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To the bondholders in:

ISIN NO 0010699317

**FRN Axis Offshore Pte. Ltd. Senior Secured Callable Bond
Issue 2013/2018**

Oslo 15 July 2016

SUMMONS TO BONDHOLDERS' MEETING

Nordic Trustee ASA (previously Norsk Tillitsmann ASA) acts as bond trustee for the bond issue FRN Axis Offshore Pte. Ltd. Senior Secured Callable Bond Issue 2013/2018 with ISIN NO 0010699317 (the “**Bond Issue**”) issued by Axis Offshore Pte. Ltd. (the “**Issuer**” or the “**Company**”) pursuant to the bond agreement dated 17 December 2013 (the “**Bond Agreement**”) between the Issuer and the Bond Trustee.

All capitalised terms used herein shall have the meaning assigned to them in the Bond Agreement unless otherwise stated.

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

1 BACKGROUND AND COMPANY UPDATE

1.1 Introduction

At the end of Q1 2016, the Issuer was in compliance with its financial covenants. The Dan Swift Cover Ratio was at 1.76:1.00, above the threshold of 1.75:1.00, the Value Adjusted Equity Ratio was 53%, above the threshold of 30%, and the Liquidity was USD 27,500,000, above the threshold of USD 5,000,000. However, these ratios are currently under pressure due to the downturn in the offshore accommodation market.

The falling oil price and oil companies' cost-cutting has led to an over-supply in most regions. The Group's only vessel, “Dan Swift”, has been employed on a 5 year time charter contract with Petrobras, which is expiring in July 2016. The vessel is then scheduled for a dry docking, which will have a negative impact on the liquidity of the Group in the following period.

Therefore the Company is working on a comprehensive refinancing solution based on a balanced contribution from all stakeholders to ensure that the Company has financial flexibility going forward during the market downturn.

1.2 Conditional agreement with key stakeholders

The Issuer has been in close contact with certain of its key stakeholders and has developed the following refinancing proposal;

- The shareholders of the Issuer will contribute with USD 7,500,000 in new equity (the “**Shareholders’ Contribution**”). The equity issues are scheduled to take place in semi-annual contributions in the period from November 2016 to May 2018 (the “**Contribution Period**”);
- The Issuer will propose that the lenders under the KfW Facility will contribute through a deferred amortisation profile, with reduced instalments from November 2016 to May 2018, which in total will accumulate to up to USD 12,500,000 in deferred instalments, and will mature in November 2021. The deferral of the instalments will, on each payment date, be subject to the relevant Shareholder’s Contribution for that period being made prior to that date. Further proposed amendments to the facility may include (the “**Proposed Senior Amendments**”);
 - Monthly cash waterfall to apply for DS Singapore;
 - No dividend, loans or other distributions from DS Singapore (Borrower) except as approved under the cash waterfall; and
 - Further bond buy-backs only against equivalent amount spent on early repayment of senior debt; and
- The Bond Agreement to be amended to waive certain covenants therein and align these with the ones included in the KfW Facility. It is requested that the Bondholders also contribute through a payment of interest in the form of additional Bonds (“**PIK interest**”) from and including the Interest Payment Date in December 2016 to the Maturity Date to ensure a balanced solution among all stakeholders. The payment of PIK interest instead of ordinary cash interest will, on each Interest Payment Date, be subject to the Shareholder’s Contribution being made prior to the relevant Interest Payment Date. Subject to the deferral of instalments under the Proposed Senior Amendments being completed, any prepayment of such deferred instalments shall be subject to an equal amount spent on bond buy-backs.

The Issuer will negotiate with the lenders under the KfW Facility to obtain their consent to the Proposed Senior Amendments.

1.3 Reorganisation

The Issuer is implementing additional corporate measures to improve cost efficiency on all levels by, inter alia, scaling down the Singapore office, reducing the Vessels dry docking expenses and staff reductions, all to improve the liquidity within the group. Furthermore, the Issuer is looking to change the flag of the Vessel, from Denmark to Bahamas or other first class flag, for further cost reduction. The title of the Vessel will therefore be transferred from Dan Swift (Singapore) Pte. Ltd. (“**DS Singapore**”) to another subsidiary of the Issuer and the Issuer believes that this may be implemented without any risk or disadvantage to the Bondholders. The Issuer will grant a share pledge over the new vessel owning entity, being Dan Swift A/S, (“**DS Denmark**”) in favour of the Bondholders (the “**DS Denmark Share Pledge**”) and the existing share pledge over the current vessel owner, DS Singapore, will remain. DS Denmark will accede into the KfW Facility as a borrower and DS Singapore will be a co-borrower.

