) governing law and jurisdiction;
- (xi) the manner in which the proceeds after enforcement are being applied; or
- (xii) any change to the Security Documents

shall not be made without the prior consent of all the Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent or any Mandated Lead Arranger (each in their capacity as such) may not be effected without the consent of the Agent or, as the case may be, the relevant Mandated Lead Arranger.
- (c) An amendment or waiver which relates to the rights or obligations of a Hedging Bank (each in its capacity as such) may not be effected without the consent of the relevant Hedging Bank.

37. CONFIDENTIALITY

37.1 Confidential information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 37.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

37.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

- (b) to any person:
- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Obligors and to any of that person's Affiliates, Related Funds, representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph b) of Clause 27.13 (*Relationship with the Lenders*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph b)(i) or b)(ii) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security Interest (or may do so) pursuant to Clause 25.8 (*Security over Lenders' rights*) ;
 - (viii) who is a Party; or
 - (ix) with the consent of the Obligors;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

(A) in relation to paragraphs b)(i), b)(ii) and b)(iii) above, the person to whom the Confidential Information is to be given has entered into a confidentiality undertaking except that there shall be no requirement for a confidentiality undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

(B) in relation to paragraph b)(iv) above, the person to whom the Confidential Information is to be given has entered into a confidentiality undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

(C) in relation to paragraphs b)(v), b)(vi) and b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Finance Party or by a person to whom paragraph b)(i) or b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master confidentiality undertaking for Use With Administration/ Settlement Service Providers or such other form of confidentiality undertaking agreed between the Obligors and the relevant Finance Party;
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information;
- (e) as set out in Clause 25.7 of this Agreement.

37.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or the Obligors the following information:
 - (i) name of the Obligors;
 - (ii) country of domicile of the Obligors;
 - (iii) place of incorporation of the Obligors;
 - (iv) date of this Agreement;
 - (v) the names of the Agent and the Arranger;
 - (vi) date of each amendment and restatement of this Agreement;
 - (vii) amount of Total Commitments;
 - (viii) currencies of the Facility;
 - (ix) type of Facility;
 - (x) ranking of Facility;
 - (xi) the Final Maturity Date;
 - (xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and
 - (xiii) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or the Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Obligors represent that none of the information set out in paragraphs (i) to (xiii) of paragraph a) above is, nor will at any time be, unpublished price-sensitive information.

37.4 Entire agreement

This Clause 37 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

37.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

37.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph b)(ii) of Clause 37.2 (*Disclosure of Confidential Information*), except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 37 (*Confidentiality*).

37.7 Continuing obligations

The obligations in this Clause 37 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve (12) months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

38. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

39. **CONFLICT**

In case of conflict between the Security Documents and this Agreement, the provisions of this Agreement shall prevail, provided however that this will not in any way be interpreted or applied to prejudice the legality, validity or enforceability of any Security Document.

**SECTION 12
GOVERNING LAW AND ENFORCEMENT**

40. GOVERNING LAW

This Agreement is governed by Norwegian law.

41. ENFORCEMENT

41.1 Jurisdiction

- (a) The courts of Norway, the venue to be Oslo city court (in Norwegian: *Oslo tingrett*) have jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement (a "**Dispute**").
- (b) The Parties agree that the courts of Norway are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 40.1 (*Jurisdiction*) is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

41.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Borrower and Guarantor:

- (a) irrevocably appoints DHT Management AS, Haakon VII's gate 1, P.O. Box 2039 Vika, 0125 Oslo, Norway as its agent for service of process in relation to any proceedings before the Norwegian courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant Borrower and/or Guarantor of the process will not invalidate the proceedings concerned.

If any process agent appointed shall cease to exist for any reason where process may be served, each Borrower or Guarantor will forthwith appoint another process agent with an office in Norway where process may be served and will forthwith notify the Agent thereof.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL LENDERS

Name of Original Lender:	Commitment:
DVB Bank SE Park House 16-18 Finsbury Circus London EC2M 7 EB United Kingdom	Up to USD 47,000,000
ABN AMRO BANK N.V. Oslo Branch Olav Vs gate 5 0161 Oslo	Up to USD 47,000,000
Nordea Bank Norge ASA Middelthunsgate 17 0368 Oslo Norway	Up to USD 47,000,000
	<u>Total up to USD 141,000,000</u>

SCHEDULE 2
CONDITIONS PRECEDENT

Part I

Condition Precedent signing of Agreement

(Borrowers' document only to be provided upon signing of an Accession Letter)

1. Borrowers and Guarantor

- (a) Certified copies of the constitutional documents of the relevant company.
- (b) Certificate of Incorporation, extract from the relevant Company Registry and/or updated Certificate of Good Standing;
- (c) A certified copy of a resolution of the board of directors, and if required by the Agent shareholders resolutions, of the relevant company:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents and any Hedging Agreement to which it is a party and resolving that it execute the Finance Documents and any Hedging Agreement to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents and any Hedging Agreement to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents and any Hedging Agreement to which it is a party.
- (d) A copy of the passports of any Director of the relevant company and of each other person signing any Finance Documents and any Hedging Agreement, and specimen of the signature of such persons if not evidenced by the passport copy;
- (e) An original Power of Attorney (notarised and legalised if requested by the Agent);
- (f) Evidence of the shareholder structure of the Borrowers and the 10 largest shareholders of the Guarantor based on latest publicly available filings; and
- (g) A certificate of an authorised signatory of the relevant company setting out the name of the Directors of the relevant Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Authorisations

All approvals, authorisations and consents required by any government or other authorities for the Obligors to enter into and perform their obligations under this Agreement and/or any of the other Transaction Documents to which they are respective parties.

3. Finance Documents

- (a) The Agreement;

(All Finance Documents to be delivered in original).

4. **Vessel Documents**

- (a) Copy of the Shipbuilding Contracts;

5. **Legal opinions**

- (a) If an Obligor is incorporated in a jurisdiction other than Norway, a legal opinion from the legal advisers to the Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders prior to signing this Agreement; and
- (b) Any such other favourable legal opinions in form and substance satisfactory to the Agent from lawyers appointed by the Agent on matters concerning all relevant jurisdictions.

6. **Other documents and evidence**

- (a) Evidence that any process agent referred to in Clause 40.2 (*Service of process*), if not an Obligor, has accepted its appointment;
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Guarantor accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document;
- (c) Evidence that all instalments due under the Shipbuilding Contracts prior to signing of the Agreement have been paid;
- (d) Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and expenses*) have been paid or will be paid by the date hereof; and
- (e) Any other documents as reasonably requested by the Agent, hereunder any additional documentation required for any Finance Party to comply with their Know Your Customer requirements;

Part II

Condition Precedent Utilisation

1. **Borrowers and Guarantor**

- (a) Certified copies of the constitutional documents of the relevant company;
 - (b) Certificate of Incorporation, extract from the relevant Company Registry and/or updated Certificate of Good Standing;
 - (c) A certified copy of a resolution of the board of directors, and if required by the Agent shareholders resolutions, of the relevant company:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents and any Hedging Agreement to which it is a party and resolving that it execute the Finance Documents and any Hedging Agreement to which it is a party;
-

- (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (d) A copy of the passports of any Director of the relevant company and of each other person signing any Finance Documents, and specimen of the signature of such persons if not evidenced by the passport copy;
 - (e) An original Power of Attorney (notarised and legalised if requested by the Agent);
 - (f) Evidence of the shareholder structure of the Borrowers and the 10 largest shareholders of the Guarantor based on latest publicly available filings; and
 - (g) A certificate of an authorised signatory of the relevant company setting out the name of the Directors of the relevant Obligor certifying that each copy document relating to it specified in this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Authorisations

All approvals, authorisations and consents required by any government or other authorities for the Obligors to enter into and perform their obligations under this Agreement and/or any of the other Transaction Documents to which they are respective parties.

3. Finance Documents

- (a) The Mortgages;
- (b) The Assignment Agreement;
- (c) A Notice of Assignment of Insurances and acknowledgement thereof or standard letters of undertaking;
- (d) A Notice of Assignment of Earnings and acknowledgement thereof;
- (e) The Pledge of Earnings Accounts;
- (f) The Pledge of Shares with the notices, transcripts and evidence required thereunder;
- (g) Any Deed of Assignment and the notices and acknowledgements required thereunder; and
- (h) Any Intra Group Loans Assignment Agreement the notices, transcripts and evidence required thereunder.

(All Finance Documents to be delivered in original).

4. Documents relating to the Vessels

- (a) A certified copy of the Builder Certificate;
 - (b) Copies of insurance policies/cover notes documenting that insurance cover has been taken out in respect of the Vessels in accordance with Clause 23.2 (*Insurances - Vessels*), and evidencing that the Agent's Security in the insurance policies have been noted in accordance with the relevant notices as required under the Assignment Agreement;
-

- (c) A certified copy of the Protocol of Delivery and Acceptance under the relevant Shipbuilding Contract;
- (d) A certified copy of any Charterparty;
- (e) A copy of the current DOC;
- (f) A certified copy of any Technical Management Agreement;
- (g) A certified copy of any Commercial Management Agreement;
- (h) A survey report in respect of each Vessel;
- (i) A certified copy of updated confirmations of class (or equivalent) in respect of the Vessels from the relevant classification society, confirming that the Vessels are classed in accordance with Clause 23.4 (*Classification and repairs*), free of extensions and overdue recommendations;
- (j) A copy of the Vessels' current SMC;
- (k) A copy of the Vessels' ISSC; and
- (l) Updated valuation certificates in respect of each of the Vessels issued no more than thirty (30) days prior to the relevant Utilisation Date.

The following documents to be received by the Agent latest on the relevant Utilisation Date:

- (m) Evidence (by way of transcript of registry) that the Vessels are registered in the name of the relevant Borrower in an Approved Ship Registry acceptable to the Agent, that the Mortgages have been, or will in connection with Utilisation of the Facility be, executed and recorded with their intended first priority against the relevant Vessel and that no other encumbrances, maritime liens, mortgages or debts whatsoever are registered against the Vessels.

5. Legal opinions

The following documents to be received by the Agent latest on the Utilisation Date:

- (a) If an Obligor is incorporated in a jurisdiction other than Norway, a legal opinion from the legal advisers to the Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders prior to signing this Agreement;
 - (b) If any Mortgaged Asset is situated in a jurisdiction other than Norway, or any Finance Document is subject to any other choice of law than Norwegian law, a legal opinion from the legal advisers to the Agent in the relevant jurisdiction, substantially in the form distributed to the Original Lenders prior to signing this Agreement; and
 - (c) Any such other favourable legal opinions in form and substance satisfactory to the Agent from lawyers appointed by the Agent on matters concerning all relevant jurisdictions.
-

6. **Other documents and evidence**

- (a) Evidence that any process agent referred to in the Security Documents , if not a Party to this Agreement, has accepted its appointment;
 - (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrowers accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document;
 - (c) A Utilisation Request at least three (3) Business Days prior to the Utilisation Date;
 - (d) Evidence that all instalments due under the relevant Shipbuilding Contract prior to the Utilisation Date have been paid;
 - (e) A favourable opinion from the Agent's insurance consultants at the expense of the Borrowers confirming that the required insurances have been placed and are acceptable to the Agent and that the underwriters are acceptable to the Agent;
 - (f) An original Compliance Certificate confirming that the Borrowers and the Guarantor are in compliance with the financial covenants as set out in Clause 21 (*Financial covenants*);
 - (g) Evidence that the fees, costs and expenses then due from the Borrowers pursuant to Clause 11 (*Fees*) and Clause 16 (*Costs and expenses*) have been paid or will be paid by the Utilisation Date;
 - (h) Any agreements in respect of Intra Group Loans and evidence that they are subordinated to the obligations of the Borrowers under the Finance Documents and any Hedging Agreements;
 - (i) Manager's undertakings from the Technical Manager and the Commercial Manager in such form as the Agent may require; and
 - (j) Any other documents as reasonably requested by the Agent, hereunder any additional documentation required for any Finance Party to comply with their Know Your Customer requirements.
-

SCHEDULE 3

PART I

Utilisation Request

From: [], [] and []

To: ABN AMRO BANK N.V.

Dated:

Dear Sirs

[], [] and [] – USD 141,000,000 Facility Agreement dated 22 July 2014 (the "Agreement")

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow the Loan on the following terms:
Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)
Amount: [] or, if less, the Available Facility
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
[], [] and []

Part II

Selection Notice

From: [], [] and []

To: [name of Agent]

Dated:

Dear Sirs

[], [] and [] – USD 141,000,000 Facility Agreement dated 22 July 2014 (the "Agreement")

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the [Loan] [Tranche in respect of the Vessel []] with an Interest Period ending on [].
3. We request that the next Interest Period for the [Loan] [above Tranche] is [].
4. This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
[name of Borrowers]

SCHEDULE 4
FORM OF TRANSFER CERTIFICATE

To: ABN AMRO BANK N.V. as Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

[], [] and [] – USD 141,000,000 Facility Agreement dated 22 July 2014 (the "**Agreement**")

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
 2. We refer to Clause 25.4 (*Procedure for transfer*):
 - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 25.4 (*Procedure for transfer*).
 - (b) The proposed Transfer Date is [].
 - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 32.2 (*Addresses*) are set out in the Schedule.
 3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.3 (*Limitation of responsibility of Existing Lenders*).
 4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
 5. This Transfer Certificate is governed by Norwegian law.
 6. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.
-

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [].

[Agent]

By:

SCHEDULE 5
FORM OF COMPLIANCE CERTIFICATE

To: ABN AMRO BANK N.V. as Agent

From: [], [] and [],

Dated:

Dear Sirs

[], [] and [] – USD 141,000,000 Facility Agreement dated 22 July 2014 (the "Agreement")

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

2. We confirm that as of [insert date] the Guarantor has on a consolidated basis:

The Guarantor has on a consolidated basis (Clause 21.1):

a) Minimum Value Adjusted Tangible Net Worth

Requirement: Value Adjusted Tangible Net Worth of at least USD 100,000,000, but the Value Adjusted Tangible Net Worth shall in any event minimum 25 % of the Value Adjusted Total Assets

Value Adjusted Tangible Net Worth* USD.....

Value Adjusted Total Assets* USD.....

In Compliance Yes/No

*) as per enclosed calculations

b) Minimum Cash

Requirement: The higher of USD 20,000,000 and 6 % of the Total Interest Bearing Debt

Minimum Cash* USD...../.....%

Total Interest Bearing Debt* USD...../.....%

*) as per enclosed calculations

In Compliance Yes/No

d) Working Capital

Requirement: Positive
Current Assets USD....., less
Current Debt USD.....
In Compliance Yes/No

3. We confirm that as of [insert date] the Borrowers have (Clause 21.2):

Working Capital

Requirement: Positive
Current Assets USD....., less
Current Debt USD.....
In Compliance Yes/No

4. We confirm that no Default is continuing.

Please find enclosed a copy of our financial statements, together with updated valuation certificates in respect of the Vessels and a statement by the Borrowers' management giving a fair opinion of the Vessels' Market Value, the market conditions, a market view and the market outlook, as per [] 20[].

Yours faithfully

.....
authorised signatory for
[]

.....
authorised signatory for
[]

.....
authorised signatory for
[]



Lender:

DVB BANK SE

By: _____

Name:

Title:

Lender:

ABN AMRO BANK N.V. OSLO BRANCH

By: _____

Name:

Title:

Lender:

NORDEA BANK NORGE ASA

By: _____

Name:

Title:

Mandated Lead Arranger:

ABN AMRO BANK N.V. OSLO BRANCH

By: _____

Name:

Title:

Mandated Lead Arranger:

DVB BANK SE

By: _____

Name:

Title:

Mandated Lead Arranger:

NORDEA BANK NORGE ASA

By: _____

Name:

Title:

Hedging Bank:

ABN AMRO BANK N.V.

By: _____

Name:

Title:

Hedging Bank:

DVB BANK SE

By: _____

Name:

Title:

Hedging Bank:

NORDEA BANK FINLAND PLC.

By: _____

Name:

Title:

Agent:

ABN AMRO BANK N.V.

By: _____

Name:

Title:

Security Agent:

ABN AMRO BANK N.V.

By: _____

Name:

Title:

Guarantor:

DHT HOLDING INC.

By: /s/ Eirik Ubøe

Name: Eirik Ubøe

Title: CFO

Original Lender:

DVB BANK SE

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Original Lender:

ABN AMRO BANK N.V. OSLO BRANCH

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Original Lender:

NORDEA BANK NORGE ASA

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Mandated Lead Arranger:

ABN AMRO BANK N.V. OSLO BRANCH

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Mandated Lead Arranger:

DVB BANK SE

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact



Mandated Lead Arranger:

NORDEA BANK NORGE ASA

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Hedging Bank:

ABN AMRO BANK N.V.

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Hedging Bank:

NORDEA BANK FINLAND PLC.

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Agent:

ABN AMRO BANK N.V.

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Hedging Bank:

DVB BANK SE

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

Security Agent:

ABN AMRO BANK N.V.

By: /s/ Erlend Lous

Name: Erlend Lous

Title: Attorney-in-Fact

SHARE PURCHASE AGREEMENT

between

THE VARIOUS SHAREHOLDERS OF
SAMCO SHIPHOLDING PTE. LTD.
(AS SET OUT IN SCHEDULE 1)

and

DHT HOLDINGS, INC.

Dated as of September 9, 2014

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EXHIBIT A Form of Escrow Agreement

SHARE PURCHASE AGREEMENT (this "Agreement"), dated as of September 9, 2014, between the VARIOUS SELLING SHAREHOLDERS (whose names are set out in Schedule 1, collectively, the "Sellers" and each a "Seller") and DHT HOLDINGS, INC. ("Purchaser").

RECITALS

Samco Shipholding Pte. Ltd., a private company limited by shares incorporated under the laws of the Republic of Singapore ("Company"), has an issued and paid-up share capital of \$51,626,316 comprising 5,100 ordinary shares at the date of this Agreement (the "Shares"). The Shares are owned by Sellers in the amounts set forth opposite such Seller's name in Schedule 1 (with respect to each Seller, as applicable, the "Seller Shares").

Purchaser desires to purchase from each Seller, and each Seller desires to sell to Purchaser, the Seller Shares.

On or prior to the date of this Agreement, each POA Seller has executed and delivered a valid power of attorney in the form previously agreed between Sellers and Purchaser (each a "Power of Attorney") appointing each of Samaual Abdullah T Bakhsh and Bengt Axel Olof Hermelin (each a "POA Attorney") as attorney with authority to act, in the name of such POA Seller and on such POA Seller's behalf, in relation to this Agreement and the transactions contemplated hereby, including to sign, execute, deliver and/or issue this Agreement in the name of such POA Seller and on such POA Seller's behalf.

Accordingly, the parties hereby agree as follows:

ARTICLE I

Purchase and Sale of Shares; Closing

SECTION 1.01. Purchase and Sale of the Shares.

(a) On the terms and subject to the conditions of this Agreement, Sellers shall sell to Purchaser, and Purchaser shall purchase from Sellers, the Shares. The Sellers irrevocably waive any right of pre-emption conferred on each of them by the articles of association of the Company or otherwise over the Shares.

(b) Purchaser shall not be obliged to purchase, and the Sellers shall not be obliged to sell, any of the Seller Shares unless the sale and purchase of all of the Shares is completed simultaneously.

(c) The aggregate consideration payable by Purchaser for the Seller Shares shall be:

(i) the payment by Purchaser to the Sellers at the Closing of an aggregate amount equal to \$317,005,000 (the "Initial Purchase Price"), less the Escrow Amount pending final determination of the Actual Equity Amount in accordance with Section 1.02 and Schedule 3; and

(ii) such further payment or adjustment payment as is provided for under Section 1.02, made by Purchaser to the Sellers or by the Sellers to Purchaser (as the case may be).

The Initial Purchase Price, as adjusted pursuant to Section 1.01(c)(ii) and Section 1.02, is referred to as the "Purchase Price". The Purchase Price shall be allocated among Sellers in their Respective Percentages as set out opposite their respective names in Schedule 1. The sale and purchase of the Shares is referred to in this Agreement as the "Acquisition".

SECTION 1.02. Purchase Price Adjustment.

(a) If the Actual Equity Amount is:

(i) a sum which is greater than the Provisional Equity Amount, Purchaser shall pay to the Sellers in accordance with Section 1.02(b) a sum equal to the difference and Purchaser and the Sellers Representative shall jointly instruct the Escrow Agent to pay to the Sellers, from the Escrow Fund and in accordance with Section 1.02(b), the entire amount of the Escrow Fund (including such interest, if any, that has accrued on such sum); or

(ii) a sum which is less than the Provisional Equity Amount:

(1) and in the event the difference is less than the Escrow Amount, Purchaser and the Sellers Representative shall jointly instruct the Escrow Agent to pay: (A) to Purchaser, from the Escrow Fund and in accordance with Section 1.02(b), a sum equal to such difference (together with such interest, if any, that has accrued on such sum); and (B) to the Sellers, from the Escrow Fund and in accordance with Section 1.02(b), the balance of the Escrow Fund (together with such interest, if any, that has accrued on such sum);

(2) and in the event the difference exceeds the Escrow Amount, Purchaser and the Sellers Representative shall jointly instruct the Escrow Agent to pay to Purchaser, from the Escrow Fund and in accordance with Section 1.02(b), the entire amount of the Escrow Fund (together with such interest, if any, that has accrued on such sum) and Sellers shall pay to Purchaser in accordance with Section 1.02(b) a sum equal to such difference minus the Escrow Amount; or

(iii) equal to the Provisional Equity Amount, Purchaser and the Sellers Representative shall jointly instruct the Escrow Agent to pay to the Sellers, from the Escrow Fund and in accordance with Section 1.02(b), a sum equal to the Escrow Amount (together with such interest, if any, that has accrued on such sum).

- (b) Any sum payable under Section 1.02(a) shall be paid:
- and
- (i) within 14 Business Days after the date of the Actual Equity Amount being finally determined pursuant to the procedures set forth in Schedule 3;
 - (ii) by electronic funds transfer for same day value to:
 - (1) (where such sum is payable to the Sellers) to the bank accounts designated by the Sellers Representative in the Escrow Account release instructions; or
 - (2) (where such sum is payable to Purchaser) the Purchaser's bank account designated in writing by Purchaser (such designation to be made at least two Business Days prior to the anticipated date of such payment).
- (c) For the purposes of determining the Actual Equity Amount, the provisions of Schedule 3 shall apply.

SECTION 1.03. Closing Date. The closing of the Acquisition (the "Closing") shall take place on the second Business Day following the satisfaction (or, to the extent permitted by Applicable Law, the waiver by all the parties) of the conditions set forth in Section 6.01 and the satisfaction (or, to the extent permitted by Applicable Law, the waiver by the party entitled to the benefit thereof) of the conditions set forth in Sections 6.02 and 6.03, at such time and place as shall be agreed between the Sellers and Purchaser. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

SECTION 1.04. Transactions To Be Effected on the Closing Date.

(a) At the Closing, the Sellers shall deliver to Purchaser (or, in the case of the items described in Section 1.04(a)(iv) and 1.04(a)(v), make available and resident at the office of the Company's corporate secretary, where such items relate to the Company, and make available and resident at the relevant Subsidiary's registered office, where such items relate to any Subsidiary, or, in the case of the items described in Section 1.04(a)(v), make available and resident at the Company's premises at 20 Science Park Road, Singapore):

- (i) a separate share transfer form from each Seller in respect of such Sellers' Seller Shares duly executed and completed in favor of Purchaser, together with copies of the powers of attorney or other authority under which any such transfers have been executed, where required;
- (ii) the original share certificates representing the Seller Shares (or an express indemnity in a form satisfactory to the Purchaser in the case of any certificate found to be missing);

(iii) duly completed working sheets computing the net asset value per share in the form prescribed by the Stamp Duty Branch of the Inland Revenue Authority of Singapore and signed by a director or the secretary of the Company in respect of the share transfers referred to in Section 1.04(a)(i);

(iv) in respect of the Company and each of the Subsidiaries, all its statutory and minute books (each duly written up to the date immediately prior to the Closing Date), its common seal (if any), certificate of incorporation and any certificate on change of name and the share certificates in respect of the shares held in the Non-Vessel Subsidiaries and the Goodwood Shares;

(v) in respect of the Company and each of the Subsidiaries, all other books and records of the Company and its Subsidiaries, including all financial, accounting and banking books and records of the Company and each Subsidiary;

(vi) certificates of good standing dated within 5 Business Days of Closing for:

(1) the Company from the Singapore accounting and corporate regulatory authority; and

(2) each of the Subsidiaries from the Cayman Islands general registry of companies;

(vii) letters of resignation (in a form agreed between the Sellers and the Purchaser) duly executed by Samaual Abdullah Bakhsh, Omnia Abdullah Bakhsh and Loke Mun-Tze Jacqueline Joelle, resigning from their offices as directors of the Company as of Closing, acknowledging that they have no claims against the Company;

(viii) the New Service Contracts duly executed by the Existing Employee counterparty and the Company;

(ix) certified copies of the resolutions of the board of directors of the Company resolving that:

(1) the transfers mentioned in Section 1.04(a)(i) be approved and registered by the Company (subject only to their being duly stamped) and a definitive share certificate in the name of Purchaser for all the Shares be issued and delivered to Purchaser;

(2) the persons named in Section 1.04(c) be validly appointed as the directors of the Company as of the Closing;

(3) the resignations of the directors of the Company referred to in Section 1.04(a)(vii) above be accepted so as to take effect as of the Closing; and

(4) the New Service Contracts be approved by the Company and that the execution of the same on behalf of the Company be authorized.

(b) At the Closing, Purchaser shall:

(i) deliver copies of the resolutions or approvals of the board of directors of Purchaser authorizing the purchase by Purchaser of the Seller Shares and the other transactions contemplated by this Agreement and the execution of the relevant documents relating to the Acquisition;

(ii) pay:

(1) to each Seller, by wire transfer of immediately available funds for value on the Closing Date, to a bank account (or bank accounts) designated in writing by such Seller (such designation to be made at least two Business Days prior to the Closing Date), an amount in cash equal to the amount set out against such Seller's name in column (D) of the table in Schedule 1; and

(2) into the Escrow Fund in accordance with the Escrow Agreement, a sum equal to the Escrow Amount;

(iii) procure that the Company submits all necessary filings and makes all necessary entries in the corporate records of the Company to effect and record the transactions contemplated by this Agreement.

(c) With effect from Closing, Svein Moxnes Harfjeld and Trygve P. Munthe shall be appointed as directors of the Company until the earlier of their resignation or removal or until their respective successors are duly elected and qualified in accordance with Applicable Law and the Company Articles, as the case may be.

(d) At the Closing, Purchaser and Bengt Axel Olof Hermelin, serving as trustee for each of the Sellers (the "Sellers Representative"), shall enter into an escrow agreement substantially in the form attached hereto as Exhibit A (the "Escrow Agreement") with an agent to be selected by Purchaser and the Sellers (the "Escrow Agent"), and an amount equal to \$5,000,000 (the "Escrow Amount") shall be deposited with the Escrow Agent by Purchaser in accordance with Section 1.04(b)(ii)(2) and pursuant to the terms of the Escrow Agreement, which amount shall be held by the Escrow Agent in an escrow fund (the "Escrow Fund") pending final determination of the Actual Equity Amount in accordance with Section 1.02 and Schedule 3. The fees and expenses of the Escrow Agent shall be borne equally between Purchaser (on the one hand) and the Sellers (on the other hand) in accordance with the Escrow Agreement.

Following the final determination of the Actual Equity Amount in accordance with the provisions of Schedule 3, the Sellers Representative and Purchaser undertake to cooperate to issue a release instruction in accordance with the terms of the Escrow Agreement, to the Escrow Agent within 10 Business Days after the date of the Actual Equity Amount being finally determined pursuant to the procedures set forth in Schedule 3, directing the Escrow Agent to release and pay the Escrow Amount from the Escrow Fund in accordance with the terms of this Agreement.

Each of the Sellers hereby agrees and acknowledges that they have each appointed Bengt Hermelin as the “Sellers Representative” for the purposes of the Escrow Agreement and they approve and instruct him to open up the Escrow Account in his sole name (and that of the Purchaser) for the purposes required by the Escrow Agreement. Furthermore, the Sellers acknowledge and agree that the Escrow Amount shall be paid into the Escrow Account, and that the Escrow Account shall be operated in accordance with the Escrow Agreement, including that the fees owed to the Escrow Agent will be borne equally between Purchaser (on the one hand) and the Sellers (on the other hand) in accordance with the Escrow Agreement. The Sellers also acknowledge that Bengt Hermelin alone shall be the account holder and signatory to the Escrow Account and Bengt Hermelin is authorized on the Sellers’ behalf to handle any amounts released from the Escrow Account in accordance with this Agreement and the Escrow Agreement, and that he alone shall be responsible for remitting such amounts in the Relevant Percentages to the Sellers after their release.

ARTICLE II

Warranties Relating to Each Seller

Each Seller hereby warrants to Purchaser, severally and not jointly, as follows:

SECTION 2.01. Standing and Power; Authority. Such Seller is a natural person and has full power and authority and is competent to execute this Agreement and to consummate the Acquisition and the other transactions contemplated hereby. The execution and delivery by such Seller of this Agreement and the consummation by such Seller of the Acquisition and the other transactions contemplated hereby have been duly authorized by all necessary action on the part of such Seller.

SECTION 2.02. Execution and Delivery; Enforceability. Such Seller has duly executed and delivered this Agreement, and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject in each case to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors’ rights and remedies generally and (ii) the effect of equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

SECTION 2.03. Powers of Attorney. (a) The Power of Attorney of each POA Seller has been duly authorized, executed and delivered by such POA Seller and constitutes such POA Seller’s legal, valid and binding obligation, enforceable against such POA Seller in accordance with its terms, subject in each case to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors’ rights and remedies generally and (ii) the effect of equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) Each POA Attorney is a natural person, has been duly authorized by each POA Seller and has full power and authority and is competent to execute this Agreement and to consummate and cause the consummation of the Acquisition and the other transactions contemplated hereby, in each case in the name of such POA Seller and on such POA Seller's behalf.

(c) The Sellers have made available to Purchaser true and complete copies of each Power of Attorney.

SECTION 2.04. No Conflicts; Consents. (a) The execution and delivery by such Seller of this Agreement does not and the consummation of the Acquisition and the other transactions contemplated hereby and compliance by such Seller with the terms hereof and thereof will not, (i) result in the creation of any Lien upon any of such Seller's Shares, (ii) conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of such Seller (other than such Seller's Shares) under, any provision of any Contract to which such Seller is a party or by which any of its properties or assets is bound or (iii) subject to the filings and other matters referred to in Section 2.04(b), conflict with, or result in any violation of any provision of, any judgment, order or decree ("Judgment") or Applicable Law, in each case, applicable to such Seller or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect on the ability of such Seller to perform its obligations under this Agreement or a material adverse effect on the ability of such Seller to consummate the Acquisition and the other transactions contemplated hereby (any such material adverse effect, a "Seller Material Adverse Effect").

(b) No material consent, approval, waiver, license, permit, order or authorization ("Consent") of or from, or registration, declaration, notice or filing made to or with, any Governmental Entity is required to be obtained or made by or with respect to such Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the Acquisition or the other transactions contemplated hereby, other than (i) the Regulatory Approvals and (ii) compliance with and filings under the Securities Act, the Exchange Act, applicable state securities or blue sky laws and the rules and regulations of any securities exchange.

SECTION 2.05. Litigation. As of the date of this Agreement (a) there is no material Proceeding pending or, to the knowledge of such Seller, threatened against such Seller and (b) to the knowledge of such Seller, such Seller is not a party to any Judgment or settlement agreement of or with a Governmental Entity that, in any case, individually or in the aggregate, has had or would reasonably be expected to have a Seller Material Adverse Effect.

SECTION 2.06. The Seller Shares. Such Seller has good and valid title to the Seller Shares, free and clear of all Liens. Assuming Purchaser has the requisite power and authority to be the lawful owner of the Seller Shares, upon: (i) delivery to Purchaser at the Closing of the items set forth in Section 1.04(a); (ii) the items referred to in Section 1.04(a)(i) being duly stamped by the Purchaser and then registered with and by the Company; and (iii) such Seller's receipt of the amount set out against such Seller's name in column (D) of the table in Schedule 1, good and valid title to the Seller Shares will pass to Purchaser, free and clear of any Liens, other than those arising from acts of Purchaser or its affiliates. Other than this Agreement, the Seller Shares are not subject to any voting trust agreement, arrangement or other Contract, including any Contract restricting or otherwise relating to the voting, dividend rights or disposition of the Seller Shares.

SECTION 2.07. Brokers. Other than the Potent Arrangements (for which the Sellers shall be fully and solely responsible), no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Acquisition or the other transactions contemplated hereby based upon arrangements made by or on behalf of such Seller.

SECTION 2.08. No Additional Representations and Warranties. EXCEPT FOR THE EXPRESS WARRANTIES MADE BY SELLERS IN THIS AGREEMENT, SELLERS AND THE COMPANY MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, CONCERNING THE SHARES, THE COMPANY, THE SUBSIDIARIES OR ANY OTHER MATTER.

ARTICLE III

Warranties Relating to the Company.

Sellers, severally and not jointly, hereby warrant to Purchaser that the following warranties in this Article III (the "Sellers Warranties") are true and accurate at the date of this Agreement, except for the matters set forth in the Company Disclosure Letter which, subject to Section 3.23(c) and the provisions of the Company Disclosure Letter, qualify the Sellers Warranties:

SECTION 3.01. Organization and Standing. (a) Each of the Company and the Subsidiaries and Goodwood is a corporation or other registered business entity duly incorporated, organized or registered (as the case may be), validly existing and in good standing (to the extent the concept is recognized in the applicable jurisdiction) under the laws of the jurisdiction of its organization and has full power and authority to enable it to own the Vessels and to enable it to own, lease or otherwise hold its other properties and assets and to conduct its businesses as presently conducted. The term "Subsidiary" means each company or other entity listed in Part B of Schedule 2.

(b) The Company has made available to Purchaser true and complete copies of (i) the memorandum of association of the Company, as amended to the date of this Agreement (the "Company Memorandum of Association"), and the articles of association of the Company, as amended to the date of this Agreement (the "Company Articles"), and (ii) the comparable governing instruments, each as amended to the date of this Agreement, of each Subsidiary and Goodwood.

SECTION 3.02. Share Capital of the Company, the Subsidiaries and Goodwood. (a) The Seller Shares:

- (i) are ordinary shares in the capital of the Company ("Ordinary Shares") and together constitute the entire issued and allotted shares of the Company;
- (ii) are beneficially and legally owned by the Sellers in the proportions set out in Schedule 1 and the Sellers have the right to exercise all voting and other rights over such Seller Shares;
- (iii) are the only class of share capital or other equity securities of the Company issued, reserved for issuance, allotted or outstanding;
- (iv) are duly authorized, validly issued and allotted and fully paid (or credited as fully paid) and, except as contemplated by this Agreement, are not subject to or issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the Singapore Companies Act, the Company Memorandum of Association or the Company Articles or any Contract to which the Company is a party or otherwise bound; and
- (v) have not been and are not listed on any stock exchange or regulated market.

(b) There are not any bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of Ordinary Shares may vote ("Voting Company Debt").

(c) Except as set forth above, as of the date of this Agreement, there are not any options, warrants, rights, convertible or exchangeable securities, "phantom" share rights, share appreciation rights, share-based performance units, commitments, Contracts, arrangements or undertakings of any kind to which the Company or any Subsidiary is a party or by which it is bound (i) obligating the Company or any Subsidiary to issue or allot, deliver or sell, or cause to be issued, delivered or sold, additional Ordinary Shares or other equity interests in, or any security convertible or exercisable for or exchangeable into any share capital or other equity interest in, the Company, any Subsidiary or any Voting Company Debt or (ii) obligating the Company or any Subsidiary to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking. As of the date of this Agreement, there are not any outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Ordinary Shares or other equity interests in the Company or any Subsidiary.

(d) Schedule 2, Part B sets forth for each Subsidiary a description of its authorized share capital (including classes and authorized number of shares, where applicable), the number of shares issued and allotted in each class of share capital and the legal and beneficial owners of such issued and allotted shares. The shares held by the Company in each Subsidiary:

- (i) have been duly authorized and validly issued and allotted;
- (ii) are fully paid;
- (iii) comprise the whole of the issued and allotted shares in each Subsidiary; and
- (iv) are owned directly or indirectly by the Company free and clear of all Liens (other than Liens pursuant to the Company Debt Facilities).

(e) Schedule 2, Part C sets forth for Goodwood a description of its share capital (including classes and number of shares, where applicable), the number of shares issued and allotted in each class of share capital and the legal (and in the case of the shares held by the Company only, also the beneficial) owners of such issued and allotted shares. The Goodwood Shares:

- (i) have been duly authorized and validly issued and allotted;
- (ii) are fully paid;
- (iii) in the aggregate, represent 50% of the whole of the issued and allotted shares of Goodwood; and
- (iv) are owned directly or indirectly by the Company free and clear of all Liens (other than Liens pursuant to the Company Debt Facilities).

(f) The shares of the Subsidiaries and the Goodwood Shares are free of any restriction on the right to vote, sell or otherwise dispose of such share capital (other than such restrictions pursuant to the Company Debt Facilities and, in the case of the Goodwood Shares, the Goodwood JV).

(g) Except as set forth above, to the knowledge of the Company there are not any options, warrants, rights, convertible or exchangeable securities, "phantom" share rights, share appreciation rights, share-based performance units, commitments, Contracts, arrangements or undertakings of any kind to which Goodwood is a party or by which Goodwood is bound (i) obligating Goodwood to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares or other equity interests in, or any security convertible or exercisable for or exchangeable into any share capital of or other equity interest in, Goodwood or (ii) obligating Goodwood to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, Contract, arrangement or undertaking. As of the date of this Agreement, to the knowledge of the Company there are not any outstanding contractual obligations of Goodwood to repurchase, redeem or otherwise acquire any shares of or other equity interests in Goodwood.

(h) Except for its interests in the Subsidiaries and the Goodwood Shares, the Company does not as of the date of this Agreement own, directly or indirectly, any share capital, capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any person and does not have any branch, division or establishment outside of Singapore or the Cayman Islands.

Applicable Law: (i) The registers, statutory books, books of account and other records of each of the Company and the Subsidiaries which are required to be maintained under

(i) are up to date in all material respects;

(ii) are maintained in all material respects in accordance with Applicable Law on a proper and consistent basis;

(iii) contain materially complete records of all matters required to be dealt with in such books and records; and

(iv) where required, have attached to them copies of all such resolutions (including any agreements attached to or incorporated in such resolutions) as are required by Applicable Law to be delivered to the Registrar of Companies of Singapore (where applicable) and all other resolutions passed by the Company or such Subsidiary or any class of members or shareholders thereof, other than resolutions relating to ordinary business at any annual general meeting.

(j) All registers, books and records referred to in Section 3.02(i) and all other material documents (including copies of all material Contracts to which the Company or any Subsidiary is a party) which are the property of the Company or the Subsidiaries are in the possession (or under the control through appointed corporate secretarial service providers) of the Company or such Subsidiary.

(k) All material accounts, documents and returns required by Applicable Law to be delivered by the Company or any Subsidiary or made to the Registrar of Companies of Singapore (where applicable) have been delivered or made on a timely basis.

(l) Each of the Non-Vessel Subsidiaries has no employees and, except as is necessary in the ordinary course of business to effect the wind down of their respective operations for the period during which such companies owned and operated vessels, the Non-Vessel Subsidiaries are not involved in any activities and have not traded or incurred any new obligations or new liabilities whatsoever since they ceased to own and operate vessels.

(m) Since the Balance Sheet Date, the Company has not declared or paid any dividend or otherwise distributed any assets to the holders of its share capital.

SECTION 3.03. Authority. The Company has all requisite corporate or organizational power and authority to perform its obligations under this Agreement or the other transactions contemplated hereby. The obligations of the Company hereunder and the other transactions contemplated hereby have been duly authorized by all necessary corporate or other similar organizational action on the part of the Company, its board of directors and its shareholders.

SECTION 3.04. No Conflicts; Consents. (a) The consummation of the Acquisition and the other transactions contemplated hereby and compliance by the Company with the terms hereof will not (i) conflict with, or result in any violation of any provision of, the Company Memorandum of Association or the Company Articles, (ii) conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary or, to the knowledge of the Company, Goodwood under, any provision of any Contract to which the Company or any Subsidiary or Goodwood is a party or by which any of their respective assets is bound or (iii) subject to the filings and other matters referred to in Section 3.04(b), conflict with, or result in any violation of any provision of, any Judgment or Applicable Law, in each case, applicable to the Company or any Subsidiary or, to the knowledge of the Company, Goodwood or their respective properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) No material Consent of or from, or registration, declaration, notice or filing made to or with, any Governmental Entity is required to be obtained or made by or with respect to the Company or any Subsidiary or, to the knowledge of the Company, Goodwood in connection with the performance of this Agreement or the consummation of the Acquisition or the other transactions contemplated hereby, other than (i) the Regulatory Approvals and (ii) compliance with and filings under the Securities Act, the Exchange Act, applicable state securities or blue sky laws and the rules and regulations of any securities exchange.

SECTION 3.05. Financial Statements; Internal Controls. (a) The Company has made available to Purchaser true, complete and correct copies of the audited consolidated financial statements of the Company and the Subsidiaries as of and for the years ended December 31, 2011, December 31, 2012 and December 31, 2013 (the most recent such date, the "Balance Sheet Date"), together with the report of the independent auditor of the Company thereon, including, in each case, a balance sheet and statements of comprehensive income (loss), cash flows and retained earnings or shareholders' equity and related notes (the "Audited Financial Statements").

(b) The Audited Financial Statements (i) have been prepared in accordance with SFRS, applied on a consistent basis (except as may be indicated in the notes thereto), and (ii) give a true and fair view of the financial position, results of operations and cash flows of the Company and the Subsidiaries on a consolidated basis as of and for the respective periods indicated.

(c) The Company has made available to Purchaser true, complete and correct copies of the unaudited consolidated financial statements of the Company and the Subsidiaries as of and for the quarter ended June 30, 2014, including a balance sheet and statements of comprehensive income (loss), cash flows and retained earnings or shareholders' equity (the "Unaudited Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements").

(d) The Unaudited Financial Statements (i) have been prepared in accordance with the same accounting policies and principles as those adopted in preparing the Company's management accounts for the preceding three years and, for those items included, such items have been calculated in a manner consistent with SFRS, and (ii) present fairly in all material respects the assets, liabilities, income and cash flows of the Company and the Subsidiaries on a consolidated basis as of and for the periods indicated.

(e) The Company has made available to Purchaser true, complete and correct copies of (i) the audited consolidated financial statements of Goodwood as of and for the year ended December 31, 2013, together with the report of the independent auditor of Goodwood thereon, including a balance sheet and statements of comprehensive income (loss), cash flows and retained earnings or shareholders' equity and related notes (the "Goodwood Audited Financial Statements") and (ii) the unaudited consolidated management accounts of Goodwood as of and for the quarter ended March 31, 2014 (the "Goodwood Unaudited Management Accounts").

(f) To the knowledge of the Company, the Goodwood Unaudited Management Accounts have been prepared in accordance with the same accounting policies and principles as those adopted by Goodwood in preparing its management accounts for the preceding two years and, for those items included, such items have been calculated in a manner consistent with SFRS.

(g) The Company has devised and maintained systems of internal accounting controls with respect to its business sufficient to provide reasonable assurances that transactions are recorded as necessary to permit the preparation of financial statements in conformity with SFRS.

SECTION 3.06. No Undisclosed Liabilities. (a) As of the date of this Agreement, none of the Company or the Subsidiaries has any material Liabilities, except for (i) Liabilities that are reflected, disclosed or reserved against in the audited consolidated balance sheet as of the Balance Sheet Date or in the notes thereto (the "Year End Balance Sheet") or the Unaudited Financial Statements or (ii) Liabilities that have been incurred since the date of the Unaudited Financial Statements in the ordinary course of business consistent with past and industry practice.

(b) As of the date of this Agreement, the total amount outstanding under the Company Debt Facilities (other than under any agreement relating to any interest rate swap, derivative or hedging facility or transaction), on a consolidated basis, including accrued but unpaid interest, premium or penalty and other related amounts, is \$323,250,000 or less. Other than under the Company Debt Facilities, the Company and the Subsidiaries have no indebtedness for any borrowed money (or guarantees or similar obligations or understandings in respect of indebtedness for borrowed money of another person) as of the date of this Agreement.

SECTION 3.07. Vessels. (a) The Company or a Subsidiary has good and valid title to the Vessels in each case free and clear of all Liens, except (i) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business, (ii) Liens for Taxes that are not due and payable or that may thereafter be paid without penalty, (iii) Liens (including Liens pursuant to the Company Debt Facilities) that secure obligations that are reflected as Liabilities on the Year End Balance Sheet or the existence of which is referred to in the notes to the Year End Balance Sheet or that are reflected as Liabilities in the Unaudited Financial Statements and (iv) other imperfections of title or encumbrances, if any, that, individually or in the aggregate, do not materially impair, and would not reasonably be expected materially to impair, the continued use and operation of the Vessels in the conduct of the business of the Company and the Subsidiaries as presently conducted (the Liens described above are referred to collectively as "Permitted Liens").

(b) The information set out in Part D of Schedule 2 relating to the description of each Vessel, including its name, year built, owner, the country of its registration (flag), capacity (dwt), its classification society and shipyard of construction is complete and accurate in all material respects. Each Vessel (i) is duly registered under the flag of the Republic of the Marshall Islands or the Republic of France (Registre International Français) (or both), as applicable, (ii) is seaworthy and in good operating condition (fair wear and tear excepted), (iii) has all national and international operating and trading certificates and endorsements, each valid and unextended, which are required for the operation of such Vessel in the trades and geographic areas in which it is operated, (iv) has been classed by a classification society that is a member of the International Association of Classification Societies and (v) is fully in class with no outstanding material recommendations or notations. To the knowledge of the Company: (A) no event has occurred and no condition exists that would cause such Vessel's class to be suspended or withdrawn; and (B) all events and conditions which are required to be reported as to class have been disclosed and reported to such Vessel's classification society.

SECTION 3.08. Real Property. Neither the Company, nor any of the Subsidiaries, owns beneficially or legally any real property. Except for the Singapore Properties, neither the Company nor any Subsidiary leases or has any other interest in any real property. True and complete copies of the leases with respect to the Singapore Properties are contained in Section 3.08 of the Disclosure Bundle.

SECTION 3.09. Intellectual Property.

(a) Neither the Company nor any Subsidiary owns any material Intellectual Property, other than unregistered Intellectual Property that, individually and in the aggregate, are not material to the conduct of the business of the Company and the Subsidiaries as presently conducted.

(b) Since January 1, 2012, none of Sellers, the Company or the Subsidiaries has received any written communication from any person asserting any ownership interest in any Intellectual Property used by the Company. To the knowledge of the Company, the conduct of the business of the Company and the Subsidiaries as presently conducted does not violate, conflict with or infringe in any material respect the Intellectual Property of any other person, except for such violations, conflicts or infringements that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(c) To the knowledge of the Company, since January 1, 2012, there have been no material (i) security breaches of any information technology systems used in connection with the business of the Company or any of the Subsidiaries and (ii) disruptions in the information technology systems of the Company or any of the Subsidiaries that adversely affected in any material respect the business of the Company or any of the Subsidiaries.

SECTION 3.10. Contracts. (a) Section 3.10 of the Company Disclosure Letter lists each of the following Contracts which the Company or any Subsidiary, as of the date of this Agreement, is a party to or bound by:

(i) any Contract (other than any Contract solely between the Company and any of its Subsidiaries) relating to outstanding indebtedness for borrowed money pursuant to which the Company or any Subsidiary has an outstanding principal amount in excess of \$250,000;

(ii) any Contract relating to a security interest imposed on any Vessel or other asset or property of the Company or any of its Subsidiaries, other than Permitted Liens;

(iii) with respect to any joint venture, partnership or other similar agreement or arrangement with a third party, any Contract that relates to the formation, creation, operation, management or control of such joint venture, partnership or similar agreement or arrangement;

(iv) any Contract that involves or would reasonably be expected to involve aggregate payments by or to the Company or any Subsidiary in excess of \$250,000 in any twelve-month period;

(v) any Contract that (A) would limit the freedom of the Company or any Subsidiary to compete in any line of business or with any person or in any area after the Closing, (B) contains exclusivity obligations or restrictions that would be binding on the Company or any Subsidiary after the Closing or (C) provides for a "most favored nations" pricing status for any party thereto;

(vi) any Contract relating to any material interest rate, derivatives or hedging transaction;

(vii) any Contract with any supplier of or for the furnishing of services to the Company or any of its Subsidiaries involving consideration of more than \$250,000 over its remaining term (including any automatic extensions thereto);

(viii) any ship management agreement, contract of affreightment, financial lease (including any sale/leaseback agreement or similar arrangement) or charter (time, bareboat or otherwise) with respect to any Vessel, and Section 3.10(a)(viii) of the Company Disclosure Letter sets forth the classification of each such charter as time, bareboat or other;

(ix) any Contract (including any Contract including an option) for or relating to the purchase or sale of any Vessel or other vessel (other than any such Contract under which the Company and the Subsidiaries have no continuing obligations, liabilities, rights or options);

(x) any Contract under which the Company or any Subsidiary has directly or indirectly guaranteed liabilities or obligations of any person (in each case other than endorsements for the purpose of collection in the ordinary course of business);

(xi) any Contract that prohibits the payment of dividends or distributions in respect of the share capital of the Company or any Subsidiary, prohibits the pledging of the share capital of the Company or any Subsidiary or prohibits the issuance of any guarantee by the Company or any Subsidiary;

(xii) any effective power of attorney granted by the Company or any of its Subsidiaries other than those granted to any existing director of the Company or any existing director of a Subsidiary;

(xiii) any agreement under which the Company or any Subsidiary provided loans or advanced money to any other person (other than intercompany indebtedness or arrangements); and

(xiv) any Contract between the Company or any Subsidiary, on the one hand, and any current or former director, officer, employee, independent contractor or consultant of the Company or any Subsidiary, on the other hand, including any Contract that contains restrictive covenants prohibiting such person from taking certain actions, including non-competition, non-solicitation, no-hire, non-disparagement or non-disclosure restrictions but not including any Company Benefit Plan, in each case under which there continues to be any obligation by any party to the other as of the date of this Agreement.

(b) As of the date of this Agreement, each Contract required to be listed in Section 3.10 of the Company Disclosure Letter (each, a “Listed Contract”) is a valid and binding agreement of the Company or Subsidiary party thereto and, to the knowledge of the Company, any other party thereto and is in full force and effect, except for such failures to be valid, binding or in full force and effect that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. To the knowledge of the Company, the Company or the applicable Subsidiary has performed all material obligations required to be performed by it to date under the Listed Contracts, and it is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder and, to the knowledge of the Company, no other party to any Listed Contract is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder, except for such noncompliance, breaches and defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. Without limiting the generality of the foregoing, to the knowledge of the Company, the Company or the applicable Subsidiary has performed all material obligations required to be performed by it to date under the Company Debt Facilities, and it is not (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.

(c) None of Sellers, the Company or the Subsidiaries has received any notice of the intention of any party to terminate any Listed Contract.

(d) Complete and correct copies of each Listed Contract, together with all written modifications and amendments thereto, have been made available to Purchaser.

SECTION 3.11. Permits.

(a) The Company and the Subsidiaries hold, own or possess all licenses, permits, certificates, approvals, authorizations, consents, registrations, exemptions and waivers from Governmental Entities or pursuant to any Maritime Guideline (collectively, "Permits") necessary to enable them to own the Vessels and to enable them to own, lease or otherwise hold their other properties and assets and for the lawful conduct of their respective businesses as conducted on the date of this Agreement other than such Permits the lack of which, individually or in the aggregate, would not have a Company Material Adverse Effect.

(b) To the knowledge of the Company, the Company and the Subsidiaries are in material compliance with all of the terms and requirements of each Permit.

(c) Since January 1, 2012, none of Sellers, the Company or the Subsidiaries has received written notice from any Governmental Entity (including any written notice, warning or allegation from any Governmental Entity regarding deficiencies in compliance with any Applicable Law or Maritime Guideline) of any suit, action or proceeding (a "Proceeding") relating to the revocation, suspension or termination of, or material modification to, any Permits, in each case other than any such item that has been cured or otherwise resolved to the satisfaction of such Governmental Entity or that is no longer being pursued by such Governmental Entity.

(d) Subject to compliance with the matters set forth in Sections 2.04(b) and 3.04(b), none of the Permits will be subject to revocation, suspension, withdrawal or termination as a result of the consummation of the Acquisition.

SECTION 3.12. Insurance.

(a) Section 3.12 of the Company Disclosure Letter lists, as of the date hereof, all current policies in respect of directors and officers liability, fiduciary liability, employment practices liability, errors and omissions liability, workers' compensation liability, hull and machinery, protection and indemnity, title and other forms of insurance owned, held by or applicable to the Company (or its assets (including the Subsidiaries' Vessels) or business).

(b) To the knowledge of the Company, all insurance policies listed on Section 3.12 of the Company Disclosure Letter are in full force and effect. All premiums due and payable thereon have been paid in full (other than retroactive or retrospective premium adjustments that are not yet, but may be, required to be paid with respect to any period ending prior to the Closing Date, which amounts shall be paid prior to the Closing Date if so required).

(c) To the knowledge of the Company, each of the Company and its Subsidiaries has complied in all material respects with the provisions of each such policy under which it is an insured party.

(d) Since January 1, 2012, the Company has not been refused any insurance in writing with respect to its assets or operations by any insurance carrier to which it has applied for any such insurance or with which it has carried insurance.

(e) The insurance policies listed on Section 3.12 of the Company Disclosure Letter are sufficient for compliance by the Company and the Subsidiaries with (i) all requirements of Applicable Laws and mandatory Maritime Guidelines and (ii) all Contracts to which the Company or any Subsidiary is a party.

(f) No material claims are outstanding under the insurance policies listed on Section 3.12 of the Company Disclosure Letter. To the knowledge of the Company, there are no circumstances existing that could give rise to a material insurance claim under the insurance policies listed on Section 3.12 of the Company Disclosure Letter for which a claim has not yet been made.

SECTION 3.13. Tax Matters. (a) All material Tax Returns required to have been filed by or with respect to the Company and the Subsidiaries have been duly and timely filed (taking into account any extensions) in accordance with Applicable Law. All such Tax Returns are true, correct and complete in all material respects. All material Taxes required to be paid by or with respect to the Company or any Subsidiary, whether or not shown on such Tax Returns, (i) have been timely paid or (ii) are being contested in good faith by appropriate proceedings and are reserved for on the most recent financial statements of the relevant person in accordance with SFRS.

(b) The Company and the Subsidiaries have complied in all material respects with all Applicable Law relating to the collection and withholding of Taxes (including all information reporting and record keeping requirements), and all such Taxes, including all such Taxes with respect to amounts paid or owing to any current or former director, employee, independent contractor, consultant, creditor, shareholder, or other third party, have been duly paid within the time and in the manner prescribed by Applicable Law by or on behalf of the Company and the Subsidiaries.

(c) Since January 1, 2009, no Tax Return of the Company or any of its Subsidiaries has been under audit or examination by any Taxing Authority, and no written notice has been received by the Company or any of its Subsidiaries that any audit, examination or similar proceeding is pending, proposed or asserted with regard to any Taxes or Tax Returns of the Company or any of its Subsidiaries. There is no deficiency, refund litigation, proposed adjustment or matter in controversy with respect to any material amount of Taxes due and owing by the Company or any of its Subsidiaries. Each deficiency resulting from any completed audit or examination relating to Taxes by any Taxing Authority has been timely paid or is being contested in good faith and has been reserved for on the books of the Company.

(d) To the knowledge of the Company, neither the Company nor any Subsidiary has waived any statute of limitations in respect of material Taxes or agreed to any extension of time with respect to an assessment or deficiency for material Taxes (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course).

(e) No deficiency for any material Taxes has been asserted by any Taxing Authority in writing against the Company or any Subsidiary, except for deficiencies that have been satisfied in full, settled or withdrawn or that have been adequately reserved for in accordance with SFRS.

(f) Neither the Company nor any of its Subsidiaries joins or has joined, for any taxable period, in the filing of any affiliated, aggregate, consolidated, combined or unitary Tax Return other than consolidated Tax Returns for the consolidated group of which the Company is the common parent.

(g) Neither the Company nor any Subsidiary is party to or bound by any Tax sharing agreement or Tax indemnity agreement, other than an agreement (i) the sole parties to which are the Company or any wholly-owned Subsidiary or (ii) with third parties, made in the ordinary course of business, the primary subject of which is not Tax.

(h) To the knowledge of the Company, no written claim has ever been made by any Taxing Authority in a jurisdiction where any of the Company or its Subsidiaries does not file a Tax Return that the Company or any of its Subsidiaries is, or may be, subject to a material amount of Tax in such jurisdiction.

(i) To the knowledge of the Company, no Taxing Authority has asserted in writing any material Liens for Taxes with respect to any assets or properties of the Company or any of its Subsidiaries, except for statutory Liens for Taxes not yet due and payable.

(j) Section 3.13(j) of the Company Disclosure Letter sets forth the classification of the Company and each Subsidiary for U.S. Federal income tax purposes and lists each entity classification election and change in entity classification that has been made within the past five years with respect to each such entity for U.S. Federal income tax purposes.

SECTION 3.14. Legal Proceedings. As of the date of this Agreement, (a) there is no material Proceeding pending against the Company or any Subsidiary or, to the knowledge of the Company, Goodwood or, to the knowledge of the Company, threatened against the Company or any Subsidiary or Goodwood and (b) neither the Company nor any Subsidiary or, to the knowledge of the Company, Goodwood is a party to any Judgment or settlement agreement resulting in, or that would reasonably be expected to result in, a loss to the Company and the Subsidiaries of \$250,000 or more.

SECTION 3.15. Employee Benefit Plans.

(a) Section 3.15(a) of the Company Disclosure Letter sets forth a complete and accurate list of each Company Benefit Plan, and, to the extent applicable, the Company has made available to Purchaser true, complete and correct copies of all plan documents, trust agreements, insurance Contracts or other funding arrangements (or, in the case of any unwritten Company Benefit Plan, a written description thereof), including any material amendments or modifications, with respect to each Company Benefit Plan. Except as set out in each Employee's respective service contract or contracts of employment with the Company or any Subsidiary ("Existing Service Contracts"), the Company does not currently offer, operate or provide (nor has it previously offered, operated or provided) any other Company Benefit Plan and all such rights, benefits and entitlements of Employees are as set out in the relevant Existing Service Contract or the Company Disclosure Letter. The Company is in material compliance with the terms of each Company Benefit Plan.

(b) The Company has, at the date of this Agreement, complied with all its material obligations to contribute to any central provident fund in respect of any Employee.

(c) Neither the Company nor any Subsidiary has any material Liability in respect of, or obligation to provide, post-retirement health, medical, vision or life insurance for Employees (or their beneficiaries), except (i) as required by Applicable Laws or (ii) coverage or benefits the entire cost of which is borne by the Employee.

(d) No current or former director, Employee, consultant or independent contractor of the Company or any Subsidiary (i) is currently receiving any severance or separation pay or any workers' compensation or disability benefits from the Company or any Subsidiary, (ii) has received any loan from the Company or any Subsidiary that has an outstanding balance, (iii) has a right to receive a guaranteed bonus from the Company or any Subsidiary or (iv) is entitled to receive any gross-up, make-whole or other additional payment by reason of any Tax being imposed on such person.

(e) The execution, delivery and performance of this Agreement by Sellers and the consummation of the transactions contemplated hereby will not (alone or in combination with any other event) result in an increase in the amount of compensation or benefits, or the acceleration of the vesting, funding or timing of payment of any compensation or benefits, payable to any Employee or under any Company Benefit Plan.

SECTION 3.16. Absence of Changes or Events. From the Balance Sheet Date to the date of this Agreement, (a) the Company and the Subsidiaries have conducted their businesses in the ordinary course and consistent with past practice, (b) there has not been a Company Material Adverse Effect described in clause (i), (ii), (iv) or (v) of the definition thereof and (c) neither the Company nor any Subsidiary has engaged in any of the acts specified in Section 5.01(a).

SECTION 3.17. Compliance with Applicable Laws. (a) The Company and the Subsidiaries and, to the knowledge of the Company, Goodwood are in compliance with all Applicable Laws and applicable Maritime Guidelines, except for instances of noncompliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. Since January 1, 2012, none of the Sellers, the Company or the Subsidiaries or, to the knowledge of the Company, Goodwood has received any written notice from a Governmental Entity that alleges that the Company or a Subsidiary is not in compliance in any material respect with any Applicable Law or any Maritime Guideline.

(b) Neither of the Company nor any of its Subsidiaries or, to the knowledge of the Company, Goodwood, nor any director, officer or Employee of the Company or any of its Subsidiaries or, to the knowledge of the Company, Goodwood, nor any agent or representative of the Company or any Subsidiary or, to the knowledge of the Company, Goodwood, (i) has directly or indirectly violated any provision of the FCPA, the UK Bribery Act or any other Applicable Law that prohibits corruption or bribery or (ii) has been investigated by any Governmental Entity, or been the subject of any allegation, with respect to conduct within the scope of clause (i) above.

SECTION 3.18. Employee Matters. (a) As of the date of this Agreement, no current Employee has given notice to the Company or the relevant Subsidiary of his or her intention to terminate employment with the Company and the Subsidiaries. No current director, Employee, consultant or independent contractor is a party to or is bound by any confidentiality agreement, noncompetition agreement or other Contract (with any person) that materially restricts such person's ability to perform his or her material duties or responsibilities to the Company or any Subsidiary.

(b) Neither the Company nor any Subsidiary is party to, or is otherwise bound by, any collective bargaining agreement or other Contract with a labor organization, and, to the knowledge of the Company, there are not any labor unions or other organizations or groups representing, purporting to represent or attempting to represent any current Employees.

(c) Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, there is no strike, work stoppage, material work slowdown or lockout in effect or pending or, to the knowledge of the Company, threatened and since January 1, 2012, there has not been any such action.

SECTION 3.19. Transactions with Affiliates. Section 3.19 of the Company Disclosure Letter lists all Contracts by which the Company or any Subsidiary or Goodwood, on the one hand, and Sellers or any of their affiliates (other than the Company, the Subsidiaries and Goodwood), on the other hand, are a party or are otherwise bound as of the date of this Agreement and that involve continuing liabilities or obligations of the Company or the Subsidiaries or Goodwood (other than any Existing Service Contract or New Service Contract). No current director, officer or Employee of the Company or any Subsidiary, or any family member or affiliate of any such director, officer or Employee, (i) owns, directly or indirectly, any interest in any asset or other property used in the business of the Company and the Subsidiaries, (ii) serves as a director, officer or employee of any person that is a supplier, customer or competitor of the Company or any Subsidiary or (iii) is a debtor or creditor of the Company or any Subsidiary.

SECTION 3.20. Brokers. Other than the Potent Arrangements (for which the Sellers shall be fully and solely responsible), no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Acquisition or the other transactions contemplated hereby based upon arrangements made by or on behalf of the Company or the Subsidiaries.

SECTION 3.21. Environmental Matters.

(a) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) there are no pending or, to the knowledge of the Company, threatened Proceedings against the Company or any Subsidiary that seek to impose, or are reasonably likely to result in, any liability or obligation of the Company or any Subsidiary under any Environmental Law; and (ii) neither the Company nor any Subsidiary is subject to any agreement or Judgment by or with any Governmental Entity or third party imposing, nor has it assumed by Contract, operation of law or otherwise, any liability or obligation on such entity under any Environmental Law.