2 THE PROPOSAL

2.1 Refinancing Amendments to the Bond Agreement

With reference to section 1.2 above, the Issuer has requested the Bond Trustee to summon a Bondholders' Meeting to consider the approval of the following substantive amendments to the Bond Agreement (the "**Refinancing Proposal**"):

- Amendment of the financial covenants (Clause 13.9 of the Bond Agreement): The existing financial covenants to be deleted and replaced by a "Market Value Covenant", similar to the one included in the KfW Facility, meaning that the Issuer shall ensure that the minimum market value of the Vessel at all times equals at least 120% of the outstanding senior debt under the KfW Facility.
- Amendment of the interest payments (Clause 9 of the Bond Agreement): From, and including, the Interest Payment Date in December 2016, the interest payment which would otherwise be due and payable on an Interest Payment Date shall (in whole or in part), subject to the occurrence of Shareholder's Contribution, be made as payment in kind in the form of additional Bonds;
- Amendment to waive certain restrictions that currently apply to the Additional Unit Owners involving, inter alia;
 - Insolvency in Additional Unit Owners to be allowed to enable the Issuer to disengage from the construction contract if desirable (clause 15.1 (e) of the Bond Agreement); and
 - Waiver of leverage restrictions in Additional Unit Owners (clause 13.4 (vii) of the Bond Agreement).
- Amendment to allow for the Proposed Senior Amendments to be made to the KfW Facility (clause 13.7 (vii) of the Bond Agreement).

For a detailed overview of the proposed amendments to the Bond Agreement, please see attached as Schedule 2 (the "**Refinancing Amendments to the Bond Agreement**"). In case of discrepancy between this paragraph and the Refinancing Amendments to the Bond Agreement, the Refinancing Amendments to the Bond Agreement shall prevail. The Issuer advises all Bondholders to carefully review the Refinancing Amendments to the Bond Agreement.

2.2 Reorganisation Amendments to the Bond Agreement

With reference to section 1.3 above, the Issuer has also requested the Bondholders' Meeting to consider the approval of the following substantive amendments to the Bond Agreement (the "**Reorganisation Proposal**"):

- Amendment to allow for the title of the vessel to be transferred to DS Denmark by, inter alia, insert a new definition of "Permitted Disposal of Vessel" and exclude such a disposal from the definition of Mandatory Prepayment Event;
- Amendment so that the relevant rules in the Bond Agreement regarding cross-default, covenants, undertakings, reporting obligations etc. which currently applies to DS

Singapore also will apply to DS Denmark, by, inter alia, amend the definition of Dan Swift Group to also include DS Denmark.

The above referred changes summarises the key elements of the Reorganisation Proposal. For a detailed overview of the proposed amendments to the Bond Agreement, please see attached as Schedule 3 (the **“Reorganisation Amendments to the Bond Agreement”**). In case of discrepancy between this paragraph and the Reorganisation Amendments to the Bond Agreement, the Reorganisation Amendments to the Bond Agreement shall prevail. The Issuer advises all Bondholders to carefully review the Reorganisation Amendments to the Bond Agreement.

2.3 Conditions precedent to the Refinancing Proposal

The implementation of the Refinancing Proposal will be conditional on receipt of the following approvals or satisfaction of the following matters by no later than 31 October 2016, and when these are all fulfilled, the Refinancing Proposal shall be considered to be effective from 29 June 2016 (the **“Refinancing Effective Date”**):

- (a) the Bondholders' Meeting resolves to approve the Refinancing Proposal and the Bond Trustee has notified the Issuer and the Bondholders of the resolution passed;
- (b) confirmation from the Issuer that neither the Issuer nor any Dan Swift Company having entered into any bankruptcy, liquidation, administration, receivership or any other insolvency procedure (or any analogous proceeding in any other jurisdiction), whether voluntary or involuntary;
- (c) confirmation from the Issuer that no enforcement or acceleration action having been taken by or on behalf of any of the lenders or finance parties to the Issuer or any Dan Swift Company under or in connection with any other indebtedness of the Issuer or any Dan Swift Company of the Issuer;
- (d) the delivery to the Bond Trustee of any legal opinions as may be reasonably required by the Bond Trustee in relation to the implementation of the Refinancing Proposal; and
- (e) all necessary corporate resolutions of the Issuer having been duly made and delivered to the Bond Trustee.