(b) Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) to the knowledge of the Company, during the period of the Company's or its Subsidiaries' ownership, operation or use thereof, no formerly owned, operated or used Vessel violated any Environmental Law; (ii) there have been no Releases of Hazardous Materials in, on, from or affecting any Vessels currently or formerly owned or operated by the Company, any of its Subsidiaries or any of its former Subsidiaries; and (iii) to the knowledge of the Company, there are no facts, circumstances or conditions that would reasonably be expected to form the basis for any investigation, suit, claim, action, proceeding, compliance obligation or liability against or affecting the Company or any of its Subsidiaries relating to or arising under Environmental Laws.

(c) There have been no material environmental audits or reports prepared in the last five years, which are in the possession or under the reasonable control of the Company or the Subsidiaries, relating to the Company's or any of its Subsidiaries' past or current properties, including Vessels, or operations.

SECTION 3.22. No Additional Representations and Warranties. EXCEPT FOR THE EXPRESS WARRANTIES MADE BY SELLERS IN THIS AGREEMENT, SELLERS AND THE COMPANY MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, CONCERNING THE SHARES, THE COMPANY, THE SUBSIDIARIES OR ANY OTHER MATTER.

SECTION 3.23. General.

(a) In each Sellers Warranty, where any statement is qualified as being "to the knowledge of the Company" or any similar expression, such statement shall be deemed to refer to the actual knowledge or awareness of Bengt Hermelin, Borzou Aram or any Seller.

(b) The provisions of Article VIII shall apply in relation to the liability of the Sellers in respect of any Relevant Claim.

(c) Notwithstanding anything to the contrary in this Agreement, (i) the matters, documents and other information set forth, included or reflected in the Disclosure Bundle shall not be deemed to qualify the Fundamental Company Warranties and (ii) the matters, documents and other information disclosed or deemed to have been disclosed in paragraph 1.3 of the Company Disclosure Letter shall not be deemed to qualify the Fundamental Company Warranties.

ARTICLE IV

Warranties of Purchaser

Purchaser hereby warrants to Sellers that the following warranties in this Article IV are true and accurate at the date of this Agreement:

SECTION 4.01. Organization and Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Republic of the Marshall Islands and has full power and authority and possesses all governmental licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets and to conduct its businesses as presently conducted, other than such licenses, permits, authorizations and approvals the lack of which, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or a material adverse effect on the ability of Purchaser to consummate the Acquisition and the other transactions contemplated hereby (any such material adverse effect, a "Purchaser Material Adverse Effect").

SECTION 4.02. Power and Authority. Purchaser has all requisite power and authority to execute this Agreement and to consummate the Acquisition and the other transactions contemplated hereby. The execution and delivery by Purchaser of this Agreement and the consummation by Purchaser of the Acquisition and the other transactions contemplated hereby have been duly authorized by all necessary action on the part of Purchaser. Purchaser has duly executed and delivered this Agreement and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject in each case to (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors' rights and remedies generally and (ii) the effect of equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

SECTION 4.03. No Conflicts; Consents. (a) The execution and delivery by Purchaser of this Agreement does not and the consummation of the Acquisition and the other transactions contemplated hereby and compliance by Purchaser with the terms hereof and thereof will not, (i) conflict with, or result in any violation of any provision of, the article of incorporation or bylaws (or other comparable organizational instruments) of Purchaser, (ii) conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Purchaser under, any provision of any Contract to which Purchaser is a party or by which any of its assets is bound or (iii) subject to the filings and other matters referred to in Section 4.03(b), conflict with, or result in any violation of any provision of, any Judgment or Applicable Law, in each case, applicable to Purchaser or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a Purchaser Material Adverse Effect.

(b) No material Consent of or from, or registration, declaration, notice or filing made to or with, any Governmental Entity is required to be obtained or made by or with respect to Purchaser or any affiliate of Purchaser in connection with the execution, delivery and performance of this Agreement or the consummation of the Acquisition or the other transactions contemplated hereby, other than (i) the Regulatory Approvals and (ii) compliance with and filings under the Securities Act, the Exchange Act, applicable state securities or blue sky laws and the rules and regulations of any securities exchange.

SECTION 4.04. Litigation. As of the date of this Agreement, (a) there is no material Proceeding pending or, to the knowledge of Purchaser, threatened against Purchaser or any affiliate of Purchaser and (b) to the knowledge of Purchaser, none of Purchaser or Purchaser's affiliates is a party to any Judgment or settlement agreement of or with a Governmental Entity that, in any case, individually or in the aggregate, has had or would reasonably be expected to have a Purchaser Material Adverse Effect.

SECTION 4.05. Securities Act. The Shares purchased by Purchaser pursuant to this Agreement are being acquired for investment only and not with a view to, or for sale in connection with, any distribution thereof, and Purchaser shall not offer to sell or otherwise dispose of the Shares so acquired by Purchaser in violation of any of the registration requirements of the Securities Act. Purchaser (either alone or together with Purchaser's advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of Purchaser's investment in the Shares and is capable of bearing the economic risks of such investment.

SECTION 4.06. Brokers. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Acquisition or the other transactions contemplated hereby based upon arrangements made by or on behalf of Purchaser or any of Purchaser's affiliates.

SECTION 4.07. Relevant Claims. Purchaser warrants that as at the date of this Agreement it does not have actual knowledge of any fact which would give rise to a Relevant Claim.

SECTION 4.08. No Additional Representations and Warranties. EXCEPT FOR THE EXPRESS WARRANTIES MADE BY PURCHASER IN THIS AGREEMENT, PURCHASER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, CONCERNING PURCHASER OR ANY OTHER MATTER.

ARTICLE V

Covenants

SECTION 5.01. Covenants Relating to Conduct of Business. (a) Except as contemplated or permitted by this Agreement, as set forth in Section 5.01(a) of the Company Disclosure Letter or with the prior written consent of Purchaser, from the date of this Agreement to the Closing, the Company shall, and shall cause the Subsidiaries to, conduct their respective businesses in the ordinary course in substantially the same manner as previously conducted. In addition (and without limiting the generality of the foregoing), except as set forth in Section 5.01(a) of the Company Disclosure Letter, required by Applicable Law or otherwise contemplated or permitted by this Agreement, from the date of this Agreement to the Closing, the Company shall not, and shall not permit any Subsidiary to, do any of the following without the prior written consent of Purchaser:

- (i) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, shares or property) in respect of, any of its share capital, other than dividends or distributions by a direct or indirect wholly owned Subsidiary of the Company to its parent;
- (ii) (A) split, consolidate, combine or reclassify any of its outstanding share capital or issue or authorize the issuance of any shares or other securities in respect of, in lieu of or in substitution for its shares or (B) purchase, redeem or otherwise acquire any shares of the Company or any Subsidiary or any rights, warrants or options to acquire any such shares;
- (iii) issue, sell, grant or pledge any shares of the Company or any Subsidiary, any other voting securities or any securities convertible into (including "phantom" share rights, share appreciation rights and share-based performance units), or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities;
- (iv) amend the Company Memorandum of Association or the Company Articles or the comparable organizational documents of any Subsidiary or Goodwood;
- (v) sell, lease, license or otherwise dispose of any Vessel or any other material assets;
- (vi) enter into any Contract with respect to any merger, consolidation, liquidation, dissolution or business combination involving the Company or any Subsidiary;
- (vii) purchase, sell, lease, pledge or otherwise dispose or acquire any property or assets for which the aggregate consideration paid or payable in any individual transaction is in excess of \$250,000 or in the aggregate in excess of \$1,000,000;
- (viii) incur any financial indebtedness for borrowed money (other than accounts payable incurred in respect of property or services purchased in the ordinary course of business consistent with past practice) or make any third party loans or advances (other than, in each case, in the ordinary course of business consistent with past practice, for individual amounts not in excess of \$250,000 or in the aggregate not in excess of \$1,000,000);
- (ix) make any capital expenditures in excess of \$250,000 individually or \$1,000,000 in the aggregate (other than capital expenditures included in the business plans for the Company and the Subsidiaries that have been made available to Purchaser prior to the date of this Agreement);

(x) except as required by law or any judgment by a court of competent jurisdiction, (A) pay, discharge, settle or satisfy any material claims, liabilities, obligations or litigation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction in the ordinary course of business consistent with past practice or in accordance with their terms of liabilities disclosed, reflected or reserved against in the Year End Balance Sheet (for amounts not in excess of such reserves) or incurred since the date of such financial statements in the ordinary course of business consistent with past practice, (B) cancel any indebtedness or (C) waive or assign any claims or rights of substantial value;

(xi) establish, adopt, amend in any material respect or terminate any Company Benefit Plan or any arrangement which, upon its establishment or adoption, would constitute a Company Benefit Plan, except as may be required by Applicable Laws or pursuant to the terms of any Company Benefit Plan or Contract, as in effect on the date of this Agreement;

(xii) make or promise to make any bonus, profit-sharing or similar payment, or fund, materially increase or accelerate the vesting, payment or amount of, wages, salary, commissions, fringe benefits, severance benefits, deferred compensation or other compensation or benefits (including equity-based compensation, whether payable in cash or otherwise) or remuneration payable to, or for the benefit of, any current or former director, Employee, consultant or independent contractor, in each case except (A) as required by Applicable Laws or the terms of any Company Benefit Plan or Contract, as in effect on the date of this Agreement, (B) in the ordinary course of business (including in connection with promotions and employee review cycles) or (C) for any such action for which Sellers and their affiliates (other than the Company and the Subsidiaries) would be solely and directly liable (including where the Sellers are liable for this as a result of the full and entire effect and impact of such matter having been included in the calculation of the Actual Equity Amount);

(xiii) hire or promote any Employee of the Company or any Subsidiary (whether or not in the ordinary course of business) or terminate the employment of any current Employee, other than due to such Employee's death or disability or for cause (as determined by the Company or any Subsidiary, as applicable, in its reasonable discretion consistent with past practice);

(xiv) make any material Tax election or settle or compromise any material Tax liability;

(xv) enter into, modify, amend or terminate any Listed Contract (other than by entering into the New Service Contracts in accordance with, and as anticipated by, this Agreement) or waive, release or assign any material rights or claims thereunder, which if so entered into, modified, amended, terminated, waived, released or assigned would reasonably be expected to (A) adversely affect in any material respect the Company, (B) impair in any material respect the ability of the Company to perform its obligations under this Agreement or (C) prevent or materially delay the consummation of the transactions contemplated by this Agreement;

(xvi) enter into any charter of any Vessel in excess of three months' duration;

(xvii) make any changes in any material respect in the Company's or any Subsidiary's financial accounting or actuarial methods, principles or practices, except as may be required by SFRS (or any interpretation thereof) or by Applicable Law;

(xviii) fail to comply with or breach any representations, warranties, covenants, agreements, undertakings, obligations or conditions of the Company or the Subsidiaries under any of the Company Debt Facilities, which breach would (or with the passage of time would) constitute a default or event of default under the Company Debt Facilities; or

(xix) authorize any of, or commit or agree to take, whether in writing or otherwise, to do any of, the foregoing actions.

(b) Notice of Certain Events. From the date of this Agreement until the Closing, the Company and the Sellers shall as soon as practicable notify Purchaser in writing of: (i) any circumstance, event or action relating to any of Sellers, the Company or the Subsidiaries the existence, occurrence or taking of which has resulted or would reasonably be expected to result in the failure of any of the conditions set forth in Section 6.01 or Section 6.02 to be satisfied; (ii) any notice or other communication from any person alleging that the consent of such person is required in connection with the transactions contemplated by this Agreement; and (iii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement. From the date of this Agreement until the Closing, Purchaser shall as soon as practicable notify Sellers and the Company in writing of: (A) any circumstance, event or action relating to Purchaser the existence, occurrence or taking of which has resulted or would reasonably be expected to result in the failure of any of the conditions set forth in Section 6.01 or Section 6.03 to be satisfied; (B) any notice or other communication from any person alleging that the consent of such person is required in connection with the transactions contemplated by this Agreement; and (C) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement.

(c) Insurance. The Company shall maintain all insurance policies set forth in Section 3.12 of the Company Disclosure Letter or suitable replacements therefor, in full force and effect through the close of business on the Closing Date.

(d) None of Sellers, the Company or Purchaser shall take any action that would, or that would reasonably be expected to, result in any of the conditions to the purchase and sale of the Shares set forth in Article VI not being satisfied.

SECTION 5.02. Access to Information. The Company shall, and shall cause the Subsidiaries to, afford to Purchaser and its accountants, counsel and other representatives reasonable access, upon reasonable notice during normal business hours during the period prior to the Closing, to all Employees, books, contracts, Tax Returns and records of the Company and the Subsidiaries and, during such period, shall furnish promptly to Purchaser any available information concerning the Company or a Subsidiary as Purchaser may reasonably request, so long as such access or requests do not unreasonably disrupt the normal operations of the Company and the Subsidiaries.

SECTION 5.03. Confidentiality. The parties acknowledge that the information being provided to it in connection with the Acquisition and the consummation of the other transactions contemplated hereby is subject to the terms of a confidentiality agreement, dated April 15, 2014, between Purchaser and the Company (the "Confidentiality Agreement"), the terms of which are incorporated herein by reference.

SECTION 5.04. Reasonable Endeavors; Consents, Approvals and Filings. (a) Each Seller, the Company and Purchaser shall each use its reasonable endeavors to take, or cause to be taken, all actions, and to do or cause to be done, and to assist and cooperate in doing, all things necessary, proper or advisable to consummate as promptly as practicable the Acquisition and the other transactions contemplated by this Agreement, including using its reasonable endeavors to (i) comply as promptly as practicable with all requirements of Governmental Entities applicable to the Acquisition, (ii) seek to obtain or make as promptly as practicable all governmental approvals, filings or notices necessary or advisable in connection with the Acquisition, including any approvals, filings or notices required in connection with the Regulatory Approvals, and (iii) fulfill or cause the fulfillment of the conditions to Closing set forth in Article VI. The parties shall cooperate with the reasonable requests of each other in seeking to obtain as promptly as practicable all such governmental approvals. In connection therewith, Sellers and Purchaser shall make, and cause their respective affiliates to make, all filings required by Applicable Laws as promptly as practicable after the date hereof in order to facilitate prompt consummation of the Acquisition and the other transactions contemplated by this Agreement, and shall provide and shall cause their respective affiliates to provide such information and communications to Governmental Entities as such Governmental Entities may request.

(b) From and after the date of this Agreement, Sellers and Purchaser shall use their reasonable endeavors, and shall cooperate with each other, to obtain as soon as reasonably practicable following the date hereof all Third Party Consents. Purchaser shall bear all costs, fees and expenses (including any license or other fees and expenses and any pass through or recharged legal or other costs and fees of any party granting any Third Party Consent) of itself, the Company and the Subsidiaries associated with obtaining the Third Party Consents, regardless of whether or not the Closing occurs.

(c) Prior to Closing, Sellers shall cause the Company to comply with the terms of this Agreement. From and following Closing, Purchaser shall cause the Company to comply with the terms of this Agreement.

SECTION 5.05. Expenses; Transfer Taxes. (a) Whether or not the Closing takes place, and except as set forth in Section 5.04 and Section 5.11, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees, costs or expenses.

(b) All share transfer, documentary, stamp, recording and other similar Taxes applicable to the transfer of the Shares (including interest, penalties and additions to any such Taxes) ("Transfer Taxes") shall be borne by the Purchaser. All parties hereto shall use reasonable endeavors to avail themselves of any available exemptions from any applicable Transfer Taxes and to cooperate with the other parties hereto in providing any information and documentation that may be necessary to obtain such exemptions.

SECTION 5.06. Continuing Operation of the Company and Employee Matters. (a) Until the date that is two years after the Closing, Purchaser undertakes to the Sellers to operate the Company as a wholly owned subsidiary of the Purchaser, with its existing management and Employee team (subject always to the terms of their respective New Service Contracts); provided, however, that Purchaser shall be permitted to restructure its corporate organization (including with respect to the Company and the Subsidiaries) during such period as necessary, desirable or appropriate in connection with tax, financing or other structuring or planning activities or objectives as reasonably determined by Purchaser in good faith, subject at all times to the Company being maintained as a wholly owned subsidiary within the Purchaser's corporate group and the business of the Company continuing in the manner as at the Closing Date.

(b) Until the date that is two years after the Closing, (i) the Chief Executive Officer of the Company will report to the board of directors of the Company as constituted from time to time and (ii) the other Employees of the Company will: (A) report for administrative purposes to the Chief Executive Officer of the Company or other respective head of their function within the Company; and (B) interact with, and report at an operational level to, individuals in equivalent functional reporting lines at the Purchaser, as determined from time to time by Purchaser.

(c) From and after the Closing, Purchaser and its subsidiaries shall honor (and shall procure that the Company honors), in accordance with their terms, all legally binding contracts, agreements, arrangements, policies, plans and commitments of the Company and the Subsidiaries as in effect on or immediately prior to the Closing that are applicable to any current or former directors or Employees of the Company or any Subsidiary. Employees of the Company or any Subsidiary who remain employed by Purchaser or its subsidiaries following the Closing shall receive credit for purposes of eligibility, participation and vesting (but not for benefit accruals) under any employee benefit plan, program or arrangement established or maintained by Purchaser for service accrued or deemed accrued prior to the Closing with the Company or any Subsidiary; provided, however, that such crediting of service shall not operate to duplicate any benefit or the funding of any such benefit. In addition, Purchaser shall waive, or cause to be waived, any limitations on benefits relating to any pre-existing conditions to the same extent such limitations are waived under any comparable plan of Purchaser or its subsidiaries and recognize, for purposes of annual deductible and out-of-pocket limits under its medical and dental plans, deductible and out-of-pocket expenses paid by Employees of the Company and the Subsidiaries in the calendar year in which the Closing occurs.

(d) Subject to compliance with Section 5.06(c), nothing contained herein shall be construed as requiring, and the Company shall take no action that would have the effect of requiring, Purchaser to continue any specific plans or to continue the employment of any specific person (subject always to the terms of the New Service Contracts). This Section 5.06 shall be binding and inure solely to the benefit of each party to this Agreement, and nothing in this Section 5.06, express or implied, is intended to confer upon any other person any rights pursuant to this Section 5.06.

SECTION 5.07. Tax Matters. (a) Return Filings. The Company and the Subsidiaries shall timely prepare and file with the appropriate Taxing Authorities all Tax Returns required to be filed by them and shall pay all Taxes due with respect to such Tax Returns.

(b) Cooperation. Sellers, the Company and Purchaser shall reasonably cooperate, and shall cause their respective affiliates, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns relating to the Company and the Subsidiaries, including maintaining and making available to each other all records necessary in connection with Taxes, and in resolving all disputes and audits with respect to all taxable periods relating to Taxes. After the Closing Date, Sellers shall be granted access to the accounting and Tax records and information held by the Company and the Subsidiaries to the extent such records and information pertain to events occurring prior to the Closing Date. The Company shall, and shall cause each Subsidiary to, (i) use its reasonable endeavors to properly retain and maintain such records until such time as Sellers determine that such retention and maintenance is no longer necessary and (ii) to allow Sellers and their agents and representatives, at times and dates reasonably acceptable to the Company, to inspect, review and make copies of such records as Sellers may deem necessary or appropriate from time to time, such activities to be conducted during normal business hours and at Sellers' expense.

SECTION 5.08. Publicity. No public release or announcement concerning the transactions contemplated hereby shall be issued by any party without the prior consent of the other parties (which consent shall not be unreasonably withheld, delayed or conditioned), except as such release or announcement may be required by Applicable Law or the rules or regulations of or any listing agreement with any applicable securities exchange, in which case the party required to make the release or announcement shall allow the other parties reasonable time to comment on such release or announcement in advance of such issuance; provided, however, that the Company and Purchaser may make internal announcements to their respective employees that are consistent with the parties' prior public disclosures regarding the transactions contemplated hereby.

SECTION 5.09. Financing. Purchaser shall use its reasonable endeavors to consummate one or more equity financings with aggregate net proceeds of not less than \$290 million as soon as reasonably practicable after the date of this Agreement (the "Purchaser Equity Financing"). Notwithstanding the foregoing, Purchaser shall not be required to sell any of its shares of common stock at a price less than \$7.50 per share as a result of this Section 5.09, Section 5.04 or any other provision of this Agreement.

SECTION 5.10. Further Assurances. From time to time, as and when requested by any party, each party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions, as such other party may reasonably deem necessary to consummate the transactions contemplated by this Agreement.

SECTION 5.11. Company Assistance with Financing. The Company shall use its reasonable endeavors to assist Purchaser in connection with the Purchaser Equity Financing, including by delivering all financial information and reports concerning the Company and the Subsidiaries as may be reasonably requested by Purchaser and requesting its auditors to be available to and to cooperate with Purchaser and its advisers and requesting its auditors to provide customary “comfort letters” with respect to any financial information of the Company and the Subsidiaries that is included in, or incorporated by reference into, any registration statement filed by Purchaser. Purchaser shall bear all costs, fees and expenses associated with any work undertaken by the Company’s auditors at the request of the Purchaser or its advisers in connection with the Purchaser Equity Financing, regardless of whether or not the Closing occurs.

ARTICLE VI

Conditions Precedent

SECTION 6.01. Conditions to Each Party’s Obligation. The obligation of Purchaser to purchase and pay for the Seller Shares and the obligation of each Seller to sell the Seller Shares to Purchaser is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) No Injunctions or Restraints. No Applicable Law or Judgment enacted, entered, promulgated, enforced or issued by any Governmental Entity of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Acquisition (a “Legal Restraint”) shall be in effect.

(b) Company Material Adverse Effect. From the date of this Agreement, there shall not have occurred any Company Material Adverse Effect.

SECTION 6.02. Conditions to Obligation of Purchaser. The obligation of Purchaser to purchase and pay for the Shares is subject to the satisfaction (or waiver by Purchaser) on or prior to the Closing Date of the following conditions:

(a) Warranties Relating to the Company.

(i) No Sellers Warranty (other than the Fundamental Company Warranties) given on the date of this Agreement shall have been untrue or incorrect (without giving effect to any limitation as to “materiality” or “Company Material Adverse Effect” set forth therein) when given on the date of this Agreement, where such breach or failure, individually or in the aggregate, has had or is reasonably expected to have a Company Material Adverse Effect.

(ii) No Fundamental Company Warranty shall have been untrue or incorrect when given on the date of this Agreement or on any date from the date of this Agreement through the Closing Date.

(iii) Nothing shall have occurred between the date of this Agreement and Closing as a result of the non-performance or non-compliance by the Sellers or the Company with the terms of Section 5.01(a), that would, if all Sellers Warranties (other than the Fundamental Company Warranties) were deemed repeated immediately prior to the relevant event, represent a breach of such Sellers Warranties (without giving effect to any limitation as to “materiality” or “Company Material Adverse Effect” set forth therein), where such breach or failure, individually or in the aggregate, has had or is reasonably expected to have a Company Material Adverse Effect.

(b) Warranties of Sellers.

(i) No warranty in Article II (other than the warranties set out in Section 2.06) shall have been untrue or incorrect (without giving effect to any limitation as to “materiality” or “Seller Material Adverse Effect” set forth therein) when given on the date of this Agreement or on any date from the date of this Agreement through the Closing Date, where such breach or failure, individually or in the aggregate, has had or is reasonably expected to have a Seller Material Adverse Effect.

(ii) No warranty set out in Section 2.06 shall have been untrue or incorrect when given on the date of this Agreement or on any date from the date of this Agreement through the Closing Date.

(c) Performance of Obligations of Sellers. Sellers shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Sellers or the Company by the time of the Closing.

(d) Financing. Purchaser shall have completed the Purchaser Equity Financing.

(e) Third Party Consents. All of the Third Party Consents shall have been obtained and shall be in full force and effect.

SECTION 6.03. Conditions to Obligation of Sellers. The obligation of each Seller to sell the Seller Shares to Purchaser is subject to the satisfaction (or waiver by such Seller) on or prior to the Closing Date of the following conditions:

(a) Warranties of Purchaser. No warranty given by Purchaser on the date of this Agreement shall have been untrue or incorrect (without giving effect to any limitation as to “materiality” or “Purchaser Material Adverse Effect” set forth therein) when given on the date of this Agreement, where such breach or failure, individually or in the aggregate, has had or is reasonably expected to have a Purchaser Material Adverse Effect.

(b) Performance of Obligations of Purchaser. Purchaser shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Purchaser by the time of the Closing.

SECTION 6.04. Frustration of Closing Conditions. Neither Purchaser nor Sellers may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by such party's failure to act in good faith or to use its reasonable endeavors to cause the Closing to occur, as required by Section 5.04.

ARTICLE VII

Termination, Amendment and Waiver

SECTION 7.01. Termination. (a) This Agreement may be terminated and the Acquisition and the other transactions contemplated by this Agreement abandoned at any time prior to the Closing:

(i) by mutual written consent of Sellers and Purchaser;

(ii) by either Sellers or Purchaser:

(1) if the Closing does not occur on or prior to September 23, 2014 (the "Outside Date"); or

(2) if the condition set forth in Section 6.01(a) is not satisfied and the Legal Restraint giving rise to such non-satisfaction has become final and non-appealable;

(iii) by Sellers, if Purchaser breaches or fails to perform any of its covenants or agreements contained in this Agreement, or if any of the warranties of Purchaser contained herein fails to be true and correct, which breach or failure (A) would constitute a failure of a condition set forth in Section 6.03(a) or Section 6.03(b) and (B) is not reasonably capable of being cured by Purchaser by the Outside Date; provided, however, that the right to terminate this Agreement under this Section 7.01(a)(iii) shall only be available if Sellers and the Company are not then in breach of any covenant or agreement contained in this Agreement and no representation or warranty of Sellers or the Company contained herein then fails to be true and correct such that the conditions set forth in Section 6.02(a), 6.02(b) or 6.02(c) could not then be satisfied; or

(iv) by Purchaser, if Sellers breach or fail to perform any of their covenants or agreements contained in this Agreement, or if any of the Sellers Warranties or the warranties relating to the Sellers contained herein fails to be true and correct, which breach or failure (A) would constitute a failure of a condition set forth in Section 6.02(a), 6.02(b) or 6.02(c) and (B) is not reasonably capable of being cured by Sellers by the Outside Date; provided, however, that the right to terminate this Agreement under this Section 7.01(a)(iv) shall only be available if Purchaser is not then in breach of any covenant or agreement contained in this Agreement and no representation or warranty of Purchaser contained herein then fails to be true and correct such that the conditions set forth in Section 6.03(a) or 6.03(b) could not then be satisfied.

(b) In the event of termination by Sellers or Purchaser pursuant to this Section 7.01, written notice of such termination shall be given to the other parties to this Agreement and the transactions contemplated by this Agreement shall be terminated, without further action by any party. If the transactions contemplated by this Agreement are terminated as provided herein:

(i) Purchaser shall return all documents and other material received from Sellers or the Company relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to Sellers or the Company, as the case may be; and

(ii) all confidential information received by Purchaser with respect to the business of the Company and the Subsidiaries shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the termination of this Agreement.

SECTION 7.02. Effect of Termination. If this Agreement is terminated and the transactions contemplated hereby are abandoned as described in Section 7.01, this Agreement shall terminate and be of no further force and effect, without any liability or obligation on the part of any party, except for the provisions of (i) Sections 2.07, 3.20 and 4.06 relating to broker's fees, (ii) Section 5.03 relating to the obligation of Purchaser to keep confidential certain information and data obtained by it, (iii) Section 5.05 and Section 5.11 relating to certain expenses, (iv) Section 5.08 relating to publicity and (v) Section 7.01 and this Section 7.02, all of which shall survive such termination. Nothing in this Section 7.02, however, shall be deemed to release any party from any liability for damages for any breach by such party of the terms and provisions of this Agreement or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement.

SECTION 7.03. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

SECTION 7.04. Extension; Waiver. At any time prior to the Closing, the parties may in accordance with the following provisions of this Section 7.04 (a) extend the time for the performance of any of the obligations or other acts of the other parties; (b) waive any inaccuracies in the warranties contained in this Agreement or in any document delivered pursuant to this Agreement; or (c) waive compliance with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such extension or waiver in accordance with this Section 7.04 shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

ARTICLE VIII

Relevant Claims

SECTION 8.01. Limitation on Sellers Liability.

(a) The aggregate total liability of the Sellers in respect of all Relevant Claims shall be limited to US\$100,000,000 (the "Maximum Liability Amount") and the aggregate liability of each Seller in respect of all Relevant Claims shall be limited to that Seller's Respective Percentage of the Maximum Liability Amount; provided, however, that (A) except as provided in clause (B) below, this clause shall not apply to any Relevant Claims arising out of a breach or alleged breach of any of the Fundamental Company Warranties or any of the Fundamental Seller Warranties and (B) in no event shall the Sellers' aggregate liability in respect of all Relevant Claims (including those under the Fundamental Company Warranties and the Fundamental Seller Warranties) exceed the Purchase Price.

(b) The maximum liability of each individual Seller in respect of any individual Relevant Claim shall be limited to that Seller's Respective Percentage of the value of such Relevant Claim.

(c) The Sellers shall not have any liability for a Relevant Claim:

(i) unless the aggregate of all Relevant Claims for which Sellers would, but for this Section 8.01(c)(i), be liable exceed on a cumulative basis an amount equal to \$2,500,000, and then only to the extent of any such excess; provided, however, that this clause (i) shall not apply to any Relevant Claims arising out of a breach or alleged breach of the Fundamental Company Warranties or the Fundamental Seller Warranties or Section 3.20 or Section 2.07;

(ii) where the amount of the Relevant Claim is less than \$175,000; provided, however, that this clause (ii) shall not apply to any Relevant Claims arising out of a breach or alleged breach of the Fundamental Company Warranties or the Fundamental Seller Warranties or Section 3.20 or Section 2.07;

(iii) if the Relevant Claim arises or occurs as a result of any action taken or omitted to be taken by Purchaser (or by the Company or any of the Subsidiaries at the request, or with the consent, in writing of Purchaser), including any change in the accounting or Tax policies or practices of the Company or any Subsidiary after the Closing introduced by Purchaser;

(iv) where the matter the subject of the Relevant Claim is capable of remedy by the Sellers, and the matter is remedied to Purchaser's reasonable satisfaction within 30 days after the date on which such matter is notified to the Sellers;

(v) if the Relevant Claim occurs as a result of or is otherwise attributable to:

- (1) any legislation not in force at the date of this Agreement or any change of law which comes into force after the date of this Agreement, in each case if and to the extent such legislation or change of law has retrospective effect to prior periods; or
- (2) any increase after the Closing in any rate of Tax applicable to the Company or any of the Subsidiaries (whether for periods prior to or after Closing);

(vi) subject to Section 3.23(c), where the matter giving rise to the Relevant Claim or to which the Relevant Claim relates was fully and fairly disclosed in or set out in the Company Disclosure Letter; or

(vii) to the extent any amount or liability in respect of such Relevant Claim was provided for or reserved against in calculating the Actual Equity Amount, but only to the extent of such provision or reserve.

(d) Except as otherwise specifically provided in this Agreement, Purchaser acknowledges and agrees that its sole and exclusive remedy after the Closing with respect to all Relevant Claims (other than claims of, or causes of action arising from, fraud) shall, in each case, be an action in damages and Purchaser shall not be entitled to terminate or rescind this Agreement by reason of any Relevant Claim or otherwise (other than in connection with fraud). In furtherance of the foregoing, each of Purchaser and the Company hereby waives, from and after the Closing, to the fullest extent permitted under Applicable Law, any and all rights, claims and causes of action (other than claims of, or causes of action arising from, fraud) it may have against Sellers arising under or based upon this Agreement (except pursuant to an action in damages). After the Closing, Sellers shall not be entitled to terminate or rescind this Agreement for any reason.

SECTION 8.02. Calculation of Value of Relevant Claim. (a) Subject to Section 8.02(b), the value of any Relevant Claim made by Purchaser shall include all Losses arising from, relating to or otherwise in respect of such Relevant Claim, and shall include reasonable legal fees and expenses in connection therewith; provided, however, that such legal fees and expenses shall be disregarded for purposes of determining whether the thresholds in 8.01(c)(i) and 8.01(c)(ii) have been satisfied. The value of any Relevant Claim made by Purchaser shall be deemed to be net of any amounts recovered or recoverable by Purchaser or the Company as a result of any indemnification by a third party or under insurance policies with respect to such related Relevant Claim.

(b) Purchaser shall not be entitled to recover under any Relevant Claim any amounts that are in the nature of punitive, incidental, consequential, special, treble or indirect damages or damages based on any multiple, including business interruption, loss of future revenue, profits or income, or loss of business reputation or opportunity, in each case of any kind or nature, regardless of the form of action through which any of the foregoing are sought, except to the extent such punitive, incidental, consequential, special, treble or indirect damages or damages based on any multiple are payable to an unaffiliated third party by Purchaser or its affiliates.

(c) Notwithstanding any other provision of this Agreement, the liability of the Sellers under this Agreement and the value of any Relevant Claim calculated in accordance with Section 8.02 shall not be increased as a result of the Purchaser Equity Financing and nothing in this Agreement shall increase the liability of the Sellers for any Relevant Claim beyond the amount for which the Sellers would have been liable if Purchaser was not undertaking the Purchaser Equity Financing.

(d) Subject always to the other provisions of this Agreement limiting the liability of the Sellers, if the Purchaser establishes a valid Relevant Claim with respect to the warranties in this Agreement (having regard to any qualification or exception contained in such warranty relating to materiality or “Company Material Adverse Effect”), then the value of that Relevant Claim shall be deemed to be the full amount of such Relevant Claim and not just the amount in excess of any materiality or “Company Material Adverse Effect” threshold deemed to apply to such warranty.

SECTION 8.03. Expiry of Sellers Liability for Relevant Claims. The Sellers’ liability for any Relevant Claim (including under Section 8.05) shall terminate unless the Purchaser has delivered notice of such claim, stating in reasonable detail the basis of such claim and Purchaser’s reasonable estimate of the Losses claimed, by no later than:

(a) in the case of any Relevant Claim under the warranties contained in this Agreement (other than the warranties in Section 3.13, the Fundamental Company Warranties or the Fundamental Seller Warranties), the date falling 18 months after the Closing; and

(b) in the case of any other Relevant Claim (i.e., other than Relevant Claims subject to Section 8.03(a)), the date falling five years after the Closing.

The parties agree that, after the dates set forth above, the Sellers’ liability for any Relevant Claim shall survive only in respect of, and only until, the resolution of the matter the subject of the Relevant Claim detailed in any notice served prior to the above dates.

SECTION 8.04. Procedures. (a) Third Party Claims. In order for Purchaser to be entitled to recover for any Relevant Claim in respect of, arising out of or involving a claim made by, or any liability to, any third person (including any Taxing Authority) against the Company, any of the Subsidiaries or Purchaser (a “Third Party Claim”), Purchaser must notify the Sellers in writing (and in reasonable detail) of the Third Party Claim promptly following receipt by the Company or Purchaser of notice of the Third Party Claim; provided, however, that, subject to Section 8.03, failure to give such notification shall not affect the ability of Purchaser to recover for the Relevant Claim provided hereunder except to the extent the Sellers have been actually prejudiced as a result of such failure. Thereafter, Purchaser shall deliver to the Sellers, promptly following the Purchaser’s or the Company’s or any Subsidiary’s receipt thereof, copies of all notices and documents (including court papers) received by the Purchaser or the Company relating to the Third Party Claim.

(b) Assumption. If a Third Party Claim is made against the Purchaser, the Company or any of the Subsidiaries, or any Tax is payable in respect of which a claim could be brought under Section 8.05(a), the Sellers shall be entitled to participate in the defense thereof and, if they so choose, to assume the defense thereof with counsel selected by the Sellers, so long as such counsel is not reasonably objected to by the Purchaser or the Company. Should the Sellers so elect to assume the defense of a Third Party Claim, the Sellers shall not be liable to the Purchaser or the Company for any legal expenses subsequently incurred by the Purchaser or the Company in connection with the defense thereof. If the Sellers assume such defense, the Purchaser or the Company shall have the right to participate in the defense thereof and to employ counsel (not reasonably objected to by the Sellers), at its own expense, separate from the counsel employed by the Sellers, it being understood that the Sellers shall control such defense. The Sellers shall be liable for the fees and expenses of counsel employed by the Purchaser or the Company for any period during which the Sellers have not assumed the defense thereof. If the Sellers choose to defend or prosecute a Third Party Claim, the Purchaser and the Company shall cooperate in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the Sellers' request) the provision to the Sellers of records and information that are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the Sellers assume the defense of a Third Party Claim, the Purchaser or the Company shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the Sellers' prior written consent (which consent shall not be unreasonably withheld). If the Sellers assume the defense of a Third Party Claim, the Purchaser and the Company shall agree to any settlement, compromise or discharge of a Third Party Claim that the Sellers may recommend and that by its terms obligates the Sellers to pay the full amount of any final liability agreed between the Sellers and the relevant third party in connection with such Third Party Claim and which releases the Purchaser, the Company and the Subsidiaries completely in connection with all future liability for such Third Party Claim. Notwithstanding the foregoing, the Sellers shall not be entitled to assume the defense of any Third Party Claim (and shall be liable for the reasonable fees and expenses of counsel incurred by the Purchaser and the Company in defending such Third Party Claim) if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the Purchaser or the Company or any Subsidiary that the Purchaser or the Company reasonably determines, after conferring with its outside counsel, cannot be separated from any related claim for money damages. If such equitable relief or other relief portion of the Third Party Claim can be so separated from that for money damages, the Sellers shall be entitled to assume the defense of the portion relating to money damages.

(c) Mitigation. Purchaser and Sellers shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is liable to the other parties hereunder, including each agreeing to make commercially reasonable endeavors to mitigate any loss suffered by it (or any of its affiliates) or resolve any such claim or liability.

SECTION 8.05. Tax Allocation.

(a) Tax Allocation to Sellers. From and after Closing, each Seller shall, subject to Section 8.05(d), pay to the Purchaser (or at the Purchaser's direction to its affiliates (including the Company and the Subsidiaries)) its Respective Percentage of an amount equal to any Tax relating to the Company or any of the Subsidiaries attributable to periods (or portions thereof) ending on or before Closing; provided, however, that the Sellers shall not have any obligation to make a payment under this Section 8.05(a) for Tax to the extent such Tax:

(i) is provided for or reserved against in calculating the Actual Equity Amount, but only to the extent of such provision or reserve;

(ii) is Tax arising (or increased) as a result of any change in the accounting or Tax policies or practices of the Company or any Subsidiary introduced after Closing (including any change in the accounting reference date);

(iii) is Tax which arises or is increased as a result of any default or delay by the Company, the Purchaser or any of the Subsidiaries after Closing in paying or satisfying any Tax or any breach by the same parties of this Agreement after Closing; or

(iv) is Tax arising in any of the circumstances reflected in Sections 8.01(c)(iii) or (iv);

(v) is Tax which arises or is increased as a result of the Company losing or ceasing to be entitled to benefit from the awarded Approved International Shipping Enterprise (AIS) Incentive to the extent such loss or cessation of entitlement is a direct result of the entry into of this Agreement or the consummation of the transactions contemplated herein (including Closing).

(b) Tax Allocation to Purchaser. Except to the extent taken into account in the calculation of the Actual Equity Amount, from and after Closing, Purchaser shall pay or, if applicable, reimburse the Sellers for any Taxes relating to the Company or any of the Subsidiaries except to the extent that such Tax is Tax in respect of which the Purchaser is entitled to receive a payment under Section 8.05(a).

(c) Overlap. To the extent that any obligation or responsibility under this Agreement with respect to Taxes (other than pursuant to this Section 8.05) may overlap with an obligation or responsibility pursuant to this Section 8.05, the provisions of this Section 8.05 shall govern. The limitations in Section 8.01 shall not apply to this Section 8.05 except as explicitly provided in this Section 8.05, and no separate Relevant Claim shall be brought by the Purchaser (otherwise than under Section 8.05(a)) in respect of Tax which is payable by any of the Company or any of the Subsidiaries.

(d) Limitations. Notwithstanding the foregoing provisions of this Section 8.05:

(i) Sections 8.01(a) and 8.01(b) shall apply to all claims made under this Section 8.05; and

(ii) neither the Sellers (taken together) nor the Purchaser shall be liable pursuant to Section 8.05(a) or Section 8.05(b), respectively, for any individual item with respect to which the Loss suffered does not exceed \$25,000; provided, however, that if the cumulative Losses suffered by the Purchaser or the Sellers (taken together) with respect to all items disregarded pursuant to the foregoing provisions of this Section 8.05(d)(ii) equal or exceed \$100,000, then the Sellers (taken together) or the Purchaser, as the case may be, shall be liable for the total amount of all such Losses, and all reasonable legal fees and expenses in connection therewith, pursuant to Section 8.05(a) or Section 8.05(b), respectively, and not just the excess.

(e) Outstanding Tax Returns. From and after Closing, Purchaser and the Company shall: (i) deal with all matters (including preparing and dealing with all correspondence and any other documentation) relating to the Tax affairs of the Company or any of the Subsidiaries for any Tax period (or part period) ending after Closing, (ii) afford the Sellers, if they so request, reasonable opportunity to be involved in the conduct of the Tax affairs referred to in this Section 8.05(e) and all outstanding matters (including preparing and dealing with all correspondence and any other documentation) relating to the Tax affairs of the Company or any of the Subsidiaries for all Tax periods ended on or before Closing to the extent such Tax affairs relate exclusively to Taxes for which Sellers would be required to indemnify the Purchaser pursuant to this Section 8.05, and (iii) act in accordance with all reasonable comments of the Seller in relation to the Tax affairs referred to in Section 8.05(e)(ii), including promptly supplying the Sellers with copies of any material communications received from any Taxing Authority and any communications or materials proposed to be sent to any Taxing Authority in relation thereto (and affording the Sellers such access, including the taking of copies, to such books, accounts, records and personnel, and such other assistance, as the Sellers reasonably require for the purpose of enabling the Sellers to exercise their rights in this Section 8.05(e)).

SECTION 8.06. No Liability of Company Directors and Employees. For the avoidance of doubt, except in the case of fraud, the Sellers and Purchaser acknowledge and agree that no director, officer, employee or agent of the Company, Purchaser or Purchaser's affiliates shall incur any liability (in their capacity as a director, officer, employee or agent of the Company, Purchaser or Purchaser's affiliates) for any act or omission in the course of negotiating this Agreement or, if applicable, in assisting with the preparation of the Company Disclosure Letter, and to the extent any claim may exist (other than claims of, or causes of action arising from, fraud), each of the Sellers and Purchaser hereby waives any such right or claim.

ARTICLE IX

General Provisions

SECTION 9.01. Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable, in whole or in part, by operations of law or otherwise, by any party without the prior written consent of the other parties hereto. Any attempted assignment in violation of this Section 9.01 shall be null and void. Subject to the preceding sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 9.02. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any person who is not a party to this Agreement any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

SECTION 9.03. Notices. All notices, requests, claims, demands and other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, by e-mail (which is confirmed) or if sent by courier (providing proof of delivery) to the parties at the following addresses:

(i) if to Purchaser, to:

DHT Holdings, Inc.
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
Attention: Svein Moxnes Harfjeld and Trygve P. Munthe, Co-Chief Executive Officers
Email: smh@dhtankers.com, tpm@dhtankers.com

with a copy (which shall not constitute notice) to:

DHT Management AS
Haakon VII's gt. 1, 6th floor
POB 2039, 0125 Oslo, Norway
Attention: Svein Moxnes Harfjeld and Trygve P. Munthe, Co-Chief Executive Officers
Email: smh@dhtankers.com, tpm@dhtankers.com

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Attention: Erik R. Tavzel, Esq.
Email: etavzel@cravath.com

(ii) if to Sellers, to:

(A) c/o Abraar International Holding Company
PO Box 459
Jeddah - 21411
Kingdom of Saudi Arabia
Attention: Mr Mohammed A AlQatari
Email: m.alqatari@retaaj.net; talal@retaaj.net; safzal@tracoksa.com

(B) 201 Ocean Drive
#01-17 The Azure
Singapore 098584
Republic of Singapore
Attention: Bengt Hermelin
Email: bhermelin@aol.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright (Asia) LLP
One Raffles Quay
34-02 North Tower
Singapore, 048583
Attention: Gervais Green
Email: Gervais.green@nortonrosefulbright.com

SECTION 9.04. Interpretation; Exhibits and Schedules; Certain Definitions.

(a) The headings contained in this Agreement, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(b) Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term “or” is not exclusive. The word “extent” in the phrase “to the extent” shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”.

(c) All references herein to “dollars”, “U.S. dollars”, “\$”, “US\$” or “USD\$” shall be deemed to be references to the lawful money of the United States.

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and shall include references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns.

(e) All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement. When a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference shall be to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The Company Disclosure Letter shall be arranged in numbered and lettered sections and subsections corresponding to the numbered and lettered sections and subsections contained in Article III and Article V, and any matter fully and fairly disclosed in any section or subsection shall be deemed to qualify other sections and subsections in Article III or Article V, and for the purposes of this Agreement fully and fairly disclosed shall have the meaning given to it in the Company Disclosure Letter.

(f) For all purposes hereof:

“Actual Equity Amount” means the Actual Equity Amount as set forth in the Closing Statement and finally determined in accordance with Schedule 3.

“affiliate” of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person. For purposes of this definition, “control”, when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have the meanings correlative to the foregoing.

“Applicable Law” means any statute, law (including common law), ordinance, rule or regulation applying to the relevant party.

“Business Day” means any day, other than a Saturday or a Sunday, on which commercial banks in New York, New York, Singapore, Switzerland and Bermuda, are open for normal banking business.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Company Benefit Plans” means any legally required or binding employee benefit plan, scheme, policy, practice or contract providing compensation, severance, termination pay, deferred compensation, vacation, paid time off, medical benefits, disability benefits, performance awards, share or share-related awards, fringe benefits or other employee benefits or remuneration of any kind (including, but not limited to, any bonus, deferred compensation, share bonus, share purchase, restricted share, share option or other equity-based arrangement, and any employment, consulting, termination, retention, change in control or severance plan, scheme, program, policy, arrangement or contract), whether written or unwritten, funded or unfunded, in each case, sponsored, maintained, contributed to or required to be contributed to by the Company or any Subsidiary for the benefit of any current or former director, officer, employee, independent contractor or consultant of the Company or any Subsidiary or with respect to which the Company or any Subsidiary may have any Liability, whether actual or contingent.

“Company Debt Facilities” means those agreements and related security agreements listed in Section 9.4(f)(i) of the Company Disclosure Letter.

“Company Disclosure Letter” means the disclosure letter dated on or prior to the date of this Agreement and delivered by the Company to, and acknowledged by, the Purchaser in connection with this Agreement, together with all of the documents contained in the Disclosure Bundle.

“Company Material Adverse Effect” means any of the following events occurring with respect to the Company or any Subsidiary: (i) the permanent loss of any Vessel (whether or not covered by insurance); (ii) any Release of petroleum products by one of the Vessels that is reasonably likely to result in remediation costs in excess of \$2.5 million (whether or not covered by insurance); (iii) any event that is reasonably likely to reduce the Actual Equity Amount (as calculated in accordance with this Agreement) by an amount in excess of \$5 million; (iv) a cost to remedy or the creation of a new Liability of the Company or any Subsidiary in excess of \$5 million; or (v) the reduction in the value of assets of the Company or any Subsidiary by an amount in excess of \$5 million in the aggregate. Notwithstanding the foregoing, the following events shall not be taken into account when determining the amounts in clauses (iii) or (v) above: (A) any change, development, event or occurrence arising out of or relating to general economic or financial market conditions, (B) any change, development, event or occurrence affecting the crude oil shipping industry generally, (C) changes in Applicable Law, SFRS or IFRS, (D) any change, development, event or occurrence arising out of or relating to natural catastrophe events, acts of terrorism, war (whether or not declared) or other hostilities (other than any such change, development, event or occurrence which directly affects one of the Vessels), (E) the announcement and pendency of this Agreement and the transactions contemplated hereby, (F) any action or failure to act on the part of Sellers or the Company or any Subsidiary required by this Agreement or requested or consented to in writing by Purchaser and (G) any action on the part of Purchaser or any of Purchaser’s affiliates, to the extent that any such effect described in the preceding clauses does not materially and disproportionately affect the Company and the Subsidiaries, taken as a whole, relative to other persons engaged in the shipping of crude oil.

“Contract” means any contract, lease, license, indenture, agreement, commitment or other legally binding arrangement.

“Disclosure Bundle” means all documents and other information included in the index attached to the Company Disclosure Letter, copies of which have been made available by the Company or the Sellers or their advisers to Purchaser or its advisers and are included in the physical disclosure bundle and initialed by the parties hereto on the date hereof.

“Employee” means any current or former employee of the Company or any Subsidiary.

“Environmental Laws” means all in force laws (including common law), statutes, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices, Permits, treaties or binding Contracts issued, promulgated or entered into by any Governmental Entity which are applicable to the Company or any Subsidiary or any of their respective assets or businesses and which relate in any way to the environment, preservation or reclamation of natural resources, the presence, management, Release of, or exposure to, Hazardous Materials, or to human health and safety.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Existing Employees” means Bengt Hermelin, Borzou Aram, Joan Blake, Rakesh Lamba, Navinder Singh and Celina Yeo.

“FCPA” means the U.S. Foreign Corrupt Practices Act of 1977, as amended, and any rules, regulations and guidance promulgated thereunder.

“Fundamental Company Warranties” means those Warranties set out in Section 3.01(a), Section 3.02(a) to (d) (inclusive) and Section 3.07(a).

“Fundamental Seller Warranties” means those Warranties set out in Section 2.01, Section 2.02, Section 2.03 and Section 2.06.

“Goodwood” means Goodwood Ship Management Pte. Ltd.

“Goodwood JV” means the joint venture agreement relating to Goodwood between the Company, Grover Shipping (Bahamas) Ltd, Ashok Ramkrishna Sabnis and Goodwood dated 31 December 2008.

“Goodwood Shares” means the 280,000 ordinary shares in the capital of Goodwood held by the Company.

“Governmental Entity” means any government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality.

“Hazardous Materials” means any petroleum or petroleum products, radioactive materials or wastes, asbestos in any form, polychlorinated biphenyls, phthalates, lead, mercury, chromium, hazardous or toxic substances and any other chemical, material, substance or waste that is prohibited, limited or regulated under any Environmental Law.

“IFRS” means International Financial Reporting Standards, as promulgated by the International Accounting Standards Board.

“Intellectual Property” means any patent (including all reissues, divisions, continuations and extensions thereof), patent application, patent right, trademark, trademark registration, trademark application, servicemark, trade name, business name, brand name, copyright, copyright registration, design, design registration, domain name registrations (if any) or any right to any of the foregoing.

“Liability” means any and all liabilities, obligations, debts and commitments of any kind, character or description.

“Liens” means any mortgage, lien, charge, encumbrance, pledge or security interest of any kind.

“Losses” means loss, liability, claim, damage or expense (other than legal fees and expenses).

“Maritime Guideline” means any rule, code of practice, convention, protocol, guideline or similar requirement or restriction concerning or relating to a Vessel, and to which a Vessel is subject, imposed or published by any Governmental Entity, the International Maritime Organization, such Vessel’s classification society or the insurer of such Vessel.

“New Service Contracts” means the new three-year employment contracts to be entered into between the Existing Employees and the Company.

“Non-Vessel Subsidiaries” means Samco Alpha Ltd., Samco Beta Ltd. and Samco (Cayman) Ltd., details of which are set out in Part B of Schedule 2.

“person” means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

“POA Sellers” mean each of Baho Abdullah T Bakhsh, Hawazen Abdullah T Bakhsh, Omnia Abdullah T Bakhsh and Samaual Abdullah T Bakhsh.

“Poten Arrangements” means the agreement between the Sellers and Poten & Partners relating to the payment by the Sellers to Poten & Partners of a broker fee in the event the Acquisition reaches financial and legal closing.

“Provisional Equity Amount” means \$317,005,000.

“Regulatory Approvals” means any approvals, filings or notifications required by any Governmental Entity having jurisdiction over the Company, the Subsidiaries, Sellers, or Purchaser in connection with the consummation of the transactions contemplated by this Agreement. As of the date of this Agreement, the parties hereto do not believe any such approvals, filings or notifications exist.

“Release” means any actual release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within any building, structure, facility or fixture.

“Relevant Claim” means a claim by Purchaser under or in respect of this Agreement, including any claim with respect to any breach of warranty, covenant or agreement of Sellers contained in this Agreement.

“Respective Percentage” means, in respect of any Seller, the percentage set out against their name in column (E) of the table in Schedule 1.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“SFRS” means Singapore Financial Reporting Standards, as promulgated by the Accounting Standards Council of Singapore.

“Singapore Companies Act” means the Companies Act, Chapter 50 of Singapore.

“Singapore Properties” means: (a) the office premises sub-leased and leased by the Company at #02-23/24, 20 Science Park Road, Teletech Park, Singapore Science Park II, Singapore 117674 pursuant to a tenancy agreement between the Company and Teletech Park Pte. Ltd.; and (b) the residential premises occupied by certain employees and for which the Company is the named tenant in the associated tenancy agreements.

A “subsidiary” of any person means another person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of which) is owned directly or indirectly by such first person or by another subsidiary of such first person.

“Tax” means (a) all taxes, charges, fees, duties, customs, tariffs, imposts, payments in lieu, levies or other assessments or charges in the nature of a tax or any other similar payment imposed by any Taxing Authority, including income, license, recording, occupation, environmental, customs duties, single business, margin, unemployment, disability, mortgage, inventory, alternative or add-on minimum, profits, receipts, premium, excise, property, sales, use, transfer, franchise, payroll, withholding, social security, estimated or other taxes and (b) any interest, penalty, fine or addition to any of the foregoing, whether disputed or not.

“Tax Return” means any national, local, provincial or state Tax report, return (including information return), claim for refund, election, notice, estimated Tax filing, declaration, statement, schedule, form, request or other document (including any related or supporting information or any amendment to any of the foregoing) supplied to, required to be filed with or required to be maintained by any Taxing Authority with respect to Taxes, including any return or filing made on a consolidated, group, combined, unified or affiliated basis.

“Taxing Authority” means any Governmental Entity having primary jurisdiction over the assessment, determination, collection or imposition of any Tax on the Company or any Subsidiary.

“Third Party Consents” means the Consents of third parties listed in Section 9.4(f)(ii) of the Company Disclosure Letter.

“UK Bribery Act” means the U.K. Bribery Act 2010, as amended, and any rules, regulations and guidance promulgated thereunder.

“Vessel” or “Vessels” means the vessels owned by the Company or its Subsidiaries as set out in Schedule 2, Part D.

SECTION 9.05. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of any party to be valid and binding on the parties hereto, such consent or approval must be in writing.

SECTION 9.06. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 9.07. Entire Agreement.

(a) This Agreement, the Company Disclosure Letter and the Confidentiality Agreement, along with the Schedules and Exhibits hereto and thereto, constitute the whole and only agreement among the parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or in writing, among the parties relating to the subject matter hereof.

(b) Each party hereto acknowledges that, in entering into this Agreement, it is not relying upon any pre-contractual statement that is not set forth in this Agreement, the Company Disclosure Letter or the Confidentiality Agreement, along with the Schedules and Exhibits hereto and thereto, and that, except in the case of fraud, no party hereto shall have any right of action against any other party hereto arising out of or in connection with any pre-contractual statement, except to the extent that such statement is repeated in this Agreement, the Company Disclosure Letter or the Confidentiality Agreement, along with the Schedules and Exhibits thereto.

(c) For the purposes of this Section 9.07, "pre-contractual statement" means any agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, and any draft of any of the foregoing, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the time at which this Agreement becomes legally binding.

SECTION 9.08. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Applicable Law, or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party or such party waives its rights under this Section 9.08 with respect thereto. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated by this Agreement are fulfilled to the extent possible.

SECTION 9.09. Enforcement; Arbitration. (a) The parties agree that irreparable damage may occur in the event that any of the material provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled at law or in equity. The right of specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, none of Sellers or Purchaser would have entered into this Agreement. Each of the parties hereto agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other parties hereto have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or in equity. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.09 shall not be required to provide any bond or other security in connection with any such order or injunction, and the party opposing such injunction or injunctions hereby agrees that it shall not contest the amount or absence of any such bond or other security requested or offered by the party seeking such injunction or injunctions.

(b) Any dispute arising out of or in connection with this Agreement or the Company Disclosure Letter, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the arbitration rules of the International Chamber of Commerce (the “ICC”), which rules are deemed to be incorporated by reference into this Section 9.09 (the “ICC Rules”). The number of arbitrators shall be three. Purchaser shall nominate one arbitrator and Sellers shall jointly nominate one arbitrator in accordance with the ICC Rules, and the President of the arbitral tribunal shall be jointly nominated by the two party-nominated arbitrators. If the party-nominated arbitrators fail to jointly nominate the President within 30 days of their confirmation as arbitrators, either of Sellers or Purchaser may request the ICC International Court of Arbitration to appoint the President. The seat, or legal place, of arbitration shall be London. The language to be used in the arbitral proceedings shall be English. The governing law of the arbitration agreement shall be the laws of England and Wales.

(c) Any award rendered by the arbitrators shall be final, binding and unappealable, except as provided under the governing law, and judgment may be entered on any such award by any court having competent jurisdiction.

(d) In its award the arbitrators shall allocate, in their discretion, among the parties to the arbitration all costs of the arbitration, including the fees and expenses of the arbitrators and reasonable attorney’s fees, costs and expert witness expense of the parties.

(e) Each Seller irrevocably appoints Norose Notices Limited of 3 More London Riverside, London SE1 2AQ as its agent in England for service of process in relation to any court proceedings pursuant to subclause (a) or (c) above.

(f) Purchaser irrevocably appoints Cravath, Swaine & Moore LLP of CityPoint, One Ropemaker Street, London EC2Y 9HR, as its agent in England for service of process in relation to any court proceedings pursuant to subclause (a) or (c) above.

SECTION 9.10. Governing Law. This Agreement, and all matters, claims or causes of action (whether in contract or tort) based upon, arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement, shall be governed by, and construed in accordance with, the laws of England and Wales, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

SECTION 9.11. Waiver of Jury Trial. Each party hereby waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or any transaction contemplated hereby. Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement, by, among other things, the mutual waivers and certifications in this Section 9.11.

SECTION 9.12. Language. The language of this Agreement and the transactions contemplated hereby is English and all notices to be given in connection with this Agreement must be in English. All demands, requests, statements, certificates or other documents or communications to be provided in connection with this Agreement and the transactions contemplated hereby must be in English or accompanied by a certified English translation, in which case the English translation shall prevail unless the document or communication is a statutory or other official document or communication.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Sellers and Purchaser have duly executed this Agreement as of the date first written above.

SIGNED by SVEIN MOXNES)
HARFJELD)
for and on behalf of)
DHT HOLDINGS, INC.,)

/s/ Svein Moxnes Harfjeld
.....
(Authorised Signatory)

in the presence of:

.....
Witness name:
Address:

SIGNED by)
BENGT AXEL OLOF HERMELIN)
as duly authorized attorney for)
SAMAUAL ABDULLAH T BAKHSH)

/s/ Bengt Axel Olof Hermelin
.....

in the presence of:

.....
Witness name:
Address:

[Signature Page to Share Purchase Agreement]

SIGNED by)
BENGT AXEL OLOF HERMELIN)
as duly authorized attorney for) /s/ Bengt Axel Olof Hermelin
.....

BAHO ABDULLAH T BAKHSH)

in the presence of:

.....
Witness name:
Address:

SIGNED by)
BENGT AXEL OLOF HERMELIN)
as duly authorized attorney for) /s/ Bengt Axel Olof Hermelin
.....