2.4 Conditions precedent to the Reorganisation Proposal

The implementation of the Reorganisation Proposal will be conditional on receipt of the following approvals or satisfaction of the following matters by no later than 31 October 2016:

- (a) the Bondholders' Meeting resolves to approve the Reorganisation Proposal and the Bond Trustee has notified the Issuer and the Bondholders of the resolution passed;
- (b) satisfactory evidence that the lenders under the KfW Facility has consented to the flag change;
- (c) execution and perfection of the DS Denmark Share Pledge agreement;
- (d) confirmation from the Issuer that neither the Issuer nor any Dan Swift Company having entered into any bankruptcy, liquidation, administration, receivership or any other insolvency procedure (or any analogous proceeding in any other jurisdiction), whether voluntary or involuntary;

- (e) confirmation from the Issuer that no enforcement or acceleration action having been taken by or on behalf of any of the lenders or finance parties to the Issuer or any Dan Swift Company under or in connection with any other indebtedness of the Issuer or any Dan Swift Company;
- (f) the delivery to the Bond Trustee of a (i) legal opinion in respect of Singapore law, (ii) legal opinion in respect of Danish law and (iii) any other legal opinions as may be reasonably required by the Bond Trustee in relation to the implementation of the Reorganisation Proposal; and
- (g) all necessary corporate resolutions of the Issuer having been duly made and delivered to the Bond Trustee.

3 FURTHER INFORMATION

For further questions to the Issuer, please contact CEO Jesper Kragh Andresen at jkr@axisoff.com or + 65 81 27 27 84.

For further questions to the Bond Trustee, please contact Lars Erik Lærum at mail@nordictrustee.com or + 47 22 87 94 00.

4 EVALUATION OF THE PROPOSAL

4.1 The Issuer's evaluation

In the Issuer's opinion, the Refinancing Proposal and the Reorganisation Proposal represents a fair solution for the Bondholders. Implementation of the Refinancing Amendments to the Bond Agreement, the Reorganisation Amendments to the Bond Agreement and the Shareholders' Contribution will significantly improve its financial condition and help the Issuer through the current downturn in the market.

On 8 June 2016, the Issuer invited all Bondholders to participate in an information meeting to inform the Bondholders about the current situation in the Group and the Issuer's evaluation of possible measures to be taken in light of the current market situation, including the key terms of the Refinancing Proposal and the Reorganisation Proposal, and the Issuer has informed the Bond Trustee that several of the Bondholders have confirmed that they are positive to the Refinancing Proposal and the Reorganisation Proposal.

The Issuer will also invite all Bondholders to another information call, scheduled to take place on 22 July 2016 at 10.00 am Norwegian time, where the Issuer will provide further information on the latest developments since the last information meeting was held 8 June 2016.

4.2 Non-reliance

The Refinancing Proposal and the Reorganisation Proposal are put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Refinancing Proposal and the Reorganisation Proposal are acceptable and vote accordingly.

4.3 Pre-acceptances

The Issuer has informed the Bond Trustee that Bondholders holding in excess of 60% of the Outstanding Bonds have provided irrevocable undertakings to vote in favour of the Refinancing Proposal at the

Bondholders' Meeting, and that Bondholders holding in excess of 60% of the Outstanding Bonds have provided irrevocable undertakings to vote in favour of the Reorganisation Proposal at the Bondholders' Meeting.

4.4 Summons for Bondholder's Meeting

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: 29 July 2016 at 10:00 hours (Oslo time)

Place: The premises of Nordic Trustee ASA,
Haakon VIIs gate 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Refinancing Proposal.
5. Request for adoption of the Reorganisation Proposal.