HAWAZEN ABDULLAH T BAKHSH)

in the presence of:

.....
Witness name:
Address:

[Signature Page to Share Purchase Agreement]

SIGNED by)
BENGT AXEL OLOF HERMELIN)
as duly authorized attorney for) /s/ Bengt Axel Olof Hermelin
OMNIA ABDULLAH T BAKHSH)

in the presence of:
.....
Witness name:
Address:

SIGNED by)
BENGT AXEL OLOF HERMELIN) /s/ Bengt Axel Olof Hermelin
.....

in the presence of:
.....
Witness name:
Address:

[Signature Page to Share Purchase Agreement]



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Schedule 1
List of Sellers

A	B	C	D	E
Seller	Address	Number of Sale Shares held	Amount of Initial Purchase Price (less Amount of Escrow Amount)	Respective Percentage
SAMAUAL ABDULLAH T BAKSH			\$118,561,900	
BAHO ABDULLAH T BAKSH			\$59,280,950	
HAWAZEN ABDULLAH T BAKSH			\$59,280,950	
OMNIA ABDULLAH T BAKSH			\$59,280,950	
BENGT AXEL OLOF HERMELIN			\$15,600,250	
Total			\$312,005,000	

Schedule 2

Company and Subsidiaries

Part A – The Company

Date and place of incorporation	25 July 2008 Singapore
Registered number	200814598E
Registered office	80 Raffles Place #32-01 UOB Plaza Singapore (048624)
Issued share capital	5100 Ordinary Shares fully paid
Directors	Bengt Axel Olof Hermelin (Managing Director) Samaual Abdullah T Bakhsh Omnia Abdullah T Bakhsh Loke Mun-Tze Jacqueline Joelle
Secretary	M Sivaanathan Loke Mun-Tze Jacqueline Joelle

Part B – The Subsidiaries

Name	SAMCO GAMMA LTD.		
Date and place of incorporation	1 May 2001 – Cayman Islands		
Registered number	109904		
Authorised share capital	USD\$50,000		
Issued share capital	300 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	300 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO DELTA LTD.		
Date and place of incorporation	14 JANUARY 2004 – Cayman Islands		
Registered number	132067		
Authorised share capital	USD\$50,000		
Issued share capital	200 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	200 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO EPSILON LTD.		
Date and place of incorporation	14 JANUARY 2004 – Cayman Islands		
Registered number	132064		
Authorised share capital	USD\$50,000		
Issued share capital	200 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	200 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO ETA LTD.		
Date and place of incorporation	9 JULY 2008 – Cayman Islands		
Registered number	213929		
Authorised share capital	USD\$50,000		
Issued share capital	300 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	300 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO KAPPA LTD.		
Date and place of incorporation	9 JULY 2008 – Cayman Islands		
Registered number	213860		
Authorised share capital	USD\$50,000		
Issued share capital	300 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	300 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO THETA LTD.		
Date and place of incorporation	9 APRIL 2010 – Cayman Islands		
Registered number	239259		
Authorised share capital	USD\$50,000		
Issued share capital	400 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	400 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO IOTA LTD.		
Date and place of incorporation	9 APRIL 2010 – Cayman Islands		
Registered number	239276		
Authorised share capital	USD\$50,000		
Issued share capital	300 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	300 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO ALPHA LTD.		
Date and place of incorporation	14 AUGUST 2000 – Cayman Islands		
Registered number	103195		
Authorised share capital	USD\$50,000		
Issued share capital	200 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	200 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO BETA LTD.		
Date and place of incorporation	14 AUGUST 2000 – Cayman Islands		
Registered number	103194		
Authorised share capital	USD\$50,000		
Issued share capital	100 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	100 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Name	SAMCO (CAYMAN) LTD.		
Date and place of incorporation	24 MAY 1996 – Cayman Islands		
Registered number	66291		
Authorised share capital	USD\$50,000		
Issued share capital	200 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	200 Ordinary Shares	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
Directors	Verita Limited (Chairman and Director); Integra Limited (Director)		
Secretary	Reid Services Limited		

Part C - Goodwood

Name	GOODWOOD SHIP MANAGEMENT PTE. LTD.		
Date and place of incorporation	04/03/2008 Singapore		
Registered number	200804341W		
Issued share capital	560000 Ordinary Shares fully paid		
Shareholder	No & class of shares	Registered holder	Beneficial owner
	280000	Samco Shipholding Pte. Ltd.	Samco Shipholding Pte. Ltd.
	126000	Ashok Ramkrishna Sabnis	-
	154000	Grover Shipping (Bahamas) LTD.	-
Directors	Jan Petter Roed Bengt Axel Olof Hermelin Ashok Ramkrishna Sabnis		
Secretary	M Sivaanathan		

Part D - Vessels

Name of Vessel	Name of Owner	Year Built	Country of registration (flag)	Capacity (DWT) (Scantling)	Classification society	Shipyard of construction
Samco Scandinavia S273	Samco Gamma Ltd.	2006	Republic of the Marshall Islands	318,000	ABS	Hyundai
Samco Europe S274	Samco Delta Ltd.	2007	Republic of the Marshall Islands	318,000	DNV	Hyundai
Samco China S275	Samco Epsilon Ltd.	2007	French International Registry and Republic of Marshall Islands	318,000	DNV	Hyundai
Samco Amazon S501	Samco Eta Ltd.	2011	French International Registry and Republic of Marshall Islands	318,000	DNV	Hyundai
Samco Redwood S502	Samco Kappa Ltd.	2011	French International Registry and Republic of Marshall Islands	318,000	DNV	Hyundai
Samco Sundarbans S556	Samco Theta Ltd.	2012	Republic of the Marshall Islands	318,000	ABS	Hyundai
Samco Taiga S557	Samco Iota Ltd.	2012	Republic of the Marshall Islands	318,000	ABS	Hyundai

Schedule 3
Actual Equity Amount Statement

Part A – Preparation

- 1 The parties shall procure that a draft of the Closing Statement (the “Draft Closing Statement”) shall be prepared by the Chief Financial Officer of the Company in accordance with this Schedule 3 and delivered to each of the Sellers and the Purchaser within three (3) calendar months of Closing. Each of the Sellers and the Purchaser shall co-operate with the other with regard to the preparation, review, agreement or determination of the Draft Closing Statement and the Closing Statement and shall, subject to reasonable notice, make available during normal office hours to the other and its representatives and accountants all books and records of the Company as the other party may reasonably require.
 - 2 The Draft Closing Statement and the Closing Statement shall:
 - (a) be in the form set out in Part B of this Schedule 3 and shall include the assets and liabilities noted therein for the Company and the Subsidiaries on a consolidated basis and include a statement of the Actual Equity Amount; provided that (i) all Tax assets and Tax liabilities included in the Draft Closing Statement and the Closing Statement shall be stated in separate line items therein and (ii) the Draft Closing Statement and the Closing Statement shall not take into account any deferred Tax asset or any deferred Tax liability;
 - (b) be prepared in accordance with the principles and requirements set out in paragraphs 3 and 4 of Part A of this Schedule 3;
 - (c) subject to paragraph 2(b) above, be prepared using the same accounting principles, policies, bases, practices and estimation techniques as were used in the preparation of the Unaudited Financial Statements;
 - (d) subject to paragraphs 2(b) and 2(c) above, be prepared on a going concern basis in accordance with SFRS applied in a manner consistent with the Unaudited Financial Statements; and
 - (e) notwithstanding any other provision of this Schedule, provide a value of \$580,000,000 for the Vessels line item.
 - 3 The Draft Closing Statement and the Closing Statement shall be drawn up according to the following principles:
 - (a) the Draft Closing Statement and the Closing Statement shall be drawn up as at close of business on the Closing Date. Other than amounts owed to the Escrow Agent by the Sellers pursuant to the Escrow Agreement, no account shall be taken of events taking place after the close of business on the Closing Date, except to the extent that such events provide additional evidence as to the conditions existing at the Closing Date;
-

- (b) Other than amounts owed to the Escrow Agent by the Sellers pursuant to the Escrow Agreement, no account shall be taken of events taking place on the Closing Date to effect Closing of this Agreement or any aspect of it;
 - (c) if any costs, fees and expenses incurred by the Company or any Subsidiary (i) associated with obtaining the Third Party Consents on or prior to the Closing Date in accordance with Section 5.04(b) or otherwise or (ii) in respect of work undertaken by the Company's auditors at the request of the Purchaser or its advisers in connection with the Purchaser Equity Financing in accordance with Section 5.11 or otherwise, have not been paid or reimbursed by Purchaser as of the Closing Date, no account shall be taken in the Draft Closing Statement or the Closing Statement of the effect of such costs, fees or expenses;
 - (d) no account shall be taken in the Draft Closing Statement or the Closing Statement for any amount owed or due between the Company and its Subsidiaries, or between one Subsidiary and another Subsidiary.
- 4 The Draft Closing Statement and the Closing Statement shall be expressed in thousands of US Dollars (USD '000). Amounts in other currencies shall be translated into US Dollars based on the prevailing exchange rate as at the Closing Date as derived from the website, www.oanda.com.
- 5 As soon as practicable after the delivery of the Draft Closing Statement to the Sellers and the Purchaser in accordance with paragraph 1, and in any event within 60 calendar days of such delivery (the "Review Period"), the Sellers and the Purchaser shall review the Draft Closing Statement and each shall inform the other in writing of what adjustments (if any) they each propose be made to the Draft Closing Statement in order for the Draft Closing Statement to comply with the provisions of this Schedule 3.
- 6 If neither the Sellers or the Purchaser proposes any adjustments to the Draft Closing Statement in writing within the Review Period or each confirms to the other that it has no adjustments to propose to the Draft Closing Statement within the Review Period, the Draft Closing Statement and the amount of the Actual Equity Amount specified in such Draft Closing Statement shall be the Closing Statement and the Actual Equity Amount as determined respectively for all purposes of this Agreement, shall be final and binding on the parties and shall not be subject to question on any ground whatsoever.
- 7 If, during the Review Period, either the Purchaser or the Sellers give written notice to the other(s) in accordance with paragraph 5 of adjustments proposed to be made to the Draft Closing Statement or any item thereof (a "Disagreement Notice"), and the other party agrees with all of the adjustments proposed, such adjustments shall be included in the Draft Closing Statement and the Draft Closing Statement (as so adjusted) and the amount of the Actual Equity Amount specified in such Draft Closing Statement shall be the Closing Statement and the Actual Equity Amount as determined respectively for all purposes of this Agreement, shall be final and binding on the parties and shall not be subject to question on any ground whatsoever.

- 8 If any party does not agree with any of the adjustments proposed by any other party in any Disagreement Notice within 30 calendar days of delivery to it of a Disagreement Notice, the Sellers and the Purchaser shall agree in writing (the "Joint Disagreement Notice") which aspects of the Draft Closing Statement should be referred for determination to KPMG LLP or, if it is unable or unwilling to act in such capacity, PricewaterhouseCoopers LLP, or such other accountants as shall be agreed in writing by Purchaser and Sellers (the "Reporting Accountants"). The Joint Disagreement Notice shall set out each party's objections and attach any such information and material as is necessary to support such objections. Such matter or matters as set out in the Joint Disagreement Notice (but no other matters) shall then be referred by the Purchaser and the Sellers jointly to the Reporting Accountants for determination.
- 9 If the Sellers and the Purchaser are unable to agree on the terms of the Joint Disagreement Notice within 30 calendar days of delivery to the others of a Disagreement Notice, any of the Sellers or the Purchaser may by notice to the other parties require that the Draft Closing Statement be referred to the Reporting Accountants (the "Appointment Notice").
- 10 The Reporting Accountants shall determine the dispute on the following basis:
- (a) the Reporting Accountants shall be instructed to notify the Sellers and the Purchaser of their determination of any matter specified in the Joint Disagreement Notice or (in the case where the parties are unable to agree on the terms of the Joint Disagreement Notice) the Purchaser's Disagreement Notice and/or the Sellers's Disagreement Notice within 30 calendar days of the Joint Disagreement Notice or the Appointment Notice being served (as the case may be);
 - (b) each of the Sellers and the Purchaser shall be entitled to make written submissions to the Reporting Accountants, but subject thereto the Reporting Accountants shall have power to determine the procedure to be followed in relation to their determination;
 - (c) in making their determination the Reporting Accountants shall act as experts and not as arbitrators, their decision as to any matter of fact referred to them for determination shall be final and binding in all respects on the parties and shall not be subject to question on any ground whatsoever (save in the event of manifest error (in which case the relevant part of their determination shall be void and the matter shall be remitted to the Reporting Accountants for correction)); and
 - (d) the fees and expenses (including the cost of any value-added, sales or similar Tax) of the Reporting Accountants shall be borne equally between the Purchaser (on the one hand) and the Sellers (on the other hand).
- 11 The determination of the Reporting Accountants pursuant to paragraphs 8 to 11 shall:
- (a) be made in writing and delivered to the Sellers and the Purchaser; and

- (b) unless otherwise agreed in writing by the Sellers and the Purchaser, include reasons for each relevant determination.
- 12 The Purchaser and the Sellers shall enter into an appropriate form of appointment of the Reporting Accountants as soon as reasonably practicable (and in any event within 10 Business Days) following the delivery of the Joint Disagreement Notice or the Appointment Notice (as the case may be) and the Purchaser and Sellers shall act reasonably in agreeing the terms and conditions of such appointment, including in respect of fees and any exclusions and limitations of liability where it can be reasonably demonstrated that such terms and conditions reflect market standard provisions for such appointments.
- 13 Following any determination by the Reporting Accountants pursuant to paragraphs 8 to 11, the Purchaser and Sellers shall jointly incorporate into and reflect in the Draft Closing Statement the matters determined by the Reporting Accountants and the Draft Closing Statement (as so adjusted) and the amount of the Actual Equity Amount stated in such Draft Closing Statement shall be the Closing Statement and the Actual Equity Amount respectively for all purposes of this Agreement and shall be final and binding on the parties and shall not be subject to question on any ground whatsoever (save in the event of manifest error (in which case the relevant part of the Reporting Accountant's determination shall be void and the matter shall be remitted to the Reporting Accountants for correction)).
- 14 Until the Actual Equity Amount has been determined pursuant to this Schedule 3, the Sellers and the Purchaser shall respectively:
- (a) co-operate with the Reporting Accountants and comply with their reasonable requests made in connection with the carrying out of their duties under this Schedule 3. In particular, the Purchaser shall, subject to reasonable notice, make available during normal office hours to the Reporting Accountants all books and records relating to the Company and the Subsidiaries as the Reporting Accountants may reasonably request during the period from the appointment of the Reporting Accountants down to the making of the relevant determination; and
- (b) generally provide the Reporting Accountants with such other information and assistance as they may reasonably require (including access to and assistance at reasonable times from personnel employed by the Sellers, the Company or the Purchaser, as the case may be).
- 15 Nothing in this Schedule 3 shall entitle a party or the Reporting Accountants access to any information or document which is protected by legal professional privilege or litigation privilege, provided that neither the Sellers nor the Purchaser shall be entitled to refuse to supply such part or parts of documents as contain only the facts on which the relevant claim or argument is based.

16 Each of the Sellers and the Purchaser shall, and shall procure and ensure that its accountants and other advisers and the Reporting Accountants shall, keep all information and documents provided to them pursuant to this Schedule 3 confidential and shall not use the same for any purpose, except for disclosure or use in connection with the preparation of the Draft Closing Statement, the Closing Statement, any Disagreement Notice, any Joint Disagreement Notice or any Appointment Notice, the proceedings of the Reporting Accountants or another matter arising out of this Agreement or in defending any claim or argument or alleged claim or argument relating to this Agreement or its subject matter. For the avoidance of doubt, the foregoing shall not limit or in any way restrict the disclosure or use by Purchaser or its affiliates of the Audited Financial Statements or the Unaudited Financial Statements.

Part B - Form of Actual Equity Statement

		30 June 2014		Closing Date
		USD'000		USD'000
Non-current assets				
Vessels		580,000		580,000
Property, plant and equipment		19		
Subsidiaries		0		
Associates and Joint Ventures		963		
		580,982		
Current assets				
Assets held for sale		0		
Inventory		2,190		
Trade and other receivables		14,613		
Cash and cash equivalents		58,748		
		75,551		
Total assets		656,533		
Non-current liabilities				
Loans and borrowings		269,989		
Derivative financial liabilities		8,082		
		278,071		
Current liabilities				
Trade and other payables		8,540		
Loans and borrowings		48,677		
Derivative financial liabilities		4,233		
Taxation payable		7		
		61,457		
Total liabilities		339,528		
Net assets		317,005		
Provisional Equity Amount	USD	317,005,000	Actual Equity Amount	

Exhibit A

Form of Escrow Agreement

Dated September 2014

**BENGT AXEL OLOF HERMELIN
(AS TRUSTEE FOR THE SELLING SHAREHOLDERS OF
SAMCO SHIPHOLDING PTE. LTD.)**

and

DHT HOLDINGS, INC.

and

ING BANK N.V., SINGAPORE BRANCH

ESCROW AGREEMENT

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THIS ESCROW AGREEMENT is dated 9 September 2014 and is made

BETWEEN:

- (1) **BENGT OLAF HERMELIN** (passport number: 82504892) whose address is at 201 Ocean Drive #01-17, 098584 Singapore) (**Bengt Hermelin**), in his capacity as trustee for the selling shareholders (**Sellers**) of Samco Shipholding Pte. Ltd., a private company limited by shares incorporated under the laws of the Republic of Singapore, in accordance with the terms, and for the purposes only, of that certain Share Purchase Agreement, dated September 9, 2014; between the Sellers and DHT (the **Share Purchase Agreement**);
- (2) **DHT Holdings, Inc.** a company incorporated in the Marshall Islands (company registration number 39572 whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960) (**DHT**); and
- (3) **ING Bank N.V., Singapore Branch (Escrow Agent or Escrow Bank)**.

1 Interpretation

1.1 In this Escrow Agreement:

Authorised Signatories means for each of DHT and Bengt Hermelin, the persons set out against their respective names in Schedule 2

Business Day means any day, other than a Saturday or a Sunday, on which commercial banks in New York, Singapore and Bermuda, are open for normal banking business

Escrow Account means the deposit account opened with the Escrow Bank on or before the date of this Escrow Agreement, details of which are set out in Schedule 1

Escrow Agreement means this agreement, its recitals and its schedules

Escrow Sum means the sum of US\$5,000,000

Escrow Fund means the amount of the Escrow Sum in the Escrow Account at any time, including any interest thereon

Parties means the parties to this Escrow Agreement, and **Party** means any one of them

Relevant Instruction means a joint instruction in writing from DHT and Bengt Hermelin in the form set out in Schedule 3

US\$ or United States Dollar means the lawful currency of the United States of America from time to time

1.2 Any reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any change, extension, consolidation or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.3 Unless the context otherwise requires:

- (a) words in the singular include the plural and words in the plural include the singular;
- (b) words denoting any gender include all other genders;
- (c) any reference to persons includes individuals, bodies corporate, companies, partnerships, unincorporated associations, firms, trusts and all other legal entities;
- (d) any reference to a Party is to a party to this Escrow Agreement; and
- (e) any reference to time shall be to London time.

1.4 Clause headings are for convenience only and do not affect the interpretation of this Escrow Agreement. Any reference to a clause, sub-clause, paragraph or Schedule is to the relevant clause, sub-clause, paragraph or Schedule of this Escrow Agreement. The Schedules to this Escrow Agreement shall for all purposes form part of this Escrow Agreement.

2 Appointment and Fees

2.1 DHT and Bengt Hermelin hereby appoint the Escrow Agent as their agent to carry out the tasks assigned to the Escrow Agent in this Escrow Agreement in accordance with its terms, and the Escrow Agent agrees to the terms of that appointment.

2.2 DHT and Bengt Hermelin agree that the consideration for the performance by the Escrow Agent of its obligations under this Escrow Agreement (including the review, negotiation and execution of this Escrow Agreement, opening of the Escrow Account, completion of any know your customer documentation, maintenance of the Escrow Account and all ancillary administrative duties) shall be the fixed fee payment of US\$10,000 (the **Escrow Fee**), payable 50% by DHT and 50% by the Sellers (the **Sellers' Share**). DHT shall pay the full amount of the Escrow Fee to the Escrow Agent simultaneously with the Escrow Sum being deposited in the Escrow Account in accordance with clause 4.1; provided, however, that DHT and Bengt Hermelin agree that the Sellers' Share shall thereafter be deducted from the Actual Equity Amount (as such term is defined in the Share Purchase Agreement).

3 Escrow Account and Conditions

On or before the date of this Escrow Agreement, the Escrow Bank shall set up the Escrow Account with the details set out in Schedule 1 (subject to other Parties entering into all necessary account opening documents as required by the Escrow Bank).

This Escrow Agreement shall take effect on and from the date (the **Effective Date**) that the Escrow Agent notifies the other Parties that it has received all of the documents and evidence listed in Schedule 1 in form and substance satisfactory to the Escrow Agent. The Escrow Agent shall notify the other Parties promptly upon being so satisfied.

4 Payment of the Escrow Sum into the Escrow Account

4.1 On or before the date of this Escrow Agreement, DHT shall pay the Escrow Sum into the Escrow Account, whereupon the Escrow Sum shall be held by the Escrow Agent in accordance with, and subject to, the provisions of this Escrow Agreement.

4.2 The Escrow Agent undertakes:

- (a) to hold (and dispose of) the Escrow Sum solely on the terms and subject to the conditions of this Escrow Agreement; and
- (b) not to permit any withdrawal to be made from the Escrow Account except in accordance with the provisions of this Escrow Agreement.

5 Release from Escrow Account and Termination

5.1 In the event that DHT and Bengt Hermelin agree in writing as to the release of the Escrow Fund or part thereof, DHT and Bengt Hermelin shall execute and deliver to the Escrow Agent a Relevant Instruction executed by their respective Authorised Signatories only. The Escrow Agent shall, subject as provided in this Escrow Agreement, as soon as practicable and in any event, no later than 2 Business Days following receipt of the Payment Notice, make the payment or payments provided for in the Payment Notice out of the Escrow Account.

5.2 Any Relevant Instruction must be in writing in the format set out in Schedule 3, and is irrevocable.

5.3 Upon the delivery of the final balance of the Escrow Fund by the Escrow Agent to DHT and Bengt Hermelin as directed by the Parties in accordance with this Escrow Agreement, the Escrow Account shall promptly be closed and this Escrow Agreement and the duties and obligations of the Escrow Agent under this Escrow Agreement shall terminate.

5.4 Provided Relevant Instructions are in the form specified in Schedule 3:

- (a) the Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties without inquiry and without requiring substantiating evidence of any kind; and
- (b) the Escrow Agent is authorised to act upon that instruction if the actual or purported signature, regardless of how or by whom affixed, resembles the specimens set out in Schedule 3.

5.5 In no circumstances shall the Escrow Agent be obliged to make any payment from the Escrow Account where this would result in a negative balance on the Escrow Account.

5.6 In the event that pursuant to any binding court order, the Escrow Agent is required to pay out, release or transfer any amount standing to the credit of the Escrow Account, the Escrow Agent is hereby expressly authorised, in its sole discretion, to obey and comply with all such writs, orders or decrees, which it is advised by legal counsel of its own choosing (at cost and expense of the Parties (other than the Escrow Agent)) is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto.

6 Representations and Warranties

Each Party (other than the Escrow Agent) makes the representations and warranties set out in this Clause 6 to the Escrow Agent on the date of this Escrow Agreement.

6.1 Status

- a) (In the case of DHT) It is a corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- b) (In the case of DHT) It has the power to own its assets and carry on its business as it is being conducted.

6.2 Non-conflict with other obligations

The entry into and performance by each Party of, and the transactions contemplated by, this Escrow Agreement do not and will not conflict with:

- (a) any law or regulation applicable to such Party;

- (b) (in the case of DHT) its constitutional documents; or
- (c) any agreement or instrument binding upon such Party or any of its or any of such Party's assets.

6.3 Power and authority

Each Party has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Escrow Agreement to which it is a party and the transactions contemplated by the Escrow Agreement.

7 Notices

7.1 A notice or other communication given under or in connection with this Escrow Agreement must be:

- (a) in writing;
- (b) in the English language; and
- (c) sent by a Permitted Method to the Notified Address.

7.2 The **Permitted Method** means any of the methods set out in column (1) below. A notice given by the Permitted Method will be deemed to be given and received on the date set out in column (2) below.

(1) Permitted Method	(2) Date on which notice deemed given and received
Personal delivery	If left at the Notified Address before 5pm on a Business Day, when left and otherwise on the next Business Day
Recorded delivery or courier	The date on which the notice is signed for or acknowledged.
E-mail, with the notice attached in PDF format	On receipt of an automated delivery receipt or confirmation of receipt from the relevant server if before 5pm on a Business Day and otherwise on the next Business Day

7.3 The **Notified Address** of each of the parties is as set out below:

Name of party	Address	E-mail address	Marked for the attention of:
Bengt Hermelin	201 Ocean Drive #01-17, 098584 Singapore	bhermelin@aol.com	Bengt Hermelin
DHT Holdings, Inc.	DHT Holdings, Inc. Clarendon House 2 Church Street Hamilton HM11 Bermuda With a copy to: Cravath, Swaine & Moore LLP 825 Eighth Avenue New York, NY 10019	smh@dhtankers.com tpm@dhtankers.com etavzel@cravath.com	Svein Moxnes Harfeld and Trygve P. Munthe, Co-CEOs Erik Tavzel
ING Bank N.V., Singapore Branch	9 Raffles Place, #19-02 Republic Plaza, Singapore 048619	Lynnette.goh@asia.ing.com SGPAY.PROCESSING@asia.ing.com Copy to: Kane.chung@asia.ing.com Gerbrand.vroegop@asia.ing.com	Lynnette Goh SGPAY PROCESSING Copy to: Kane ChungGerbrand Vroegop

or such other Notified Address as any party may, by notice to the others, substitute for their Notified Address set out above.

8 Duration and Termination

8.1 This Escrow Agreement shall have effect from the date of this Escrow Agreement and shall, subject to the termination of this Escrow Agreement in accordance with its provisions, automatically terminate on the payment of all monies held in the Escrow Account out of the Escrow Account in accordance with the provisions of this Escrow Agreement.

8.2 Termination of this Escrow Agreement will be without prejudice to the completion of transactions entered into prior to termination. All remedies under this Escrow Agreement shall survive the termination of this Escrow Agreement.

8.3 The rights of the Parties under this clause 8 shall be without prejudice to any claim that any Party may have against any other Party for damages for any prior breach of contract.

9 Miscellaneous

9.1 No purported alteration of this Escrow Agreement shall be effective unless it is in writing, refers to this Escrow Agreement and is duly executed by each Party to this Escrow Agreement.

9.2 This Escrow Agreement may be executed in any number of counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one instrument.

9.3 A person who is not a party to this Escrow Agreement has no rights under the Contracts (Rights of Third Parties) Cap. 53B to enforce any of its terms.

9.4 If any part of this Escrow Agreement is found by any court or other competent authority to be invalid, unlawful or unenforceable then such part shall be severed from the remainder of this Escrow Agreement which shall continue to be valid and enforceable to the fullest extent permitted by law.

9.5 Except as otherwise expressly provided in this Escrow Agreement, no Party shall assign, encumber, dispose of or otherwise transfer its rights under this Escrow Agreement or purport to transfer any burden imposed on it under this Escrow Agreement without the prior written consent of the others, and which written consent any Party may withhold in its absolute discretion.

9.6 This Escrow Agreement expressly and exclusively sets forth the duties of Escrow Agent with respect to any and all matters pertinent hereto, and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. This Escrow Agreement constitutes the entire agreement between the Escrow Agent and the other parties hereto in connection with the subject matter of this escrow, and no other agreement entered into between the parties, or any of them, shall be considered as adopted or binding, in whole or in part, upon the Escrow Agent notwithstanding that any such other agreement may be referred to herein or deposited with Escrow Agent or the Escrow Agent may have knowledge thereof, and Escrow Agent's rights and responsibilities shall be governed solely by this Escrow Agreement.

9.7 The Parties (other than Escrow Agent) hereby severally agree to indemnify and hold the Escrow Agent, its affiliates and their officers, employees, successors, assigns, attorneys and agents (each an "Indemnified Party") harmless from all losses, costs, claims, demands, expenses, damages, penalties and attorney's fees suffered or incurred by any Indemnified Party or Escrow Agent as a result of anything which it may do or refrain from doing in connection with this Escrow Agreement or any litigation or cause of action arising from or in conjunction with this Escrow Agreement or involving the subject matter hereof or the Escrow Fund; provided that the foregoing indemnification shall not extend to the gross negligence or willful misconduct of Escrow Agent.

10 Governing law

- 10.1 This Escrow Agreement and any non-contractual obligations connected with it shall be governed by and construed in accordance with Singapore law.
- 10.2 The Parties irrevocably agree that all disputes arising under or in connection with this Escrow Agreement, or in connection with the negotiation, existence, legal validity, enforceability or termination of this Escrow Agreement, regardless of whether the same shall be regarded as contractual claims or not, shall be exclusively governed by and determined only in accordance with Singapore law.

11 Jurisdiction

- 11.1 The Parties irrevocably agree that the courts of Singapore are to have exclusive jurisdiction, and that no other court is to have jurisdiction to:
- (a) determine any claim, dispute or difference arising under or in connection with this Escrow Agreement, any non-contractual obligations connected with it, or in connection with the negotiation, existence, legal validity, enforceability or termination of this Escrow Agreement, whether the alleged liability shall arise under the law of Singapore or under the law of some other country and regardless of whether a particular cause of action may successfully be brought in the Singapore courts (**Proceedings**); and
 - (b) grant interim remedies, or other provisional or protective relief.
- 11.2 The Parties submit to the exclusive jurisdiction of the courts of Singapore and accordingly any Proceedings may be brought against the Parties or any of their respective assets in such courts.
- 11.3 Without prejudice to any other mode of service allowed under any relevant law, DHT:
- (a) irrevocably appoints BSL Corporate Services Pte. Ltd. as its agent for service of process in relation to any proceedings before the Singapore courts in connection with this Escrow Agreement;

(b) agrees that failure by a process agent to notify DHT of the process will not invalidate the proceedings concerned.

This Escrow Agreement has been entered into on the date stated at the beginning of this Escrow Agreement.

Signed by:

BENGT AXEL OLOF HERMELIN

.....

Signed on behalf of:

DHT HOLDINGS, INC.

.....

Signed on behalf of:

ING BANK N.V., SINGAPORE BRANCH

.....

Consent of Independent Registered Public Accounting Firm

We consent to the reference to us under the heading “Experts” in the Prospectus Supplement, which is part of the Registration Statement on Form F-3 (File No. 333-194296) and to the incorporation by reference of our report dated September 9, 2014, on the financial statements of Samco Shipholding Pte. Ltd for the years ended December 31, 2012 and 2013, included in this. Current Report of DHT Holdings, Inc. on Form 6-K, in the following Registration Statements of DHT Holdings, Inc.:

- (1) Registration Statement on Form F-3 (File No. 333-194296)
- (2) Registration Statement on Form F-3 (File No. 333-192959)
- (3) Registration Statement on Form S-8 (File No. 333-190729)
- (4) Registration Statement on Form S-8 (File No. 333-183687)
- (5) Registration Statement on Form S-8 (File No. 333-175351)
- (6) Registration Statement on Form S-8 (File. No. 333-167613) KPMG LLP

/s/ KPMG LLP

KPMG LLP

Singapore

September 9, 2014

Samco Shipholding Pte Ltd and its subsidiaries

Consolidated Financial Statements
Years ended 31 December 2013 and 2012

© 2013 KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Independent Auditors' Report

The Board of Directors and Shareholders
Samco Shipholding Pte Ltd.:

We have audited the accompanying consolidated statements of financial statements of Samco Shipholding Pte Ltd (the Company) and its subsidiaries, which comprise of the consolidated statements of financial position as of 31 December 2013 and 2012, and 1 January 2012 and the related consolidated statements of profit or loss and other comprehensive income (loss), changes in equity, and cash flows for the years ended 31 December 2013 and 2012, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement to the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Samco Shipholding Pte Ltd and its subsidiaries as of 31 December 2013 and 2012, and 1 January 2012, and the results of their operations and their cash flows for the years ended 31 December 2013 and 2012 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

As further described in Note 22 to the consolidated financial statements, on 28 May 2014, the shareholders of the Company entered into an agreement summarized in a term sheet for the entire issued and allotted share capital of the Company to be acquired by DHT Holdings, Inc. ("DHT"), a company incorporated in the Marshall Islands (the "Business Combination"). Consummation of the Business Combination is subject to certain conditions, including fund raising by DHT, regulatory approvals and third party consents. The accompanying consolidated financial statements of the Company do not include any adjustments that might result from consummation of the Business Combination. Our opinion is not modified with respect to this matter.

/s/ KPMG LLP

KPMG LLP

Singapore
9 September 2014

Consolidated statements of financial position
As at 31 December 2013 and 2012, and 1 January 2012
(In thousands of US\$)

	Note	31 December 2013	31 December 2012	1 January 2012
ASSETS				
Non-current assets:				
Property, plant and equipment	5	544,574	603,601	603,201
Investment in Associate	6	790	743	621
Investment in Joint venture	7	45	1,046	6,101
Total non-current assets		545,409	605,390	609,923
Current assets:				
Asset held for sale	5	–	37,046	–
Inventories		1,859	2,997	6,340
Trade and other receivables	8	13,070	25,469	11,854
Cash and cash equivalents	9	53,608	33,798	21,516
Total current assets		68,537	99,310	39,710
Total assets		613,946	704,700	649,633
EQUITY				
Share capital	10	51,626	51,100	31,100
Retained earnings		216,923	214,702	242,805
Reserves and other capital	11	(10,936)	(21,429)	(19,638)
Total equity		257,613	244,373	254,267
LIABILITIES				
Non-current liabilities:				
Loans and borrowings	12	305,511	389,822	324,849
Derivative financial liabilities		9,815	16,730	17,407
Total non-current liabilities		315,326	406,552	342,256
Current liabilities:				
Trade and other payables	13	10,225	12,492	18,084
Loans and borrowings	12	26,295	34,969	31,190
Derivative financial liabilities		4,487	6,314	3,836
Total current liabilities		41,007	53,775	53,110
Total liabilities		356,333	460,327	395,366
Total equity and liabilities		613,946	704,700	649,633

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of profit or loss and other comprehensive income/(loss)
Years ended 31 December 2013 and 2012
(In thousands of US\$)

	Note	2013	2012
Revenue	14	78,401	95,616
Insurance claim income	15	–	2,040
Vessel operating expenses		(28,327)	(46,249)
Staff costs		(2,508)	(2,510)
Depreciation	5	(24,781)	(29,809)
Impairment losses	5	–	(35,461)
Reversal of impairment losses	5	–	9,038
Gain/(Loss) on disposal of property, plant and equipment		74	(188)
Other operating expenses		(495)	(648)
Operating profit (loss)		22,364	(8,171)
Finance income		206	90
Finance costs		(20,636)	(19,568)
Net finance costs	16	(20,430)	(19,478)
Profit / (Loss) before tax, share of associate and joint venture		1,934	(27,649)
Share of profit of associate, net of tax		303	313
Share of loss of joint venture, net of tax		(1)	(761)
Profit/(Loss) before tax		2,236	(28,097)
Income tax expense	17	(15)	(6)
Profit/(Loss) for the year		2,221	(28,103)
Items that are or may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash flow hedges		10,526	(1,801)
Exchange (loss)/gain on translation of foreign currency denominated associate		(33)	10
Other comprehensive income / (loss) for the year, net of tax		10,493	(1,791)
Total comprehensive income / (loss) for the year		12,714	(29,894)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
 Years ended 31 December 2013 and 2012
 (In thousands of US\$)

	Share capital	Other capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total equity
At 1 January 2012	31,100	1,608	(21,243)	(3)	242,805	254,267
Total comprehensive income/ (loss)						
Loss for the year	-	-	-	-	(28,103)	(28,103)
Other comprehensive income / (loss)	-	-	(1,801)	10	-	(1,791)
Total comprehensive income / (loss) for the year	-	-	(1,801)	10	(28,103)	(29,894)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	20,000	-	-	-	-	20,000
Total transactions with owners	20,000	-	-	-	-	20,000
At 31 December 2012	51,100	1,608	(23,044)	7	214,702	244,373

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (cont'd)
 Years ended 31 December 2013 and 2012
 (In thousands of US\$)

	Share capital	Other capital	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total equity
At 31 December 2012	51,100	1,608	(23,044)	7	214,702	244,373
Total comprehensive income						
Profit for the year	–	–	–	–	2,221	2,221
Other comprehensive income / (loss)	–	–	10,526	(33)	–	10,493
Total comprehensive income / (loss) for the year	–	–	10,526	(33)	2,221	12,714
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issuance of shares	526	–	–	–	–	526
Total transactions with owners	526	–	–	–	–	526
At 31 December 2013	51,626	1,608	(12,518)	(26)	216,923	257,613

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
Years ended 31 December 2013 and 2012
(In thousands of US\$)

	Note	2013	2012
Cash flows from operating activities			
Profit/(Loss) for the year		2,221	(28,103)
Adjustments for:			
Depreciation of property, plant and equipment	5	24,781	29,809
(Gain)/Loss on disposal of property, plant and equipment		(74)	188
Impairment loss	5	–	35,461
Reversal of impairment loss	5	–	(9,038)
Share of profit of associate		(303)	(313)
Share of loss of joint venture		1	761
Net finance expenses	16	20,430	19,478
Tax expense	17	15	6
		<u>47,071</u>	<u>48,249</u>
Changes in working capital:			
Inventories		1,138	3,343
Trade and other receivables		12,411	(13,574)
Trade and other payables		(667)	(3,364)
Cash generated from operations		<u>59,953</u>	<u>34,654</u>
Tax paid		(5)	(1)
Net cash from operating activities		<u>59,948</u>	<u>34,653</u>
Cash flows from investing activities			
Interest received		160	46
Drydocking costs paid		–	(9,994)
Purchase of property, plant and equipment		(95)	(112,625)
Proceeds from disposal of vessels		71,462	25,306
Distribution by associate		223	201
Distribution by joint venture		1,000	4,294
Deposits pledged		1,342	(276)
Net cash from/(used in) investing activities		<u>74,092</u>	<u>(93,048)</u>
Cash flows from financing activities			
Interest paid		(19,263)	(18,411)
Repayments of borrowings		(94,151)	(85,238)
Proceeds from borrowings		–	154,050
Proceeds from issue of share capital		526	20,000
Net cash (used in)/from financing activities		<u>(112,888)</u>	<u>70,401</u>
Net increase/(decrease) in cash and cash equivalents		21,152	12,006
Cash and cash equivalents at			
1 January		27,856	15,850
Cash and cash equivalents	9	<u>49,008</u>	<u>27,856</u>

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 Domicile and activities

Samco Shipholding Pte Ltd is incorporated in the Republic of Singapore and has its registered office at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624.

The principal activities of the Company are those of investment holding whilst those of the subsidiaries are ship owning, operating and chartering. The consolidated financial statements relate to the Company and its subsidiaries and the group's interests in the joint venture and associate (together referred to as the "Group").

2 Basis of preparation

2.1 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB"). The consolidated financial statements were authorised for issue by the Company's board of directors on 9 September 2014.

The accompanying consolidated financial statements are the Group's first consolidated financial statements prepared in accordance with IFRS and are covered under IFRS 1, "*First Time Adoption of IFRS*". The transition to IFRS has been carried out from the accounting principles generally accepted in Singapore ("Singapore Financial Reporting Standards" also referred as "SFRS", which have been considered as the previous generally accepted accounting principles as per IFRS 1).

The accompanying consolidated financial statements are not intended to replace or amend the audited statutory financial statements of the Company that were presented in accordance with SFRS and have already been issued.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in United States ("US") Dollars, which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

Use of estimates and judgements

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- n Note 5 – impairment assessment, depreciation, useful lives and residual values of property, plant and equipment

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the financial statements:

Commercial pool

In 2012, the Group entered into the Nova Tankers – VLCC Pool Arrangement (“the Pool”).

The Pool is a joint marketing arrangement through which several shipowners market their ships. For vessels operating in the Pool, revenues and voyage expenses are pooled and the resulting net pool revenues are allocated to the pool participants according to an agreed formula. The formula allocates net Pool revenues to Pool participants on the basis of the number of days a vessel operates in the Pool with weighting adjustments made to reflect differing capacities and performance capabilities. Revenue generated from the Pool is recognised on a net basis. The Group has considered it appropriate to present this type of arrangement on a net basis in the income statement.

Impairment

Each of the Group's vessels have been viewed a separate Cash Generating Unit (CGU) as the vessels have cash inflows that are largely independent of the cash inflows from other assets and therefore can be subject to a value in use analysis.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity as "Other Capital" See Note 11.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associate and jointly controlled entity (equity-accounted investees)

Associates are those entities in in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint ventue is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss and included within finance income or finance expense, except for the following differences which are recognised in other comprehensive income arising on the retranslation of:

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or jointly controlled entity that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3

Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, and trade and other payables.

Equity

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, management formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. Management makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Vessels under construction are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Vessels

- new vessel 25 years
- second hand vessel 25 years, based on remaining useful life at date of purchase
- drydocking costs 2.5 - 5 years, depending on the nature of work undertaken

Furniture and fittings 5 years
 Computer and office equipment 4 -5 years

Depreciation methods, useful lives and residual values are reviewed by management at the end of each reporting period and adjusted if appropriate.

3.5

Inventories

Inventories comprise consumables, lubricant oils and bunkers which are measured at the lower of the cost of purchase (including cost incurred in bringing the stocks to their present location and condition) and net realizable value. The cost of inventories is based on the first-in-first-out principle.

3.6 Impairment

Loans and receivables

Management considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, management uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.7 Assets held for sale

Vessels which are agreed to be sold during the year but are delivered to their buyers after the end of the year are classified as assets held for sale. These are measured in accordance with the Group's accounting policies at their recoverable amount and any resulting impairment is recognised in profit or loss.

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.10 Revenue

Charter revenue

Revenue from the charter of vessels is recognised on a straight line basis over the period of charter provided it is probable that the economic benefits will flow to the Group, and that the revenue and costs, if applicable, can be measured reliably.

3.11 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, management determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of that specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If management concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.12 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, gains on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination, gains on hedging instruments that are recognised in profit or loss and reclassifications of net gains previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss and contingent consideration, impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. The management does not expect any of those standards to have a significant effect on the financial statements of the Group in future financial periods.

4 Transition to IFRS reporting

As stated in Note 2, these accompanying consolidated financial statements are the first consolidated financial statements prepared in compliance with IFRS.

The adoption of IFRS was carried out in accordance with IFRS 1, using 1 January 2012 as the transition date. The Group has retrospectively applied all IFRS standards and interpretations that are effective for the year ended 31 December 2013.

Until the adoption of IFRS, the consolidated financial statements of the Group were prepared in accordance with SFRS which has been considered as the previous GAAP as per IFRS 1. All applicable IFRS have been applied consistently and retrospectively wherever required.

Following are the differences resulting between the carrying amounts of the assets and liabilities in these accompanying consolidated financial statements under IFRS and those that were reported under SFRS as of the transition date:

Consolidated statement of financial position As at 1 January 2012

	SFRS US\$'000	Adjustments US\$'000	IFRS US\$'000
Property, plant and equipment	662,178	(58,977)	603,201
All other assets	46,432	–	46,432
Total assets	708,610	(58,977)	649,633
Total liabilities	395,366	–	395,366
Retained earnings	301,782	(58,977)	242,805
Others	11,462	–	11,462
Total equity	313,244	(58,977)	254,267

Following are the differences the amounts reported in the consolidated statement of profit or loss and other comprehensive income/loss in these accompanying consolidated financial statements under IFRS and those that were reported under SFRS for the year ended 31 December 2012:

Consolidated statement of profit or loss and other comprehensive income/loss Year ended 31 December 2012

	SFRS US\$'000	Adjustments US\$'000	IFRS US\$'000
Depreciation	(30,864)	1,055	(29,809)
Impairment losses	(84,345)	48,884	(35,461)
Reversal of impairment losses	–	9,038	9,038
Others	28,129	–	28,129
Loss for the year	(87,080)	58,977	(28,103)
Others	(1,791)	–	(1,791)
Total comprehensive income / (loss) for the year	(88,871)	58,977	(29,894)

The adjustments relate to the impairment of the vessels SAMCO Sundarbans and SAMCO Taiga which were under construction as at 1 January 2012. An impairment loss has been recognised in the SFRS statutory consolidated financial statements in the year 2012 upon taking delivery of these vessels but should have been recognised in 2011. Consequently, these IFRS consolidated financial statements reflect this impairment as of the 1 January 2012 transition date. The adjustments had no impact on the amounts reported in the consolidated 2012 statements of cash flows under IFRS and SFRS for net cash flows from operating activities, net cash flows from investing activities and net cash flows from financing activities and the consolidated statements of financial position as at 31 December 2012.

Differences between SFRS and IFRS primarily relate to the timing in which certain IFRS's become effective for SFRS purposes. As it pertains to the Company, these timing differences had no impact on the carrying amounts of the assets and liabilities in the accompanying consolidated statements of financial position under IFRS at 1 January 2012, 31 December 2012 and 31 December 2013. These timing differences also had no impact on the consolidated statements of profit or loss and other comprehensive income (loss) for the years ended 31 December 2012 and 2013.

The Group has not utilised any of the exemptions provided under IFRS 1 on transitioning to IFRS from SFRS either because such exemption was not applicable or because the requirements under SFRS and IFRS were similar thereby not impacting on transition.

5 Property, plant and equipment

	VLCC SAMCO America US\$'000	VLCC SAMCO Asia US\$'000	VLCC SAMCO Scandinavia US\$'000	VLCC SAMCO Europe US\$'000	VLCC SAMCO China US\$'000	VLCC SAMCO Raven US\$'000	VLCC SAMCO Amazon US\$'000	VLCC SAMCO Redwood US\$'000	VLCC SAMCO Sundarbans US\$'000	VLCC SAMCO Taiga US\$'000	Vessels under construction US\$'000	Furniture, fittings, office equipment and computers US\$'000	Total US\$'000
Cost													
At 1 January													
2012	84,034	82,221	82,638	81,874	82,750	76,884	122,889	122,486	-	-	131,783	254	867,813
Additions	-	-	1,661	2,258	2,375	253	-	-	-	-	112,621	4	119,172
Reclassification – delivery of vessels	-	-	-	-	-	-	-	-	122,138	122,266	(244,404)	-	-
Transfer to assets held for sale	(84,034)	-	-	-	-	-	-	-	-	-	-	-	(84,034)
Disposals	-	-	-	-	-	(77,137)	-	-	-	-	-	(2)	(77,139)
At 31													
December 2012	-	82,221	84,299	84,132	85,125	-	122,889	122,486	122,138	122,266	-	256	825,812
Additions	-	-	-	-	-	-	-	-	-	78	-	17	95
Disposal	-	(82,221)	(2,166)	(1,958)	(2,439)	-	-	-	-	-	-	-	(88,784)
At 31													
December 2013	-	-	82,133	82,174	82,686	-	122,889	122,486	122,138	122,344	-	273	737,123

Property, plant and equipment (cont'd)

	VLCC SAMCO America US\$'000	VLCC SAMCO Asia US\$'000	VLCC SAMCO Scandinavia US\$'000	VLCC SAMCO Europe US\$'000	VLCC SAMCO China US\$'000	VLCC SAMCO Raven US\$'000	VLCC SAMCO Amazon US\$'000	VLCC SAMCO Redwood US\$'000	VLCC SAMCO Sundarbans US\$'000	VLCC SAMCO Taiga US\$'000	Vessels under construction US\$'000	Furniture, fittings, office equipment and computers US\$'000	Total US\$'000
Accumulated depreciation													
At 1 January 2012	27,854	25,875	14,674	13,378	13,463	50,254	30,189	29,786	-	-	58,977	162	264,612
Depreciation for the year	4,009	3,847	3,001	3,005	3,223	1,389	3,922	3,896	2,424	1,041	-	52	29,809
Impairment loss for year	15,125	18,158	-	-	-	-	2,178	-	-	-	-	-	35,461
Impairment reclassification – delivery of vessels	-	-	-	-	-	-	-	-	29,424	29,553	(58,977)	-	-
Reversal of impairment	-	-	-	-	-	-	-	-	(5,210)	(3,828)	-	-	(9,038)
Transfer to assets held for sale	(46,988)	-	-	-	-	-	-	-	-	-	-	-	(46,988)
Disposals	-	-	-	-	-	(51,643)	-	-	-	-	-	-	(2)
At 31 December 2012	-	47,880	17,675	16,383	16,686	-	36,289	33,682	26,638	26,766	-	212	222,211
Depreciation for the year	-	-	3,013	2,925	2,966	-	3,831	3,897	4,082	4,026	-	41	24,781
Disposal	-	(47,880)	(2,166)	(1,958)	(2,439)	-	-	-	-	-	-	-	(54,443)
At 31 December 2013	-	-	18,522	17,350	17,213	-	40,120	37,579	30,720	30,792	-	253	192,549
Carrying amounts													
At 1 January 2012	56,180	56,346	67,964	68,496	69,287	26,630	92,700	92,700	-	-	72,806	92	603,201
At 31 December 2012	-	34,341	66,624	67,749	68,439	-	86,600	88,804	95,500	95,500	-	44	603,601
At 31 December 2013	-	-	63,611	64,824	65,473	-	82,769	84,907	91,418	91,552	-	20	544,574

Useful lives, depreciation and residual values of vessels

Vessels' costs are depreciated on a straight-line basis at rates which are calculated to write down their cost to their estimated residual values at the end of their useful economical life.

The vessels' useful economic life is determined according to the physical characteristics of the vessel and management's knowledge of the market for similar vessels. Management estimates the economic useful lives of the Group's vessels to be 25 years. This is a common life expectancy applied in the shipping industry. Changes in the expected level of use of the assets and market factors could impact the economic useful lives of the vessels, therefore future depreciation charges could be revised.

The residual value is reviewed at each reporting date, with any change in estimate accounted for as a change in estimate prospectively. The residual value of each vessel is estimated based on the light disposable tonnage (ldt) of the vessel at US\$ 400 per ton which is management's estimate of the scrap steel value at the time of the disposal of the vessels. Any significant changes in the residual value of the Group's vessels in future periods can affect the depreciation expense.

The vessels undergo periodic drydocking and major repairs. For new vessel deliveries, a portion of the original costs equivalent to the expected cost of their first drydocking is amortised over 2.5 years. The actual drydocking costs are capitalised and depreciated over their useful economic lives to a residual value of nil. The useful economic lives of the works, depending on the nature of the works done, are between 2.5 and 5 years.

Capitalisation of interest costs

For vessels under construction, interest costs amounting to US\$1,131,000 have been capitalised in the year ended 2012. No interest was capitalised in the year ended 31 December 2013. The Group borrows funds specially for the purpose of funding the construction of individual vessels.

Impairment assessment of vessels

The carrying values of the Group's vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of constructing new vessels. Historically, both charter rates and vessel values have been cyclical. The carrying amounts of vessels held and used by the Group are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. In such instances, the vessel is considered impaired and is written down to its recoverable amount. In evaluating impairment management considers the higher of (i) fair value less cost to sell and (ii) the present value of the future cash flows of a vessel, or "value in use." The fair value of the Group's vessels is monitored by obtaining charter-free broker valuations as of specific dates. This assessment has been made at the individual vessel level.

In developing estimates of future cash flows, management makes significant assumptions about future charter rates, future use of vessels, ship operating expenses, drydocking expenditures, utilization rates, fixed commercial and technical management fees, residual values of vessels, the estimated remaining useful lives of the vessels and the applicable discount rates. These assumptions, in particular for estimating future charter rates, are based on historical trends, current market conditions and future expectations. Estimated outflows for ship operating expenses and drydocking expenditures are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Utilisation, including estimated off-hire time, is based on historical experience.

The more significant factors that could impact management's assumptions regarding time charter equivalent rates include (i) unanticipated changes in demand for transportation of crude oil cargoes, (ii) changes in production of or demand for oil, generally or in specific regions, (iii) greater than anticipated levels of tanker newbuilding orders or lower than anticipated levels of tanker scrappings and (iv) changes in rules and regulations applicable to the tanker industry, including legislation adopted by international organisations such as International Maritime Organisation and the European Union or by individual countries and vessels' flag states.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially, in the future. Reasonable changes in the assumptions for the discount rate or future charter rates could lead to a value in use for some of the Group's vessels that is equal to or less than the carrying amount for such vessels. There can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether or when they will improve by any significant degree.

When calculating the charter rate to use for a particular vessel class in its impairment testing, management relies on the contractual rates currently in effect for the remaining term of existing charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining useful lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on the 5 – 7 years historical average one-year time charter rate.

In 2012, the Group took delivery of SAMCO Sundarbans and SAMCO Taiga and secured time charter leases for these vessels at favourable rates. Arising from a reassessment of the recoverable amounts of these vessels, the Group recognised a reversal in impairment loss amounting to US\$9,038,000. The recoverable amounts are determined based on fair value less costs to sell (Level 3 fair values). Key unobservable inputs correspond to available comparable sale transactions and adjustments made for differences in capacity, age, contractual charter rates and other factors.

In addition, the management performed an impairment assessment exercise in view of plans made in 2012 to dispose the vessels SAMCO Asia and SAMCO America. Arising from the impairment assessment exercise, an impairment loss amounting to US\$33,283,000 was recognised on the aforementioned vessels. Management also recognised an impairment loss of US\$2,178,000 for vessel SAMCO Amazon during 2012 in view of further decline in value of the vessel. The recoverable amount of vessels is determined based on fair value less costs to sell (Level 3 fair values). Key unobservable inputs correspond to available comparable sale transactions and adjustments made for differences in capacity, age, contractual charter rates and other factors.

Asset held for sale

In November 2012, the Group entered into a memorandum of agreement (MOA) to sell the vessel SAMCO America. On the date of the MOA, an impairment of \$15,125,000 was recognised to write the vessel down to its recoverable value based on the disposal price less related costs and the remaining carrying value of the vessel was reclassified as assets held for sale. The sale of the vessel was completed in February 2013 upon delivering the vessel to the purchasers.

6 Investment in Associate

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Investment in associate	790	743	621

Details of associate are as follows:

Name of associate	Principal activities	Place of incorporation and business	Effective equity interest	
			2013 %	2012 %
Goodwood Shipmanagement Pte. Ltd.	Ship management	Singapore	50	50

The following summarises the share of profit of the associate that are accounted for using the equity method:

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Group's share of			
- Profit after taxation	303	313	169
- Other comprehensive income for the year, net of tax	-	-	-
- Total comprehensive income	303	313	169

7 Investment in Joint venture

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Investment in joint venture	45	1,046	6,101

Details of joint venture are as follows:

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity interest	
			2013 %	2012 %
Samoco LLP	Owner of VLSS's Osprey and Alrehab	Cayman Islands	50	50

The following table summarises the financial information of the joint venture, based on its financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Assets and liabilities			
Non-current assets	–	–	63,646
Current assets	90	4,874	8,290
Total assets	90	4,874	71,936
Non-current liabilities	–	–	49,192
Current liabilities	–	2,782	10,542
Total liabilities	–	2,782	59,734
Net assets	90	2,092	12,202

	31 December 2013 US\$'000	31 December 2012 US\$'000
Results		
Revenue	–	–
Expenses	–	(1,522)
Loss after taxation	–	(1,522)
Other comprehensive income for the year, net of tax	–	–
Total comprehensive loss	–	(1,522)

Samoco LLP owned and operated two vessels, Osprey and Alrehab. Both vessels were disposed in 2012 and Samoco LLP remained dormant after the disposal of those vessels, until it was liquidated on 31 December 2013.

8 Trade and other receivables

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Trade receivables – Charter Hire due	–	100	4,573
Accrued income	3,318	3,378	–
Deposits	47	53	84
Receivables from the Pool	8,000	20,000	–
Other receivables	1,143	1,475	6,827
Loans and receivables	12,508	25,006	11,484
Prepayments	562	463	370
	<u>13,070</u>	<u>25,469</u>	<u>11,854</u>

The Group's primary exposure to credit risk arises through its trade and other receivables. Credit risk is concentrated in the outstanding trade receivables mainly owing from the Group's few time charterers of its vessels. The major portion of time charter hire is received in advance on a monthly basis and only profit sharing elements, if any, are receivable in arrears. The Group's vessels are chartered only to subsidiaries of major listed companies or companies with state affiliations which the Group considers excellent credit risks. The Group's trade receivables are current and not past due. Consequently, no allowance for doubtful accounts receivable has been recognized at 31 December 2013, 2012 and 1 January 2012.

At 1 January 2012, other receivables comprise mainly insurance claims of US\$5,060,000 to be received from an insurer. The insurance claims related to the loss incurred by the Group in 2008 as a result of a collision involving one of its vessels in 2007. This amount was received during 2012. See Note 15.

Receivables from the Pool relates to working capital paid to the Pool when the vessels joined the Pool. This was to fund purchases of bunkers and payments of port costs and is refundable upon leaving the pool. This amount at 31 December 2013 related to the vessels Samco Scandinavia and Samco Europe. (In 2012, the corresponding amount related to Samco America, Samco Asia, Samco Scandinavia, Samco Europe and Samco Sundarbans).

9 Cash and cash equivalents

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Cash at bank and in hand	23,109	21,314	21,516
Fixed deposits	30,499	12,484	–
Cash and cash equivalents	53,608	33,798	21,516
Deposits pledged	(4,600)	(5,942)	–
Cash at bank pledged	–	–	(5,666)
Cash and cash equivalents in the cash flow statement	49,008	27,856	15,850

10 Share capital

	Number of shares 31 December 2013	Number of shares 31 December 2012	Number of shares 1 January 2012
Ordinary shares, with no par value			
At 1 January	5,100	3,100	3,100
Issued during the year			
-Fully paid shares	–	1,900	–
-Partially paid shares	–	100	–
At 31 December	5,100	5,100	3,100

During the year ended 31 December 2012, the Company issued 1,900 fully paid shares for a total consideration of US\$19,500,000.

In addition, the Company issued 100 partially paid shares for consideration of US\$500,000 during the year ended 31 December 2012. Shares were fully paid during the year ended 31 December 2013 upon receipt of additional consideration of US\$526,316.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of Directors monitors the return on capital, which the Group defines as profit after tax divided by total shareholders' equity excluding minority interest. The Board also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

11 Reserves and Other Capital

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Hedging reserves	(12,518)	(23,044)	(21,243)
Foreign currency translation reserve	(26)	7	(3)
Other capital	1,608	1,608	1,608
	<u>(10,936)</u>	<u>(21,429)</u>	<u>(19,638)</u>

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

The foreign currency translation reserves of the Group comprise foreign exchange differences arising from the translation of the financial statements of an associate whose functional currency is different from the functional currency of the Company and the exchange differences on monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met.

Other capital represents the excess of the carrying value of the net assets received over the consideration paid for the transfer of Saudi Maritime Holding Co. to the Company in 2008, which is considered a common control transaction.

12 Financial liabilities

Loans and borrowings consist of bank loans. Derivative financial liabilities consist of interest rate swaps used for hedging.

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Non-current			
Secured bank loans	305,511	389,822	324,849
Current			
Secured bank loans	26,295	34,969	31,190
	<u>331,806</u>	<u>424,791</u>	<u>356,039</u>

Secured bank loans – Terms and debt repayment schedule

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Year			
- 2012	–	–	31,793
- 2013	–	36,134	31,065
- 2014	27,338	36,134	31,065
- 2015	48,084	56,876	51,806
- 2016	57,065	65,857	60,786
- 2017	20,244	29,036	47,399
- 2018	156,004	178,850	107,513
- 2019	3,908	3,908	–
- 2020	3,908	3,908	–
- 2021	19,537	19,536	–
	336,088	430,239	361,427
Deferred financing costs	(4,282)	(5,448)	(5,388)
	331,806	424,791	356,039
Non-current secured bank loans	308,750	394,105	329,634
Non-current portion of deferred financing costs	(3,239)	(4,283)	(4,785)
Non-current financial liabilities	305,511	389,822	324,849
Current secured bank loans	27,338	36,134	31,793
Current portion of deferred financing costs	(1,043)	(1,165)	(603)
Current financial liabilities	26,295	34,969	31,190

At 31 December 2013, secured bank loans comprise the followings:

Loan balances of US\$76,300,000 as at 31 December 2013 (31 December 2012: US\$82,845,000 and 1 January 2012: US\$34,683,000) bearing effective floating interest rates, ranging from 1.35% to 3.55% as at 31 December 2013 (31 December 2012: 1.41% to 3.73%, 1 January 2012: 1.72%).

Loans amounting to US\$259,788,000 (31 December 2012: US\$347,394,000, 1 January 2012: US\$326,744,000 with floating interest rates swapped for fixed interest rates, ranging from 4.06% to 5.70% (31 December 2012: 4.90% to 5.78% , 1 January 2012: 4.06% to 5.54%).

The loan interest rates are based on LIBOR plus a fixed margin. The LIBOR is repriced at intervals ranging from three to six months.

The bank loans are subject to certain financial covenants that must be maintained by the Group and other restrictions. The Group has fully complied with all of those covenants and restrictions during the years ended 31 December 2013 and 2012.

The secured bank loans are generally secured by:

- mortgages on vessels with carrying amounts amounting to US\$544,554,000 as at 31 December 2013 (2012: US\$640,603,000 and 2011: US\$603,109,000) and 1 January 2011: US\$543,752,000
- assignment of the earnings and insurances of the mortgaged vessels.

Deferred financing costs

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Cost			
At 1 January	7,262	5,652	–
Cost incurred during the year	–	1,610	5,652
At 31 December	<u>7,262</u>	<u>7,262</u>	<u>5,652</u>
Amortisation			
At 1 January	1,814	264	–
Amortised during the year	1,166	1,550	264
At 31 December	<u>2,980</u>	<u>1,814</u>	<u>264</u>
Net deferred financing costs	<u>4,282</u>	<u>5,448</u>	<u>5,388</u>
At 1 January	<u>5,448</u>	<u>5,388</u>	<u>–</u>
At 31 December	<u>4,282</u>	<u>5,448</u>	<u>5,388</u>
To be amortised within 1 year	1,043	1,165	603
To be amortised after more than 1 year	<u>3,239</u>	<u>4,283</u>	<u>4,785</u>
	<u>4,282</u>	<u>5,448</u>	<u>5,388</u>

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements for the Group:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 2 to 5 years US\$'000	More than 5 years US\$'000
31 December 2013					
Non-derivative financial liabilities					
Variable interest rate loans	331,806	(378,009)	(32,562)	(318,853)	(26,594)
Trade and other payables*	7,555	(7,555)	(7,555)	–	–
	<u>339,361</u>	<u>(385,564)</u>	<u>(40,117)</u>	<u>(318,853)</u>	<u>(26,594)</u>
Derivative financial liabilities					
Interest rate swaps used for hedging	14,302	(21,061)	(9,978)	(11,083)	–
31 December 2012					
Non-derivative financial liabilities					
Variable interest rate loans	424,791	(519,533)	(56,325)	(265,386)	(197,822)
Trade and other payables*	11,001	(11,001)	(11,001)	–	–
	<u>435,792</u>	<u>(530,534)</u>	<u>(67,326)</u>	<u>(265,386)</u>	<u>(197,822)</u>
Derivative financial liabilities					
Interest rate swaps used for hedging	23,044	(23,888)	(8,196)	(15,692)	–
1 January 2012					
Non-derivative financial liabilities					
Variable interest rate loans	298,270	(351,470)	(34,554)	(207,110)	(109,806)
Fixed interest rate loans	57,769	(67,328)	(10,414)	(27,081)	(29,833)
Trade and other payables*	15,045	(15,045)	(15,045)	–	–
	<u>371,084</u>	<u>(433,843)</u>	<u>(60,013)</u>	<u>(234,191)</u>	<u>(139,639)</u>
Derivative financial liabilities					
Interest rate swaps used for hedging	21,243	(21,574)	(6,334)	(15,041)	(199)

* Excludes hire income received in advance

13 Trade and other payables

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Trade payables	431	721	2,642
Hire income received in advance	2,670	1,491	3,039
Unpaid drydocking and upgrading costs	–	–	3,447
Other payables and accruals	7,109	10,275	8,956
Taxation payable	15	5	–
	<u>10,225</u>	<u>12,492</u>	<u>18,084</u>

14 Revenue

The table below details the Group's shipping revenue:

	2013 US\$'000	2012 US\$'000
Time charter	62,601	56,286
Voyage charter	–	14,850
Pool arrangement	15,800	24,480
	<u>78,401</u>	<u>95,616</u>

15 Insurance claim income

One of the Group's vessels was involved in a collision with another vessel in 2007. In 2008, the Group recognised an insurance claim receivable of US\$5,060,000 based on actual costs incurred which would be covered by the insurer as stipulated in the insurance agreement (see note 8). In 2012, the Group received a payment amounting US\$7,100,000 from the insurer as an interim payment and consequently a further amount of US\$2,040,000 was recognised as income in 2012.

In June 2014 the Group received a further amount of US\$3,611,000 as final settlement of the insurance claim. None of this amount was recognised as a receivable or income, at 31 December 2013 as the final settlement amount was not virtually certain at that date.

16 Finance income and expense

	2013 US\$'000	2012 US\$'000
Interest income on cash and cash equivalents	206	90
Interest expense on bank overdrafts and loans	(17,685)	(17,936)
Other, net	(1,167)	(1,632)
Loss on derivative financial instruments	(1,784)	–
	<u>(20,636)</u>	<u>(19,568)</u>
Net finance income and expenses recognised in consolidated profit or loss	<u>(20,430)</u>	<u>(19,478)</u>

Subsidiary companies, Samco Alpha and Samco Beta disposed their vessels, SAMCO America and SAMCO Asia, in 2013. Upon disposal of the vessels, borrowings of Samco Alpha and Samco Beta were settled and the corresponding interest rate swaps were terminated. Instead of terminating the interest rate swaps by cash payment, the existing fair value liability of the interest rate swaps of Samco Alpha and Samco Beta were allocated to the interest rate swaps of the subsidiaries Samco Theta, Samco Eta and Samco Iota. The remaining maturities of the interest rate swaps of Samco Theta, Samco Eta and Samco Iota were extended from 4 to 5 years to match the maturities of the underlying loans. Loss on derivative financial instruments in 2013 consists of the ineffective portion of the restructured interest rate swaps.

17 Income tax expense

	2013 US\$'000	2012 US\$'000
Current tax expense		
Current year	<u>15</u>	<u>6</u>
Reconciliation of expected to actual income tax (benefit) expense		
Profit/(Loss) before tax	<u>2,236</u>	<u>(28,097)</u>
Tax (benefit) calculated using Singapore tax rate of 17%	380	(4,776)
Non-deductible expenses	<u>(365)</u>	<u>4,782</u>
	<u>15</u>	<u>6</u>

Subsidiary companies of the Company own and operate the vessels. These subsidiary companies are exempted from income tax in the jurisdictions which they operate. Further, the Company's income is exempted from tax under Section 13F of Singapore Income Tax Act, Chapter 134.

18 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the directors of the Company to be the key management personnel.

Key management personnel compensation comprises:

	2013 US\$'000	2012 US\$'000
Short-term employee benefits	780	746

Other related party transactions

The associate company provides ship management services to the some of the Group's vessels. The fees are computed based on fixed daily rates which are similar to the rates charged by the associate company to the third parties. The associate issues invoices to the Group on monthly basis and the payment terms are 30 days from the invoice date.