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

Agenda item 4:

1. *"The Bondholder's Meeting approves the Refinancing Proposal as described in section 2.1 of the summons for the Bondholders' Meeting.*

The Bond Trustee is hereby authorised to prepare, finalise, enter into and sign any such agreement, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to the decisions made by the Bondholders' Meetings as well as to carry out the necessary completion work.";
and/or

Agenda item 5:

2. *"The Bondholder's Meeting approves the Reorganisation Proposal as described in section 2.2 of the summons for the Bondholders' Meeting.*

The Bond Trustee is hereby authorised to prepare, finalise, enter into and sign any such agreement, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to the decisions made by the Bondholders' Meetings as well as to carry out the necessary completion work."

To approve the above resolutions, Bondholders representing more than 2/3 of the Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of each of the resolutions

separately. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting. For the avoidance of doubt, the Refinancing Proposal and Reorganisation Proposal are subject to separate voting and the approval of either is not conditional on approval of the other.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post to post@trustee.no, +47 22 87 94 06, or Nordic Trustee ASA, P.O. Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (at set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

Nordic Trustee ASA



Lars Erik Lærum

Morten S. Bredesen

Enclosed: Schedule 1 – Bondholder's Form
Schedule 2 – Refinancing Amendments to the Bond Agreement
Schedule 3 – Reorganisation Amendments to the Bond Agreement
Schedule 4 – Red-line - Refinancing Amendments to the Bond Agreement
Schedule 5 – Red-line - Reorganisation Amendments to the Bond Agreement

Schedule 2 Refinancing Amendments to the Bond Agreement

1.1 In Clause 1.1 (Definitions), the following new definitions shall be inserted:

«Buy-back Offer» means an offer from the Issuer to each of the Bondholders, for a determined amount, and the Issuer will purchase Bonds from the Bondholders whom provide the lowest bid.

«Market Value Coverage Ratio» means the Market Value of the Vessel to the Outstanding Indebtedness (of the senior debt as defined in the loan agreement for the KfW Facility) less security in cash or cash equivalents under the KfW Facility.

«Permitted Senior Debt Changes» means the following amendments to the KfW Facility;

- (a) Conditional part deferral of instalments from November 2016 to May 2018 of up to USD 12,500,000 in total, to be repaid as a balloon by November 2021, but in any event not before the Maturity Date;*
- (b) Monthly cash waterfall to apply for the Vessel Owner;*
 - (i) Operating expenses (opex);*
 - (ii) 1/6 of the next instalment plus interest to a restricted loan retention account pledged in favour of the lenders;*
 - (iii) distribution to Issuer to cover overhead cost, if sufficient minimum cash in DS Singapore; and*
 - (iv) Remainder to an earnings account pledged in favour of the lenders.*
- (c) No dividend, loans or other distributions from DS Singapore; and*
- (d) Further Bond buy-backs by the Issuer shall only occur if an equivalent amount is spent on early repayment of deferred senior debt instalments.*

«PIK Event» means an occurrence of an event where the Bond Trustee receives sufficient evidence that the shareholders of the Issuer have injected new equity since 1 August 2016 in the Issuer equalling, in total, the following amounts prior to the Interest Payment Date falling on that date;

- (i) 18 December 2016: USD 1,875,000;*
- (ii) 18 June 2017: USD 3,750,000;*
- (iii) 18 December 2017: USD 5,625,000;*
- (iv) 18 May 2018: USD 7,500,000.*

1.2 In Clause 1.1 (Definitions), the following definitions shall be amended and replaced by the following:

«Permitted Seller's Credit» means a credit from the respective yard and/or seller incurred by an Additional Unit Owner in relation to the actual delivery of an Additional Unit to the Additional Unit Owner.

«Refinancing» means any restructuring, refinancing or amendment of the KfW Facility, subject to such Refinancing meeting all of the following criteria; (a) no increase of the principal amount being outstanding under the KfW Facility at the time of such Refinancing, (b) no change in interest or fees which more than reflects an improved cash flow for the Vessel compared to the cash flow from the Petrobras Contract, (c) is based on market terms at the time of such Refinancing and otherwise on terms which are not materially more onerous compared to the KfW Facility, (d) create no additional Security or guarantees permitted compared to those permitted under the KfW Facility and (e) is not likely to have a Material Adverse Effect.