	2013 US\$'000	2012 US\$'000
Associate		
Ship management fees paid or payable	789	952

19 Financial risk management

Overview

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. Management performs ongoing credit evaluation of the Group's customers' financial condition.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

Liquidity risk

Management monitors the Group's liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Hedging

Interest rate swaps, which are denominated in US dollars, have been entered into to achieve an appropriate mix of fixed and variable rate exposures within the Group's policy. The swaps mature over the next 6 years at the maturity of the related loans.

The net fair value of interest rate swaps classified as cash flow hedges at 31 December 2013 is a loss of US\$14,302,000 (2012: loss of US\$23,044,000) and 1 January 2012 is loss of US\$21,243,000 and is recognised as derivative liabilities on the balance sheet.

Sensitivity analysis

For the interest rate swaps accounted for as cash flow hedges and the other variable rate financial assets and liabilities, a change of 100 basis points (bp) in interest rates would increase/(decrease) assets, profit or loss or equity by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Asset		Profit or loss		Equity	
	100 bp increase US\$'000	100 bp decrease US\$'000	100 bp increase US\$'000	100 bp decrease US\$'000	100 bp increase US\$'000	100 bp decrease US\$'000
31 December 2013						
Variable rate financial assets	–	–	536	(536)	–	–
Interest rate swap	–	–	1,060	(1,060)	6,226	(6,226)
Variable rate financial liabilities	–	–	(763)	763	–	–
	–	–	(833)	(833)	6,226	(6,226)
31 December 2012						
Variable rate financial assets	–	–	338	(338)	–	–
Interest rate swap	–	–	–	–	10,853	(10,853)
Variable rate financial liabilities	–	–	(508)	508	–	–
	–	–	(170)	170	10,853	(10,853)
1 January 2012						
Variable rate financial assets	–	–	216	(216)	–	–
Interest rate swap	–	–	–	–	13,725	(13,725)
Variable rate financial liabilities	169	(169)	–	–	–	–
	169	(169)	216	(216)	13,725	(13,725)

(ii) Foreign currency risk

The Group incurs foreign currency risk on expenses that are denominated in currencies other than US dollars. At balance sheet date, the Company does not have any significant exposure to foreign exchange risk.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group.

Non-derivative financial liabilities

The fair values of the variable interest rate loans approximate their carrying amounts since they are repriced within three to six months interval. The fair values of the fixed interest rate loans as at 1 January 2012 were US\$59,189,000 (31 December 2012 and 31 December 2013: Nil).

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

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Commitments

The Company leases office premise and office equipments under operating leases. The office lease runs until 30 November 2014. Operating lease expense was \$92,000 and \$93,000 for the years ended 31 December 2013 and 2012, respectively.

The Group and Company has shipholding commitments for future lease payments under non-cancellable operating leases as follows:

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Within 1 year	81	95	90
After 1 year but within 5 years	–	84	169
	<u>81</u>	<u>179</u>	<u>259</u>

The future minimum lease payments to be received under non-cancellable operating leases are as follows:

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Within 1 year	64,112	62,700	38,673
After 1 year but within 5 years	90,120	137,311	52,296
After 5 years	37,424	52,406	59,870
	<u>191,656</u>	<u>252,417</u>	<u>150,839</u>

The Group has entered into charter agreements with third party charterers for varying periods to charter the vessels at prevailing market rates.

The following commitments for purchase of vessels, authorised and contracted for, but not provided for in the financial statements:

	31 December 2013 US\$'000	31 December 2012 US\$'000	1 January 2012 US\$'000
Within 1 year	–	–	105,000
After 1 year but within 5 years	–	–	–
	<u>–</u>	<u>–</u>	<u>105,000</u>

21 Subsidiaries

Subsidiaries	Tankers	Built	SDW (MT)	Beneficial ownership	Employment
Samco Alpha	Samco America*	2003	305,000	100%	Time / Voyage / Pool charters
Samco Beta	Samco Asia*	2003	305,000	100%	Time / Voyage / Pool charters
Samco Gamma	Samco Scandinavia	2006	317,000	100%	Time / Voyage / Pool charters
Samco Delta	Samco Europe	2007	317,000	100%	Time / Voyage / Pool charters
Samco Epsilon	Samco China	2007	317,000	100%	Time / Voyage / Pool charters
Samco Eta	Samco Amazon	2011	314,250	100%	Time / Voyage / Pool charters
Samco Kappa	Samco Redwood	2011	314,250	100%	Time / Voyage / Pool charters
Samco Theta	Samco Sundarbans	2012	314,250	100%	Pool charters
Samco Iota	Samco Taiga	2012	314,250	100%	Pool charters
Samco Zeta	Samco Raven**	1996	280,000	100%	Time charters

* Vessels were disposed in 2013

** Vessel was disposed in 2012

22 Subsequent Event

Pending business combination of the Company

On 28 May 2014, the shareholders of the Company agreed to sell the entire issued and allotted share capital of the Company to DHT Holdings, Inc. ("DHT"), a company incorporated in the Marshall Islands that is listed on the New York Stock Exchange and operates a fleet of crude oil tankers, (the "Business Combination") for a cash consideration of approximately US\$317,000,000. The exact consideration will depend on the valuation of net assets of the Company on the date of the consummation of the Business Combination, with the provision that the value of the vessels shall be \$580,000,000. Consummation of the Business Combination is subject to certain conditions, including fund raising by DHT, regulatory approvals and third party consents. The accompanying consolidated financial statements of the Company do not include any adjustments that might result from consummation of the Business Combination.

Samco Shipholding Pte Ltd and its subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
Six-month period ended 30 June 2014

Consolidated statement of financial position
As at 30 June 2014 and 31 December 2013

	Note	30 June 2014 USD'000	31 December 2013 USD'000
Non-current assets			
Property, plant and equipment	3	533,787	544,574
Associate		963	790
Joint ventures		–	45
		<u>534,750</u>	<u>545,409</u>
Current assets			
Inventory		2,190	1,859
Trade and other receivables		14,613	13,070
Cash and cash equivalents		58,748	53,608
		<u>75,551</u>	<u>68,537</u>
Total assets		<u>610,301</u>	<u>613,946</u>
Equity			
Share capital		51,626	51,626
Retained earnings		227,106	216,923
Reserves and other capital	4	(7,959)	(10,936)
Total equity		<u>270,773</u>	<u>257,613</u>
Non-current liabilities			
Loans and borrowings	5	269,989	305,511
Derivative financial liabilities		8,082	9,815
		<u>278,071</u>	<u>315,326</u>
Current liabilities			
Trade and other payables		8,547	10,225
Loans and borrowings	5	48,677	26,295
Derivative financial liabilities		4,233	4,487
		<u>61,457</u>	<u>41,007</u>
Total liabilities		<u>339,528</u>	<u>356,333</u>
Total equity and liabilities		<u>610,301</u>	<u>613,946</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income
Six-month period ended 30 June 2014 and 2013

	Note	June 2014 USD'000	June 2013 USD'000
Revenue	6	41,996	37,316
Insurance claim	7	3,611	-
Vessel operating expenses		(12,869)	(14,543)
Staff costs		(1,379)	(1,265)
Depreciation		(11,884)	(12,387)
Gain on disposal of property, plant and equipment		-	63
Other operating expenses		(225)	(239)
Results from operating activities		19,250	8,945
Finance income		95	64
Finance expense		(9,315)	(12,090)
Net finance expenses	8	(9,220)	(12,026)
Profit / (Loss) before tax, share of associate and joint venture		10,030	(3,081)
Share of profit of associate, net of tax		160	167
Share of profit of joint venture, net of tax		-	10
Profit / (Loss) before income tax		10,190	(2,904)
Tax expense		(7)	-
Profit / (Loss) for the year		10,183	(2,904)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of cash flow hedges		2,964	8,642
Exchange gain / (loss) on translation of foreign currency denominated associate		13	(8)
Other comprehensive income for the period, net of tax		2,977	8,634
Total comprehensive income for the period		13,160	5,730

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
Six-month period ended 30 June 2014 and 2013

	Share capital USD'000	Other capital USD'000	Hedging reserve USD'000	Foreign currency translation reserve USD'000	Retained earnings USD'000	Total USD'000
At 1 January 2013	51,000	1,608	(23,044)	7	214,702	244,373
Total comprehensive income/(loss)						
Loss for the period	-	-	-	-	(2,904)	(2,904)
Other comprehensive income/(loss)			8,642	(8)	-	8,634
Total comprehensive income for the period	-	-	8,642	(8)	(2,904)	5,730
Transactions with owners, recognized directly in equity contributions by and distributions to owners						
Issuance of shares	526	-	-	-	-	526
Total transaction with owners	526	-	-	-	-	526
At 30 June 2013	51,626	1,608	(14,402)	(1)	211,798	250,629
At 1 January 2014	51,626	1,608	(12,518)	(26)	216,923	257,613
Total comprehensive income						
Profit for the period	-	-	-	-	10,183	10,183
Other comprehensive income	-	-	2,964	13	-	2,977
Total comprehensive income for the period	-	-	2,964	13	10,183	13,160
At 30 June 2014	51,626	1,608	(9,554)	(13)	227,106	270,773

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Six-month period ended 30 June 2014 and 2013

	Note	June 2014 USD'000	June 2013 USD'000
Cash flows from operating activities			
Profit / (Loss) for the period		10,183	(2,904)
Adjustments for:			
Depreciation of property, plant and equipment		11,884	12,387
(Gain) on disposal of property, plant and equipment		–	(63)
Share of profit of associate		(160)	(167)
Share of profit of joint venture		–	(10)
Net finance expenses		9,220	12,026
Tax expense		7	–
		<u>31,134</u>	<u>21,269</u>
Changes in working capital:			
Inventories		(331)	829
Trade and other receivables		(1,543)	8,743
Trade and other payables		(1,669)	(2,533)
Cash generated from operations		27,591	28,308
Tax paid		(15)	–
Net cash from operating activities		<u>27,576</u>	<u>28,308</u>
Cash flows from investing activities			
Interest received		95	64
Purchase of property, plant and equipment		(1,097)	–
Proceeds of disposals of vessels		–	71,450
Distributions by joint venture		45	1,000
Deposits pledged		(1,343)	1,285
Net cash from investing activities		<u>(2,300)</u>	<u>73,799</u>
Cash flows from financing activities			
Interest paid		(7,809)	(9,411)
Repayment of borrowings		(13,670)	(80,481)
Proceeds from issue of share capital		–	526
Net cash used in financing activities		<u>(21,479)</u>	<u>(89,366)</u>
Net increase in cash and cash equivalents		3,797	12,741
Cash and cash equivalents at 1 January		49,008	27,856
Cash and cash equivalents at 30 June		<u>52,805</u>	<u>40,597</u>

The balance of cash and cash equivalents in the cash flow statement excludes deposits pledged amounting to \$5,943,000 (2013: \$4,657,000).

The accompanying notes form an integral part of these financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

These notes form an integral part of the interim financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 9 September 2014.

1 Domicile and activities

Samco Shipholding Pte Ltd is incorporated in the Republic of Singapore and has its registered office at 80 Raffles Quay Place, #32-01 UOB Plaza 1, Singapore 048624.

The principle activities of the company are those of investment holding whilst those of the subsidiaries are ship owning, operating and chartering. The condensed consolidated interim financial statements relates to the Company and its subsidiaries and the group's interests in its joint venture and associate (the "Group").

2 Summary of significant accounting policies

The condensed consolidated interim financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

The condensed consolidated interim financial statements do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2013.

The condensed consolidated interim financial statements are prepared on the historical cost basis except for derivative financial instruments that have been measured at fair value.

The condensed consolidated interim financial statements are presented in United States ("US") Dollars, which is the Company's functional currency. All condensed consolidated interim financial statements presented in US dollars have been rounded to the nearest thousand, unless otherwise stated.

The preparation of condensed consolidated interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are included in the following notes:

- Note 3 – impairment assessment, depreciation, useful lives and residual values of vessels

The accounting policies applied by the Group in this condensed consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2013.

3 **Property, plant and equipment**

	VLCC SAMCO Scandinavia USD'000	VLCC SAMCO Europe USD'000	VLCC SAMCO China USD'000	VLCC SAMCO Amazon USD'000	VLCC SAMCO Redwood USD'000	VLCC SAMCO Sundarbans USD'000	VLCC SAMCO Taiga USD'000	Furniture, fittings, office equipment and computers USD'000	Total USD'000
Cost									
At 1 January 2014	82,133	82,174	82,686	122,889	122,486	122,138	122,344	273	737,123
Additions	345	50	–	649	51	–	–	2	1,097
Disposals	–	–	–	(2,500)	(2,500)	–	–	(2)	(5,002)
At 30 June 2014	82,478	82,224	82,686	121,038	120,037	122,138	122,344	273	733,218
Accumulated depreciation									
At 1 January 2014	18,522	17,350	17,213	40,120	37,579	30,720	30,792	253	192,549
Depreciation	1,527	1,463	1,482	1,593	1,762	2,041	2,013	3	11,884
Disposals	–	–	–	(2,500)	(2,500)	–	–	(2)	(5,002)
At 30 June 2014	20,049	18,813	18,695	39,213	36,841	32,761	32,805	254	199,431
Carrying amount									
At 1 January 2014	63,611	64,824	65,473	82,769	84,907	91,418	91,552	20	544,574
At 30 June 2014	62,429	63,411	63,991	81,825	83,196	89,377	89,539	19	533,787

Useful lives, depreciation and residual values of vessels

Depreciation is based on a straight-line basis at rates which are calculated to write-down their cost to their estimated residual values at the end of their useful economical life.

The vessels' useful economic life is determined according to the physical characteristics of the vessel and the Group's knowledge of the market for similar vessels. Management estimates the economic useful lives of the Group's vessels to be 25 years. This is a common life expectancy applied in the shipping industry. Changes in the expected level of use of the assets and market factors could impact the economic useful lives of the vessels, therefore future depreciation charges could be revised.

The residual value is reviewed at each reporting date, with any change in estimate accounted for as a change in estimate prospectively. The residual value of each vessel is estimated based on the light disposable tonnage (ldt) of the vessel at US\$400 per ton which is the Group's estimate of the scrap steel value at the time of the disposal of the vessels. Any significant changes in the residual value of the Group's vessels in future periods can affect the depreciation expense.

The vessels undergo periodic drydocking and major repairs. For new vessel deliveries, a portion of the original costs equivalent to the expected cost of their first drydocking is amortised over 2.5 years. The actual drydocking costs are capitalised and depreciated over their useful economic lives to a residual value of nil. The useful economic lives of the works, depending on the nature of the works done, are between 2.5 and 5 years.

Impairment assessment of vessels

The carrying values of the Group's vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of constructing new vessels. Historically, both charter rates and vessel values have been cyclical. The carrying amounts of vessels held and used by the Group are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. In such instances, the vessel is considered impaired and is written down to its recoverable amount. In evaluating impairment under IFRS, the Group considers the higher of (i) fair value less cost to sell and (ii) the present value of the future cash flows of a vessel, or "value in use." The fair value of the Group's vessels is monitored by obtaining charter-free broker valuations as of specific dates. This assessment has been made at the individual vessel level.

4 Reserves and Other Capital

	At 30 June 2014 USD'000	At 31 December 2013 USD'000
Hedging reserves	(9,554)	(12,518)
Foreign currency translation reserve	(13)	(26)
Other capital	1,608	1,608
	<u>(7,959)</u>	<u>(10,936)</u>

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

The foreign currency translation reserves of the Group comprise foreign exchange differences arising from the translation of the financial statements of an associate whose functional currency is different from the functional currency of the Company and the exchange differences on monetary items which form part of the Group's net investment in the foreign operations, provided certain conditions are met.

Other capital represents the excess of the carrying value of the net assets received over the consideration paid for the transfer of Saudi Maritime Holding Co. to the Company in 2008, which is considered a common control transaction.

5 Financial liabilities

Loans and borrowings consist of bank loans. Derivative financial liabilities consist of interest rate swaps used for hedging.

	At 30 June 2014 USD'000	At 31 December 2013 USD'000
Non-current		
Secured bank loans	269,989	305,511
Current		
Secured bank loans	48,677	26,295
	<u>318,666</u>	<u>331,806</u>

Secured bank loans - Terms and debt repayment schedule

			30 June 2014	31 December
			USD'000	2013 USD'000
Year	-	2014	13,668	27,338
	-	2015	48,084	48,084
	-	2016	57,065	57,065
	-	2017	20,244	20,244
	-	2018	156,004	156,004
	-	2019	3,908	3,908
	-	2020	3,908	3,908
	-	2021	19,537	19,537
			<u>322,418</u>	<u>336,088</u>
Deferred financing costs			<u>(3,752)</u>	<u>(4,282)</u>
			<u>318,666</u>	<u>331,806</u>

		30 June 2014	31 December
		USD'000	2013 USD'000
Non-current secured bank loans		272,738	308,750
Non-Current portion of deferred financial Costs		<u>(2,749)</u>	<u>(3,239)</u>
Non-current financial liabilities		<u>269,989</u>	<u>305,511</u>
Current secured bank loans		49,680	27,338
Current portion of deferred financing costs		<u>(1,003)</u>	<u>(1,043)</u>
Current financial liabilities		<u>48,677</u>	<u>26,295</u>

At 30 June 2014, secured bank loans comprise the followings:

Loan balances of US\$87,608,000 (2013: US\$76,300,000) bearing effective floating interest rate ranging from 1.33% to 3.55% (2013: 1.35% to 3.55%).

Loans amounting to US\$234,810,000 (2013: US\$259,788,000) with floating interest rates swapped for fixed interest rates, ranging from 5.06% to 5.70% (2013: 4.06% to 5.70%).

The loan interest rates are based on LIBOR plus a fixed margin. The LIBOR is repriced at intervals ranging from three to six months.

The secured bank loans are generally secured by:

- mortgages on vessels with carrying amounts amounting to US\$533,768,000 (2013: US\$544,554,000)
- assignment of the earnings and insurances of the mortgaged vessels.

Deferred financing costs

	30 June 2014 USD'000	31 December 2013 USD'000
Cost		
At 1 January	7,262	7,262
Cost incurred	-	-
At 30 June / 31 December	<u>7,262</u>	<u>7,262</u>
Amortisation		
At 1 January	2,980	1,814
Amortised during the period / year	530	1,166
At 30 June / 31 December	<u>3,510</u>	<u>2,980</u>
Net deferred financing costs	<u>3,752</u>	<u>4,282</u>
At 1 January	4,282	5,448
At 30 June / 31 December	<u>3,752</u>	<u>4,282</u>
	30 June 2014 USD'000	31 December 2013 USD'000
To be amortised within 1 year	1,003	1,043
To be amortised after more than 1 year	2,749	3,239
	<u>3,752</u>	<u>4,282</u>

6

Revenue

	1 January - 30 June 2014 USD'000	1 January - 30 June 2013 USD'000
Time charter	32,061	30,059
Pool arrangement	9,935	7,257
	<u>41,996</u>	<u>37,316</u>

7 Insurance claim

In 2014, the Group received the final tranche of an insurance claim related to a collision involving one of the Group's vessels in 2007. The Group had received a payment amounting to US\$ 7,100,000 in 2012. The amount of the final settlement was finalised and paid by the insurer in 2014

8 Finance income and expense

	–Six Months ended 30 June 2014 USD'000	–Six Months ended 30 June 2013 USD'000
Interest income on cash and cash equivalents	95	64
Interest expense on bank overdrafts and loans	(7,789)	(9,411)
Other, net	(1,526)	(610)
Loss on derivative financial instruments	–	(2,069)
	<u>(9,315)</u>	<u>(12,090)</u>
Net finance income and expenses recognised in consolidated profit or loss	<u>(9,220)</u>	<u>(12,026)</u>

9 Contingent business combination

On 28 May 2014, the shareholders of the Company agreed to sell the entire issued and allotted share capital of the Company to DHT Holdings, Inc. (“DHT”), a company incorporated in Marshall Islands that is listed on the New York Stock Exchange and operates a fleet of crude oil tankers, (the “Business Combination”) for a cash consideration of approximately US\$317,000,000. The exact consideration will depend on the valuation of net assets of the Company on the date of the consummation of the Business Combination, with the provision that the value of the vessels shall be US\$ 580,000,000. Consummation of the Business Combination is subject to certain conditions, including fund raising by DHT, regulatory approvals and third party consents. The accompanying unaudited condensed consolidated financial statements of the Company do not include any adjustments that might result from consummation of the Business Combination.

DHT HOLDINGS, INC.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2014**

DHT HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
(\$ in thousands except per share amounts)

	Note	June 30, 2014	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents		\$ 146,224	\$ 126,065
Accounts receivable	8	12,231	16,951
Prepaid expenses		1,574	230
Bunkers		6,466	2,825
Total current assets		<u>\$ 166,495</u>	<u>\$ 146,072</u>
Non-current assets			
Vessels	5	401,261	263,142
Advances for vessels under construction	5	132,753	37,095
Other property, plant and equipment		233	291
Total non-current assets		<u>\$ 534,247</u>	<u>\$ 300,527</u>
Total assets		<u>\$ 700,742</u>	<u>\$ 446,599</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses		8,179	3,529
Current portion long term debt		6,469	-
Deferred Shipping Revenues		1,231	2,271
Total current liabilities		<u>\$ 15,879</u>	<u>\$ 5,800</u>
Non-current liabilities			
Long term debt	4	196,157	156,046
Total non-current liabilities		<u>\$ 196,157</u>	<u>\$ 156,046</u>
Total liabilities		<u>\$ 212,036</u>	<u>\$ 161,846</u>
Stockholders' equity			
Stock	6,7	694	291
Additional paid-in capital	6,7	707,361	492,027
Retained earnings/(deficit)		(221,990)	(210,682)
Other Reserves		2,642	3,118
Total stockholders equity		<u>488,707</u>	<u>284,753</u>
Total liabilities and stockholders' equity		<u>\$ 700,742</u>	<u>\$ 446,599</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

DHT HOLDINGS, INC.
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
(\$ in thousands except per share amounts)

	Note	2Q 2014 Apr. 1 - June 30, 2014	2Q 2013 Apr. 1 - June 30, 2013	1H 2014 Jan. 1 - June 30, 2014	1H 2013 Jan. 1 - June 30, 2013
Shipping revenues		\$ 19,368	19,498	43,868	38,741
Operating expenses					
Voyage expenses		(4,873)	(9,225)	(11,511)	(16,103)
Vessel operating expenses		(10,094)	(7,158)	(17,635)	(12,531)
Depreciation and amortization	5	(8,330)	(6,322)	(15,330)	(13,325)
Profit / (loss), sale of vessel	5	-	(77)	-	(669)
General and administrative expense		(2,793)	(2,108)	(5,525)	(4,287)
Total operating expenses		<u>\$ (26,090)</u>	<u>(24,890)</u>	<u>(50,001)</u>	<u>(46,914)</u>
Operating income		<u>\$ (6,723)</u>	<u>(5,392)</u>	<u>(6,133)</u>	<u>(8,173)</u>
Interest income		251	34	280	102
Interest expense		(1,461)	(2,017)	(2,662)	(2,861)
Other Financial income/(expenses)		(193)	(284)	(89)	(459)
Profit/(loss) before tax		<u>\$ (8,126)</u>	<u>(7,659)</u>	<u>(8,604)</u>	<u>(11,391)</u>
Income tax expense		70	(88)	70	(88)
Net income/(loss) after tax		<u>\$ (8,056)</u>	<u>(7,747)</u>	<u>(8,534)</u>	<u>\$ (11,479)</u>
Attributable to the owners of parent		<u>\$ (8,056)</u>	<u>(7,747)</u>	<u>(8,534)</u>	<u>\$ (11,479)</u>
Basic net income/(loss) per share		(0.12)	(0.50)	(0.13)	(0.74)
Diluted net income (loss) per share		(0.12)	(0.50)	(0.13)	(0.74)
Weighted average number of shares (basic)		69,418,410	15,460,067	63,281,581	15,440,413
Weighted average number of shares (diluted)		69,418,410	15,460,067	63,281,581	15,440,413

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

Profit / (loss) for the period	\$ (8,056)	\$ (7,747)	(8,534)	\$ (11,479)
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<u>\$ (8,056)</u>	<u>(7,747)</u>	<u>(8,534)</u>	<u>(11,479)</u>
Attributable to the owners of parent	<u>\$ (8,056)</u>	<u>(7,747)</u>	<u>(8,534)</u>	<u>\$ (11,479)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

DHT HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
(\$ in thousands)

Note	Q2 2014 Apr. 1 - Jun. 30, 2014	Q2 2013 Apr. 1 - Jun. 30, 2013	1H 2014 Jan. 1 - Jun. 30, 2014	1H 2013 Jan. 1 - Jun. 30, 2013
Cash Flows from Operating Activities:				
Net income / (loss)	\$ (8,056)	(7,747)	(8,534)	(11,479)
<i>Items included in net income not affecting cash flows:</i>				
Depreciation and amortization	5 8,461	6,853	15,549	13,948
(Profit) / loss, sale of vessel	5 -	77	-	669
Fair value gain/(loss) on derivative financial instruments	-	(0)	-	(772)
Compensation related to options and restricted stock	495	402	(476)	2,138
Changes in operating assets and liabilities:				
Accounts receivable	1,907	(3,372)	4,720	(2,586)
Prepaid expenses	(272)	4	(1,344)	260
Accounts payable and accrued expenses	(2,169)	(2,576)	4,651	(2,383)
Deferred income	-	-	-	6,894
Prepaid charter hire	(1,541)	(95)	(1,040)	929
Bunkers	969	13	(3,642)	209
Net cash provided by operating activities	\$ (206)	(6,439)	9,885	7,827
Cash Flows from Investing Activities:				
Investment in vessels	5 (71,001)	(641)	(249,041)	(1,441)
Sale of vessels	-	22,233	-	22,233
Investment in property, plant and equipment	(11)	27	(11)	27
Net cash used in investing activities	\$ (71,012)	21,618	(249,052)	20,819
Cash flows from Financing Activities				
Issuance of stock	6.7 (152)	-	215,737	-
Cash dividends paid	7 (1,388)	(277)	(2,773)	(563)
Issuance of long term debt	4 -	-	47,361	-
Repayment of long-term debt	4 (1,000)	(47,300)	(1,000)	(56,300)
Net cash provided by/(used) in financing activities	\$ (2,540)	(47,577)	259,325	(56,863)
Net increase/(decrease) in cash and cash equivalents				
	(73,759)	(32,398)	20,158	(28,217)
Cash and cash equivalents at beginning of period	219,982	75,483	126,065	71,303
Cash and cash equivalents at end of period	\$ 146,224	\$ 43,084	146,224	\$ 43,084
Specification of items included in operating activities:				
Interest paid	1,324	1,385	2,204	2,169
Interest received	174	6	203	10

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

DHT HOLDINGS, INC.
SUMMARY CONSOLIDATED STATEMENT OF CHANGES
IN SHAREHOLDERS' EQUITY (UNAUDITED)
(\$ in thousands except shares)

	<u>Common Stock</u>			<u>Preferred Stock</u>			<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Additional Capital</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Additional Capital</u>			
Balance at January 1, 2013	\$ 9,140,877	\$ 91	\$ 336,955	369,362	\$ 4	\$ 49,204	(205,258)	\$	\$ 180,997
Net income/(loss) after tax							(11,479)		(11,479)
Other comprehensive income									-
Total comprehensive income							(11,479)		(11,479)
Cash dividends declared and paid	7						(563)		(563)
Issue of stock									-
Exchange of preferred stock	168,130	2	1,114	(9,890)		(1,317)			(202)
Compensation related to options and restricted stock	70,576	1	201					2,138	2,339
Balance at June 30, 2013	<u>9,379,583</u>	<u>\$ 94</u>	<u>\$ 338,270</u>	<u>359,472</u>	<u>\$ 4</u>	<u>\$ 47,887</u>	<u>(217,300)</u>	<u>\$ 2,138</u>	<u>\$ 171,093</u>

	<u>Common Stock</u>			<u>Preferred Stock</u>			<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Additional Capital</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-in Retained Capital</u>			
Balance at January 1, 2014	29,040,975	\$ 290	\$ 447,393	97,579	\$ 1	\$ 44,634	(210,683)	\$ 3,118	\$ 284,753
Net income/(loss) after tax							(8,534)		(8,534)
Other comprehensive income									-
Total comprehensive income							(8,534)		(8,534)
Cash dividends declared and paid							(2,773)		(2,773)
Issue of stock	30,300,000	303	215,430		-				215,733
Exchange of preferred stock	9,757,900	98	44,537	(97,579)	(1)	(44,634)			-
Compensation related to options and restricted stock	334,288	3						(476)	(473)
Balance at June 30, 2014	<u>69,433,163</u>	<u>\$ 694</u>	<u>\$ 707,361</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(221,990)</u>	<u>\$ 2,642</u>	<u>\$ 488,707</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2014

Note 1 – General information

DHT Holdings, Inc. ("DHT" or the "Company") is a company incorporated under the laws of the Marshall Islands whose shares are listed on the New York Stock Exchange. The Company's principal executive office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company is engaged in the ownership and operation of a fleet of crude oil carriers.

The financial statements were approved by the Company's Board of Directors (the "Board") on August 27, 2014 and authorized for issue on August 27, 2014.

Note 2 – General accounting principles

The condensed consolidated interim financial statements do not include all information and disclosure required in the annual financial statements and should be read in conjunction with DHT's audited consolidated financial statements included in its Annual Report on Form 20-F for 2013. Our interim results are not necessarily indicative of our results for the entire year or for any future periods.

The condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

The condensed financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. The accounting policies that have been followed in these condensed financial statements are the same as presented in the 2013 audited consolidated financial statements.

These interim financial statements have been prepared on a going concern basis.

Changes in accounting policy and disclosure

New and amended standards, and interpretations mandatory for the first time for the financial year beginning January 1, 2014 but not currently relevant to DHT (although they may affect the accounting for future transactions and events). The adoption did not have any effect on the financial statements:

IFRIC 21	<i>Levies</i>
Amendments to IFRS 10, IFRS 12 and IAS 27	<i>Investment Entities</i>
IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
IAS 36	<i>Recoverable amount Disclosures for Non-Financial Assets</i>
IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>

Note 3 – Segment reporting

Since DHT's business is limited to operating a fleet of crude oil tankers, management has organized the entity as one segment based upon on the service provided. Consequently, the Company has one operating segment as defined in IFRS 8, Operating Segments.

Information about major customers:

As of June 30, 2014, six of the Company's 11 vessels were on charter, pursuant to time charters to different customers for periods up to 12 months. One vessel operate in a commercial pool and four vessels operated in the spot market.

For the period from April 1, 2014 to June 30, 2014, five customers represented \$3.1 million, \$2.8 million, \$2.4 million, \$2.0 million and \$1.8 million, respectively, of the Company's revenues. For the period from April 1, 2013 to June 30, 2013, five customers represented \$3.5 million, \$2.6 million, \$2.2 million, \$1.9 million and \$1.8 million, respectively, of the Company's revenues.

Note 4 – Interest bearing debt

As of June 30, 2014, DHT had interest bearing debt totaling \$204.4 million, of which \$113.3 million is priced at Libor+1.75%, \$18.4 million is priced at Libor+3.00%, \$24.8 million is priced at Libor+2.75% and \$48.0 million is priced at Libor + 3.25%. Interest is payable quarterly in arrears. As of June 30, 2014, three month Libor was 0.23%.

In February 2014 we entered into a credit facility for up to \$50.0 million with DNB, as lender, and DHT Holdings, Inc. as guarantor for the financing of the acquisition of the two vessels, DHT Falcon and DHT Hawk. Borrowings bear interest at a rate equal to Libor + 3.25% and are repayable in 20 quarterly installments of \$1.0 million from May 2014 to February 2019 and a final payment of \$29.0 million in February 2019. The credit facility is guaranteed by DHT and contains a covenant requiring that at all times the charter-free market value of the vessels that secure the credit facility be no less than 135% of borrowings. Also, DHT covenants that, throughout the term of the credit facility, DHT, on a consolidated basis, shall maintain value adjusted tangible net worth of \$150 million, value adjusted tangible net worth shall be at least 25% of value adjusted total assets and unencumbered consolidated cash of at least the higher of (i) \$20 million and (ii) 6% of our gross interest bearing debt with value adjusted defined as an adjustment to reflect the difference between the carrying amount and the market valuations of the Company's vessels (as determined quarterly by an approved broker).