1.3 Clause 2.2 shall be amended and replaced by the following;

“2.2 The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 60,000,000 (U.S. Dollar sixty million).

The Face Value is USD 1.00. The Bonds shall rank pari passu between themselves.

The Bond Issue will be described as «FRN Axis Offshore Pte. Ltd. Senior Secured Callable Bond Issue 2013/2018».

The ISIN of the Bond Issue will be NO 0010699317.

The tenor of the Bonds is from and including the Issue Date to the Maturity Date.”

1.4 A new Clause 9.7 shall be inserted and read as follows;

“9.7 Payment in kind

9.7.1 Following the Interest Payment Date in September 2016, if a PIK Event occurs, the interest payments which would otherwise be due and payable on the two following Interest Payment Dates thereafter shall be made as payment in kind (and not cash) in the form of additional Bonds based on the Face Value, calculated based on the total number of Bonds on each Interest Payment Date, rounded to the nearest USD.

9.7.2 If an interest payment shall be made as payment in kind in accordance with Clause 9.7.1, the Floating Rate shall be applicable for such payment in kind interest payment.

1.5 Sub-clause 13.4 (iii) (Issuer's Positive Covenants) shall be amended and replaced by the following;

“(iii) procure that no Group Company, unless permitted under the Permitted Senior Debt Changes, create or permit to exist any contractual obligation (or Security) restricting any subsidiary from paying dividends or make other distributions to its shareholders to the extent such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Agreement;”

1.6 Sub-clause 13.4 (v) (Issuer's Positive Covenants) shall be amended and replaced by the following;

- “(v) ensure that Additional Unit Owners are single purpose companies; and”
- 1.7 Sub-clause 13.4 (vii) (Issuer’s Positive Covenants) shall be deleted.
- 1.8 A new sub-clause 13.5 (vii) (Issuer’s Negative Covenants) shall be inserted;
- “(vii) if any instalments under the KfW Facility have been deferred in accordance with the Permitted Senior Debt Changes or a Permitted Refinancing (“**Deferred Facility Instalments**”), make any payment of such Deferred Facility Instalments, unless the Issuer offers to buy Bonds from the Bondholders for an equal amount under a Buy-back Offer”
- 1.9 Sub-clause 13.6 (iv) (Dan Swift Group Positive Covenants) shall be deleted;
- 1.10 Sub-clause 13.7 (vii) (Dan Swift Group Negative Covenants) shall be amended and replaced by the following;
- “(vii) enter into any changes to the Senior Bank Facility other than such changes which are permitted under a Refinancing or under the Permitted Senior Debt Changes;”
- 1.11 Sub-clause 13.7 (x) shall be amended and replaced by the following;
- “(x) create or permit to exist any contractual obligation (or Security) restricting it from paying dividends or make other distributions to its shareholders, other than (i) permitting to subsist such contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Agreement or (ii) which is permitted under the Permitted Senior Debt Changes;”
- 1.12 Sub-clause 13.7 (xiv) shall be deleted;
- 1.13 Clause 13.8.2 and 13.8.3 shall be deleted;
- 1.14 Clause 13.9 (Financial Covenants) shall be amended and replaced by the following new covenant;
- “13.9 *Financial Covenants*
- The Issuer undertakes that the Market Value Coverage Ratio shall at all times be at least 1.20:1.00 and will be tested on each Quarter Date.*”
- 1.15 Sub-clause 15.1 (e) (ii) and (iii) shall be amended and replaced by the following;
- “(ii) The value of the assets of any member of the Group, excluding any Additional Unit Owner, is less than its liabilities (taking into account contingent and prospective liabilities)
- (iii) A moratorium is declared in respect of any indebtedness of any member of the Group, excluding any Additional Unit Owner”

Schedule 3 Reorganisation Amendments to the Bond Agreement

1.1 In Clause 1.1 (Definitions), the following new definitions shall be inserted:

«DS Denmark» means Dan Swift A/S, a company registered in Denmark with registration no. 36890495 and 100% directly owned by the Issuer.

«DS Denmark Share Charge» means a share charge under Danish law granted by the Issuer over all of the shares (100%) in DS Denmark, together with (to the extent legally possible), inter alia, letters of resignation (effective upon an Event of Default for which the Bond Trustee has issued a notice) from the current board members and covenants to obtain such from future board members.