In April 2013 the Company's wholly owned subsidiary, DHT Maritime, Inc., amended its credit agreement with the Royal Bank of Scotland ("RBS") whereby the minimum value covenant has been removed in its entirety. Furthermore, the installments scheduled to commence in 2016 have been changed from a fixed \$9.1 million per quarter to a variable amount equal to free cash flow in the prior quarter – capped at \$7.5 million per quarter. Free cash flow is defined as an amount calculated as of the last day of each quarter equal to the positive difference, if any, between: the sum of the earnings of the vessels during the quarter and the sum of ship operating expenses, voyage expenses, estimated capital expenses for the following two quarters, general & administrative expenses, interest expenses and change in working capital. The next scheduled installment would at the earliest take place in Q2 2016. In April 2013 the Company made a prepayment of \$25 million and the margin has increased to 1.75%. DHT Maritime's financial obligations under the credit agreement are guaranteed by DHT Holdings, Inc.

In March 2012 we entered into agreements to amend the credit agreements related to DHT Phoenix and DHT Eagle. The agreements were amended whereby, upon satisfaction of certain conditions, including the prepayment of \$6.7 million and \$6.9 million (equal to all scheduled installments through 2014), respectively, until and including December 31, 2014: (i) the "Value-to-Loan Ratio" will be lowered from 130% to 120%; and (ii) the margin on the loans will be increased by 0.25% to 3.00% and 2.75%, respectively. These two credit facilities also contain financial covenants related to each of the borrowers as well as DHT on a consolidated basis. DHT covenants that, throughout the term of the credit agreements, DHT on a consolidated basis shall maintain unencumbered cash of at least \$20 million, value adjusted tangible net worth of at least \$100 million and value adjusted tangible net worth of no less than 25% of the value adjusted total assets.

As of the date of our most recent compliance certificates submitted for the first quarter of 2014, we remain in compliance with our financial covenants.

Scheduled debt repayments (USD million)

	July 1 to Sept. 30, 2014	2014	2015	2016*	2017	Thereafter	Total
RBS*	-	-	-	-	113.3	-	113.3
DVB	-	-	2.4	15.9	-	-	18.4
DNB - Eagle	-	-	2.5	22.3	-	-	24.8
DNB - Hawk/Falcon	1.0	1.0	4.0	4.0	4.0	34.0	48.0
Total	1.0	1.0	8.9	42.2	117.3	-	204.4
Unamortized upfront fees							1.8
Total long term debt							202.6

*Commencing with the second quarter of 2016, subject to a free cash flow calculation, we will be required to pay installments under the RBS credit facility equal to free cash flow (after adjusting for capital expenditures for the next two quarters) for DHT Maritime, Inc. during the preceding quarter, capped at \$7.5 million per quarter.

The Company has entered into firm commitments for the debt financing of four of its newbuildings ordered at HHI. The financing which will be drawn at delivery of the vessels equals about 50% of the contract prices with an average margin above Libor of 2.5%. The financing commitments are subject to final documentation.

Note 5 – Vessels

The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of constructing new vessels. Historically, both charter rates and vessel values have been cyclical. The carrying amounts of vessels held and used by us are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not be fully recoverable. The Company has performed an impairment test using the "value in use" method as of June 30, 2014.

In assessing "value in use", the estimated future cash flows are discounted to their present value. In developing estimates of future cash flows, we must make significant assumptions about future charter rates, future use of vessels, ship operating expenses, drydocking expenditures, utilization rate, fixed commercial and technical management fees, residual value of vessels, the estimated remaining useful lives of the vessels and the discount rate. These assumptions are based on current market conditions, historical trends as well as future expectations. Estimated outflows for ship operating expenses and drydocking expenditures are based on a combination of historical and budgeted costs and are adjusted for assumed inflation. Utilization, including estimated off-hire time, is based on historical experience. Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are subjective. The impairment test did not result in a non-cash impairment charge in the second quarter of 2014. The impairment test has been performed using an estimated weighted average cost of capital of 8.86%.

Cost of Vessels		Depreciation and impairment*	
At January 1, 2013	\$613,558	At January 1, 2013	\$303,535
Additions	2,120	Depreciation expense	26,091
Disposals	(49,866)	Disposals	(26,956)
At December 31, 2013	\$565,812	At December 31, 2013	\$302,670
Additions**	153,382	Depreciation expense	15,263
Disposals	0	Disposals	0
At June 30, 2014	\$719,194	At June 30, 2014	\$317,933

Carrying Amount

At December 31, 2013	\$263,142
At June 30, 2014	\$401,261

*Accumulated numbers

**Relates to the acquisition of the DHT Hawk, DHT Falcon and DHT Condor all of which had no charters attached and the docking of the DHT Cathy.

Vessels under construction

During the first quarter of 2014 we entered into agreements with HHI for the construction of four VLCCs with contract prices of \$92.7 million, \$97.3 million, \$98.8 million and \$98.8 million, respectively and paid 20% pre-delivery installment relating to these vessels totaling \$76.9 million.

Cost of vessels under construction

At January 1, 2013	\$0
Additions	37,095
Disposals	0
At December 31, 2013	\$37,095
Additions	95,658
Disposals	0
At June 30, 2014	\$132,753

Carrying Amount

At December 31, 2013	\$37,095
At June 30, 2014	\$132,753

The following table is a timeline of future expected payments and dates relating to vessels under construction as of June 30, 2014*:

Vessels under construction (USD million)

	June 30, 2014	Dec. 31, 2013
Not later than one year	67.7	18.5
Later than one year and not later than three years	372.9	129.8
Later than three years and not later than five years	-	-
Total	440.6	148.3

*These are estimates only and are subject to change as construction progresses.

Note 6 – Equity Offerings

Private Placement

On November 24, 2013, we entered into a Stock Purchase Agreement pursuant to which we agreed to sell approximately \$110 million of our equity to institutional investors in a Private Placement (the "Private Placement"). The equity included 13,400,000 shares of our common stock and 97,579 shares of a new series of our preferred stock, the Series B Participating Preferred Stock. The closing of the Private Placement occurred on November 29, 2013, and the Private Placement generated net proceeds to us of approximately \$106.7 million (after placement agent expenses, but before other transaction expenses).

We called a special meeting of our shareholders of record as of December 13, 2013 to consider an amendment to our amended and restated articles of incorporation to increase the authorized number of shares of our common stock to 150,000,000 shares and to increase the authorized number of shares of our capital stock to 151,000,000. The special meeting took place on January 20, 2014 and our stockholders voted in favor of the amendment to our amended and restated articles of incorporation, and such amendment was filed with the Republic of Marshall Islands on January 20, 2014. As a result of such stockholder approval and the filing of such amendment, each share of our Series B Participating Preferred Stock was mandatorily converted into 100 shares of our common stock at a 1:100 ratio on February 4, 2014.

Registered Direct Offering

On February 5, 2014 we completed a registered direct offering of 30,300,000 shares generating net proceeds of approximately \$215.9 million.

Note 7 – Stockholders equity and dividend payment

	Common stock	Preferred stock
Issued at June 30, 2014	69,433,163	-
Par value	\$ 0.01	\$ 0.01
Number of shares authorized for issue at June 30, 2014	150,000,000	1,000,000

Common stock:

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders.

Preferred stock:

Terms and rights of preferred shares will be established by the board when or if such shares would be issued.

Series B

Under the terms of the Private Placement that closed in November 2013, 97,579 shares of Series B Participating Preferred Stock, par value \$0.01 per share, were designated and issued by the Company.

The Series B Participating Preferred Stock participated with the common stock in all dividend payments and distributions in respect of the common stock (other than dividends and distributions of common stock or subdivisions of the outstanding common stock) pro rata, based on each share of the Series B Participating Preferred Stock equaling 100 shares of common stock. In addition, one share of issued and outstanding Series B Participating Preferred Stock equaled 100 shares of common stock for purposes of voting rights.

On February 4, 2014, all issued and outstanding shares of our Series B Participating Preferred Stock were mandatorily exchanged into shares of common stock at a 1:100 ratio.

Dividend payment as of June 30, 2014:

Payment date:	Total payment	Per common share
May 22, 2014	\$ 1.4 million	\$0.02
February 13, 2014	\$ 1.4 million	\$0.02
Total payment as of June 30, 2014:	\$ 2.8 million	\$0.04

Dividend payment as of December 31, 2013:

Payment date:	Total payment	Per common share
November 21, 2013	\$ 0.3 million	\$0.02
August 28, 2013	\$ 0.3 million	\$0.02
May 23, 2013	\$ 0.3 million*	\$0.02
February 19, 2013	\$ 0.3 million**	\$0.02
Total payment as of December 31, 2013:	\$ 1.2 million	\$0.08

*Total payment on May 23, 2013 includes \$0.25 per Series A Participating Preferred Stock.

**Total payment on February 19, 2013 includes \$0.28 per Series A Participating Preferred Stock.

Note 8 – Accounts receivable

A significant part of the accounts receivable as of June 30, 2014 relates to working capital for vessels operating in commercial pools and in the spot market.

Note 9 - Financial risk management, objectives and policies

Note 9 in the 2013 annual report on Form 20-F provides for details of financial risk management objectives and policies.

The Company's principal financial liability consists of long-term debt with the main purpose being to finance the Company's assets and operations. The Company's financial assets mainly comprise cash. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

Note 10 – Subsequent Events

Dividend

On August 27, 2014 the Board approved a dividend of \$0.02 per common share related to the second quarter 2014 to be paid on September 17, 2014 for shareholders of record as of September 9, 2014.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed financial information is presented to illustrate the effects of the acquisition (the "Acquisition") by DHT Holdings, Inc. ("DHT" or the "Company") of all the shares in Samco Shipholding Pte Ltd ("Samco") which was announced on September 9, 2014 and the issuance by DHT of \$150 million of additional equity; as well as \$150 million in Convertible Senior Notes due 2019 (the "Notes"). The Notes and the Acquisition is described in "Note 1: Description of Transaction". The Acquisition and the related share issuance and Notes issuance are hereafter referred to as the Transaction.

The unaudited pro forma condensed financial information has been prepared to show how the Transaction might have affected DHT's consolidated income statement for 2013 and the unaudited condensed consolidated income statement for January 1 to June 30, 2014 if the Transaction occurred on January 1, 2013, and the unaudited condensed consolidated statement of financial position as of June 30, 2014 if the Transaction occurred on June 30, 2014.

The unaudited pro forma condensed financial information has been prepared by management in accordance with the regulations of the Securities and Exchange Commission (the "SEC") for illustrative purposes only. The pro forma adjustments, as described in more detail in the accompanying notes, are based on available information and certain assumptions. Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and, therefore, does not represent DHT's actual financial position or results of operation or the financial position had the Transaction actually occurred on those dates. It also does not represent the financial position or results for any future period. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed financial information. Investors are cautioned not to place undue reliance on this unaudited pro forma condensed financial information.

The historical financial information has been adjusted to give effect to the pro forma events that are (1) directly attributable to the Acquisition, (2) factually supportable and (3) with respect to the income statement information, expected to have continuing impact. Certain financial information of Samco as presented in its financial statements has been reclassified to conform to the historical presentation in DHT's consolidated financial statements for purposes of preparation of the unaudited pro forma condensed financial information as described in Note 4 "Presentation adjustments".

The unaudited pro forma condensed financial information does not give effect to any (i) integration cost that may be incurred as a result of the Acquisition, (ii) synergies, cost savings or operating efficiencies that may result from the Acquisition, or (iii) restructuring costs that may be incurred to integrate the acquired activities.

The unaudited pro forma condensed financial statements were derived from and should be read in conjunction with:

- DHT's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2013 contained in DHT's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission ("SEC") on March 3, 2014;
 - DHT's unaudited interim consolidated financial statements and notes thereto for the six months ended June 30, 2014 and 2013 included in this document;
 - Samco's audited annual consolidated financial statements and notes thereto for each of the two years ended December 31, 2013 and 2012 included in this document;
 - Samco's unaudited interim consolidated financial statements and notes thereto for the six months ended June 30, 2014 and 2013 included in this document.
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UNAUDITED PRO FORMA CONDENSED INCOME STATEMENT
For the year ended December 31, 2013
(\$ in thousands except per share amounts)

	Historical financial information		Pro forma adjustments	Notes	Pro forma
	DHT	Samco			
	Jan. 1 - Dec. 31, 2013	Jan. 1 - Dec. 31, 2013	from DHT's acquisition of Samco		Jan. 1 - Dec. 31, 2013
Shipping revenues	87,012	78,401	-		165,413
Operating expenses					
Voyage expenses	(25,400)	-	35	6 (c)	(25,365)
Vessel operating expenses	(24,879)	(28,327)	-		(53,206)
Depreciation and amortization	(26,230)	(24,781)	(17,056)	6 (a) (b)	(68,067)
Profit/(loss) sale of vessel	(669)	74	-		(595)
General and administrative expense	(8,827)	(3,003)	-		(11,830)
Total operating expenses	(86,005)	(56,037)	(17,021)		(159,063)
Operating income	1,007	22,364	(17,021)		6,350
Share of results from investments in associated company	-	302	(35)	6 (c)	267
Interest income	182	206	-		388
Interest expense	(4,784)	(17,685)	(11,839)	6 (d) (e)	(34,308)
Other financial income/(expenses)	(325)	(2,951)	-		(3,276)
Profit/(loss) before tax	(3,919)	2,236	(28,895)		(30,579)
Income tax expense	(207)	(15)	-	6 (f)	(222)
Net income/(loss) after tax	(4,126)	2,221	(28,895)		(30,801)
Basic net income (loss) per share	(0.24)				(0.76)
Diluted net income (loss) per share	(0.24)				(0.76)
Weighted number of shares (basic)	17,541,310		23,076,923	6 (g)	40,618,233
Weighted number of shares (diluted)	17,555,110		23,076,923	6 (g)	40,632,033

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements

UNAUDITED PRO FORMA CONDENSED INCOME STATEMENT
For the six months ended June 30, 2014
(\$ in thousands except per share amounts)

	Historical financial information		Pro forma adjustments	Notes	Pro forma
	DHT	Samco			
	Jan. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2014			
Shipping revenues	43,868	41,996	-		85,864
Insurance claims	-	3,611			3,611
Operating expenses					
Voyage expenses	(11,511)	-	-		(11,511)
Vessel operating expenses	(17,635)	(12,869)	15	6 (c)	(30,489)
Depreciation and amortization	(15,330)	(11,884)	(6,620)	6 (a) (b)	(33,834)
Profit/(loss) sale of vessel	-	-	-		-
General and administrative expense	(5,525)	(1,604)	-		(7,129)
Total operating expenses	(50,001)	(26,357)	(6,605)		(82,963)
Operating income	(6,133)	19,250	(6,604)		6,513
Share of results from investments in associated company	-	160	(21)	6 (c)	139
Interest income	280	95	-		375
Interest expense	(2,662)	(7,789)	(5,908)	6 (d) (e)	(16,359)
Other financial income/(expenses)	(89)	(1,526)	-		(1,615)
Profit/(loss) before tax	(8,604)	10,190	(12,534)		(10,948)
Income tax expense	70	(7)	-	6 (f)	63
Net income/(loss) after tax	(8,534)	10,183	(12,534)		(10,885)
Basic net income (loss) per share	(0.13)				(0.13)
Diluted net income (loss) per share	(0.13)				(0.13)
Weighted number of shares (basic)	63,281,581		23,076,923	6 (g)	86,358,504
Weighted number of shares (diluted)	63,281,581		23,076,923	6 (g)	86,358,504

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements

UNAUDITED PRO FORMA CONDENSED FINANCIAL POSITION
As of June 30, 2014
(\$ in thousands)

	Historical financial information		Pro forma adjustments		Pro forma
	DHT June 30, 2014	Samco June 30, 2014	from DHT's acquisition of Samco		June 30, 2014
			June 30, 2014	Notes	
ASSETS					
Current assets					
Cash and cash equivalents	146,224	58,748	(30,336)	6 (h)	174,636
Accounts receivable and accrued revenues	12,231	14,613	-		26,844
Prepaid expenses	1,574	-	-		1,574
Bunkers, lube oil and consumables	6,466	2,190	-		8,656
Total current assets	166,495	75,551	(30,336)		211,710
Non-current assets					
Vessels	401,261	533,768	46,988	6 (i)	982,017
Advances for vessels under construction	132,753	-	-		132,753
Investment in associated company	-	963	1,795	6 (j)	2,758
Other property, plant and equipment	233	19	-		252
Total non-current assets	534,247	534,750	48,783		1,117,780
Total assets	700,742	610,301	18,447		1,329,490
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued expenses	8,179	8,547	-		16,726
Current portion long term debt	6,469	48,677	-		55,146
Derivative financial liabilities	-	4,233	-		4,233
Deferred shipping revenue	1,231	-	-		1,231
Total current liabilities	15,879	61,457	-		77,336
Non-current liabilities					
Long term debt	196,157	269,989	125,608	6 (k) (l)	591,754
Derivative financial liabilities	-	8,082	-		8,082
Total non-current liabilities	196,157	278,071	125,608		599,836
Total liabilities	212,036	339,528	125,608		677,172
Stockholders' equity					
Stock	694	51,626	(51,395)	6 (m)	925
Additional paid-in capital	707,361	-	166,232	6 (m)	873,593
Retained earnings/(deficit)	(221,990)	227,106	(229,956)	6 (m)	(224,841)
Other reserves	2,642	(7,959)	7,959		2,642
Total stockholders' equity	488,707	270,773	(107,161)		652,319
Total liabilities and stockholders' equity	700,742	610,301	18,447		1,329,490

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements

NOTES TO UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS
For the year ended December 31, 2013 and as of and for the six months ended June 30, 2014
(\$ in thousands except as otherwise stated and per share amounts)

1. Description of the Transaction

On September 9, 2014 DHT Holdings, Inc. (“DHT” or the “Company”) announced that the Company and the shareholders of Samco Shipholding Pte Ltd (“Samco”) had entered into a Stock Purchase Agreement where the Company will acquire all of the shares of Samco for a cash consideration of \$317 million (the “Acquisition”). Samco owns seven VLCCs as well as an investment in an associated company. In connection with the Acquisition DHT expects to raise \$150 million in additional equity (assuming 23,076,923 shares at an assumed share price of \$6.50) and issue \$150 million in Convertible Senior Notes due 2019 (the “Notes”). For the purpose of the unaudited pro forma condensed financial information, it has been assumed that the Notes will accrue interest at a rate of 4.4% per annum, payable semi-annually in arrears. The conversion price is assumed to be \$8.125 per share of common stock (equal to a premium of 25% to the assumed price at which the common stock will be sold to investors in the concurrent stock offering).

Closing of the Acquisition is expected to occur September 9, 2014. There is a condition for the Acquisition that DHT is able to raise financing with aggregate net proceeds of not less than \$290 million as soon as reasonably practical. DHT shall not be required to sell any of its shares of common stock at a price less than \$7.50 per share. The successful financing is a prerequisite for the Acquisition. The Acquisition and the related share issuance and financing are hereafter referred to as the Transaction.

2. Basis of Presentation

The unaudited pro forma condensed financial information has been prepared to show how the Transaction might have affected DHT’s consolidated income statement for 2013 and the unaudited condensed consolidated income statement for January 1, 2014 to June 30, 2014 if the Transaction occurred on January 1, 2013, and the unaudited condensed consolidated statement of financial position as of June 30, 2014 if the Acquisition occurred on June 30, 2014 and taking into the effect of the equity and the Notes to be issued by DHT to finance the Acquisition.

The Acquisition will be accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations* (“IFRS 3”).

In connection with the Transaction, DHT will incur approximately \$13,350 in expenses, which comprise \$10,500 in underwriters’ fees and \$1,900 legal, auditing and advisory costs related to the equity and convertible notes issue, \$600 in stamp duties and \$350 in financing cost related to the amendment of Samco’s credit facilities. The effect of the transaction costs are not reflected in the unaudited pro forma condensed income statements as they do not have a continuing impact; instead, such costs are reflected in the unaudited pro forma condensed balance sheet as of June 30, 2014 as a reduction to cash and cash equivalents additional paid in equity, long-term debt and retained earnings as set out in Note 6. Legal, audit and advisory costs and stamp duties will be recognized as costs in the period as they are incurred. Financing costs will be amortized as part of interest expense using the effective interest method over the terms of the applicable financing.

3. Accounting policies

The financial statements of DHT and Samco are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). No differences other than presentation adjustments have been identified between Samco’s and DHT’s accounting policies for purposes of the unaudited pro forma condensed financial information. The unaudited pro forma condensed financial information does not include all of the information required for financial statements under IFRS, and should be read in conjunction with the historical information.

4. Presentation adjustments

The following adjustments were made to Samco's financial statements to align them to the presentation of DHT:

- \$2,190 previously presented as "inventory" has been presented together with bunkers as of June 30, 2014, and the financial reporting line has been renamed "Bunkers, lube oil and consumables"
- Interest income and interest expenses has been presented separately in the income statements
- \$9,315 presented as "Finance expense" for the six months ended June 30, 2014, has been reclassified to "Interest expense" and "Other financial expenses"

5. Purchase Accounting

DHT will account for the Acquisition as a business combination under IFRS 3. Samco's assets and liabilities will be measured at fair value as of the date of acquisition. DHT has for the purposes of the unaudited pro forma condensed financial information performed a preliminary purchase price allocation and estimated the fair value of Samco's assets and liabilities.

The total consideration for the business combination is USD \$317.0 million and will be settled in cash. The acquisition of Samco is considered to be a business combination under IFRS 3 and consequently all assets acquired and liabilities assumed are accounted for at its fair value at the acquisition date. Based on the preliminary purchase price allocation assuming that the Acquisition occurred as of June 30, 2014, the fair value of the assets and liabilities acquired are as follows and further described below:

	Samco June 30, 2014	Fair Value adjustments June 30, 2014	Fair value of assets and liabilities June 30, 2014
Assets			
Time charter contracts	\$-	\$31,400	\$31,400
Other PPE	19	-	19
Vessels	533,768	15,588	549,356
Associated company	963	1,795	2,758
Accounts receivables	14,613	-	14,613
Inventories	2,190	-	2,190
Cash, bank and marketable securities	58,748	-	58,748
Total assets	\$610,301	\$48,783	\$659,084
Long-term liabilities, interest-bearing	278,071	2,570	280,641
Current liabilities, interest-bearing	52,910	-	52,910
Accounts payable	8,547	-	8,547
Total liabilities	339,528	2,570	342,098
Net assets and liabilities	\$270,773	\$46,213	\$316,986

The above allocation forms the basis for the presentation of the fair value adjustments for assets and liabilities in the unaudited pro forma condensed statement of financial position and the amortization and depreciation charges and interest expense in the unaudited pro forma condensed income statements.

The preliminary purchase price allocation is based upon the information available and is subject to change. The main uncertainty relates to the consideration to be paid, the working capital and the fair value of the time charter contracts which needs to be determined at the date of acquisition. The final purchase price allocation is expected in Q3 2014. Therefore, the final allocation and the resulting goodwill may significantly differ from this preliminary allocation and this could materially have affected the amortization of the time charter contracts in the unaudited pro forma condensed income statement and the presentation in the unaudited pro forma condensed statement of financial position.

Vessels

Samco owns seven VLCCs; *Samco Amazon*, *Samco Redwood*, *Samco Sundarbans*, *Samco China*, *Samco Taiga*, *Samco Scandinavia* and *Samco Europe*. The estimated fair value of the vessels is \$549.4 million. The vessels will be depreciated on a straight-line basis over their remaining useful lives taking residual values into consideration. DHT estimates the useful lives for such vessels to be 20 years. A component related to drydocking will be depreciated separately over the period to the next drydocking.

Time charter contracts

Five of the seven vessels are on time charter contracts at rates in excess of current rates for the remaining period of the charters. As such, the charters are considered to be favorable time charter agreements. The fair value of the charter contracts is calculated as the net present value of the difference between the charter rate stipulated in the charter agreements and the estimated current charter rate for a charter with the same remaining charter period entered into on June 30, 2014. The favorable charter contracts are consistently with the requirements of IFRS 3 recognized as a part of the vessels, but amortized separately over the remaining contracted charter periods.

Associated company

Samco owns 50% of the shares in Goodwood Ship Management Pte. Ltd. ("Goodwood"). The investment is accounted for as an associated company under the equity method of accounting. The fair value of Samco's 50% ownership in the associated company is estimated to be \$2,758. The excess value has been attributed to goodwill and is included and reported as "Investment in associated company", which will not be amortized but assessed for impairment and therefore no depreciation or amortization is included in the unaudited pro forma condensed income statements.

Long-term interest bearing debt

The fair value of the debt for Samco as June 30, 2014 was estimated to be \$2,570 higher than the book value of the debt based on comparable recent loan offers.

6. Pro forma adjustments

This note should be read in conjunction with Note 1 to 5.

The following presents the pro forma adjustments in connection with the Acquisition to give effect to the Acquisition as if it had occurred on January 1, 2013 for the purposes of the unaudited pro forma condensed statements of income and on June 30, 2014 for the purposes of the unaudited pro forma condensed statement of financial position.

(a) To adjust depreciation of vessels

	For the year ended December 31, 2013	For the six months ended June 30, 2014
Eliminate historical depreciation		
Depreciation of acquired assets	\$(24,781)	\$(11,884)
Depreciation of vessels	25,936	12,861
Depreciation of drydocking	2,740	1,359
Depreciation of other assets	41	3
Total	\$3,936	\$2,339

The pro forma adjustment to depreciation reflects depreciation as it would have been assuming the Acquisition occurred on January 1, 2013. The depreciation is calculated on a straight-line basis adjusted for residual value, assuming useful lives of 20 years (remaining useful lives for the vessels are 12-18 years). A drydocking component has been identified and separately depreciated based on the estimated amount of drydocking and the estimated time to the next drydocking.

(b) To adjust for amortization of favorable time charter contracts

The fair value of the favorable time charter contracts estimated as of June 30, 2014 is consistent with the requirements of IFRS 3 recognized as a part of the vessels, but amortized separately on a straight line basis over the remaining contracted charter periods, which range from six months to seven years.

The impact on "Depreciation and amortization" resulting from the amortization of the fair value of the favorable contracts was \$13,120 and \$4,281, respectively, for the year ended December 31, 2013 and the six months ended June 30, 2014.

(c) To eliminate profit related to transactions between DHT and Samco

Goodwood, an associated company of Samco, has crewing and technical management agreements for DHT's vessels. Goodwood is accounted for under the equity method of accounting. A proportionate share (50%) of the estimated profits related to DHT's vessels based on the number of DHT vessels compared to the total vessels under management. This resulted in \$35 and \$21, respectively being eliminated for the year ended December 31, 2013 and the six months ended June 30, 2014.

(d) To adjust for fair value of debt and the interest expense related financing

As described in Note 5 Purchase Accounting, the fair value of the debt for Samco as of June 30, 2014 was estimated to be \$2,570 higher than the book value. The net excess value has been amortized over the estimated remaining periods of the loans, and was adjusted for as reduced interest expense of \$259 for the year ended December 31, 2013 and \$130 for the six months ended June 30, 2014.

The Acquisition resulted in new terms of one of Samco's debt agreements and resulted in an increased margin. The resulting effect on interest rate has been reflected with \$369 and \$173 for the year ended December 31, 2013 and the six months ended June 30, 2014.

(e) To adjust for the interest expense related to Notes

The pro forma impact of the expected issuance of \$150 million in Notes described in Note 1 is additional interest expense of \$11,730 and \$5,865 for the year ended December 31, 2013 and the six months ended June 30, 2014 based on the assumed effective interest of the notes.

The actual interest rate may vary from the assumed interest rate. An increase or decrease of 1/8% in the assumed interest rate would result in a \$159 and \$80 change in the unaudited pro forma interest expense for the year ended December 31, 2013 and the six months ended June 30, 2014.

(f) Taxes

There are no tax effects related to the pro forma adjustments as it is assumed that the companies are not being subject to income taxes.

(g) The unaudited pro forma basic and diluted earnings per share for the periods presented have been adjusted by the shares issued by DHT in connection with the Acquisition.

The unaudited pro forma basic and diluted earnings per share for the periods presented have been adjusted by the 23,076,923 shares issued by DHT in connection with the Acquisition.

(h) To adjust for the impact on cash and cash equivalents of the Acquisition, related funding and estimated transaction costs

As described in Notes 1 and 2 the Acquisition price of \$316,986 was financed by issuance of \$150 million in Notes and \$150 million in new shares. The table below shows the impact on cash and cash equivalents of the Acquisition, related funding and the estimated transaction costs:

	As of June 30, 2014
Net proceeds from equity issue	\$144,750
Net proceeds from issue of convertible senior notes	144,750
Estimated transaction cost	(2,850)
Purchase price	(316,986)
Total	\$(30,336)

(i) To adjust the vessel values based on preliminary purchase price allocation

As a result of the purchase price allocation described in Note 5 the vessels were adjusted as follows:

	As of June 30, 2014
Eliminate historical value of vessels	\$(533,768)
Preliminary fair value of vessels	549,356
Preliminary fair value of favorable time charter contracts	31,400
Total	\$46,988

(j) To adjust the investment in associated company based on preliminary purchase price allocation

As a result of the purchase price allocation described in Note 5, the fair value of the associated company was determined to be \$2,758, which resulted in an excess value of \$1,795 being included in the unaudited pro forma condensed statement of financial position as of June 30, 2014.

(k) To adjust the value of long-term debt based on preliminary purchase allocations

As a result of the purchase price allocation described in Note 5 the long-term debt was adjusted as follows:

	As of June 30, 2014
Eliminate historical value of long-term debt	\$(269,989)
Preliminary fair value of long-term debt	272,559
Total	\$2,570

(l) To record the financial liability related to the \$150 million Notes issued in connection with the Acquisition

As described in Note 1 the Acquisition will partly be financed through the expected issuance of \$150 million in Notes. Based on the evaluation of the underlying conversion rights, the Notes shall be accounted for as financial liabilities in accordance with IAS 39, with the conversion rights accounted for as equity instruments. Based on fair values \$22,500 has been attributed to equity and recorded as additional paid-in capital and \$127,500 has been attributed to liability. Underwriters' fees of \$5,250 related to the Notes have been recorded with \$788 against equity and \$4,463 together with the liability related to Notes. The net pro forma adjustment on long-term debt related to the Notes is \$123,038.

(m) To record the Acquisition and share issuance in DHT and the equity effect of the Notes

As described in Note 1 the Acquisition will be financed through the expected issuance of \$150 million of additional equity (assuming 23,076,923 shares at an assumed share price of \$6.50). In addition DHT intends to issue \$150 million in Notes which as described in Note 6(l) will be accounted for as liability and equity in accordance with IFRS. In connection with the issuance of shares and convertible bonds, DHT will incur expenses as set out in Note 2. The tables below summarize the pro forma adjustments in the components of equity as of June 30, 2014.

	As of June 30, 2014
23,076,923 new shares at par value \$0.01	\$231
Elimination of share capital in Samco	(51,626)
Pro forma adjustment stock	\$(51,395)

	As of June 30, 2014
Issuance of 23,076,923 new shares less par value	\$149,769
Share issuance cost	(5,250)
Equity element Convertible Senior Notes - see Note 6(l)	22,500
Costs of issuing Convertible Senior Notes - see Note 6(l)	(788)
Pro forma adjustment additional paid-in capital	\$166,232

	As of June 30, 2014
Elimination of retained earnings in Samco	\$(227,106)
Transaction cost	(2,850)
Pro forma adjustment retained earnings (deficit)	\$(229,956)

The pro forma adjustment of other reserves is \$7,959.