«Permitted Disposal of Vessel» means a transfer of title of the Vessel from DS Singapore to DS Denmark.

«Vessel Owner» means the company which, from time to time, is the owner of the Vessel.

1.2 In Clause 1.1 (Definitions), the following definitions shall be amended and replaced by the following:

«Dan Swift Group» means DS Denmark, DS Singapore and all their existing and future Subsidiaries (as may be incorporated from time to time), each individually a «Dan Swift Company».

«Financial Statements» means the audited unconsolidated and consolidated annual financial statements of the Issuer, the Vessel Owner and DS Singapore for any financial year, drawn up according to SFRS or IFRS, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

«Interim Accounts» means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer, DS Singapore and the Vessel Owner for any quarter ending on a Quarter Date, drawn up according to SFRS or IFRS.

«Mandatory Prepayment Event» means, unless it constitutes a Total Loss Event, the occurrence of one or more of the following events:

- (a) the Vessel is sold or disposed of, excluding a Permitted Disposal of Vessel;*
- (b) any of the Issuer's shares in DS Singapore or the Vessel Owner is sold or disposed of;*
- (c) the Petrobras Contract is terminated before ordinary expiry and the Group is not able to secure a new charter contract within sixty (60) Business Days; or*
- (d) expropriation or hijack of the Vessel.*

«Security Interests» means the Escrow Account Pledge, DS Denmark Share Charge and the Pre-Disbursement Security.»

1.3 Sub-clause 13.2.1 (c) and (d) shall be amended and replaced by the following;

“(c) without being requested to do so, prepare Financial Statements for itself, the Vessel Owner and DS Singapore and make them available on its website in the English language as soon as they become available, and not later than 120 days after the end of the financial year;

(d) without being requested to do so, prepare Interim Accounts for itself, the Vessel Owner and DS Singapore and make them available on its website in the English language as soon as they become available, and not later than 90 days after the end of the relevant Quarter Date;”

1.4 Sub-clause 13.4 (i) (Issuer’s Positive Covenants) shall be amended and replaced by the following;

“(i) maintain a 100% direct ownership over all the shares and control over all the voting rights in each of DS Singapore, DS Denmark and Axis Denmark;”

1.1 Definitions

«Buy-back Offer» means an offer from the Issuer to each of the Bondholders, for a determined amount, and the Issuer will purchase Bonds from the Bondholders whom provide the lowest bid.

«Market Value Coverage Ratio» means the Market Value of the Vessel to the Outstanding Indebtedness (of the senior debt as defined in the loan agreement for the KfW Facility) less security in cash or cash equivalents under the KfW Facility.

«Permitted Seller's Credit» means ~~up to USD 10 million of a~~ credit from the respective yard and/or seller incurred by an Additional Unit Owner in relation to the actual delivery of an Additional Unit to the Additional Unit Owner.

«Permitted Senior Debt Changes» means the following amendments to the KfW Facility:

- (a)** Conditional part deferral of instalments from November 2016 to May 2018 of up to USD 12,500,000 in total, to be repaid as a balloon by November 2021, but in any event not before the Maturity Date;
- (b)** Monthly cash waterfall to apply for the Vessel Owner:

 - (i)** Operating expenses (opex);
 - (ii)** 1/6 of the next instalment plus interest to a restricted loan retention account pledged in favour of the lenders;
 - (iii)** distribution to Issuer to cover overhead cost, if sufficient minimum cash in DS Singapore; and
 - (iv)** Remainder to an earnings account pledged in favour of the lenders.
- (c)** No dividend, loans or other distributions from DS Singapore; and
- (d)** Further Bond buy-backs by the Issuer shall only occur if an equivalent amount is spent on early repayment of deferred senior debt instalments.

«PIK Event» means an occurrence of an event where the Bond Trustee receives sufficient evidence that the shareholders of the Issuer have injected new equity since 1 August 2016 in the Issuer equalling, in total, the following amounts prior to the Interest Payment Date falling on that date:

- (i)** 18 December 2016: USD 1,875,000;
- (ii)** 18 June 2017: USD 3,750,000;
- (iii)** 18 December 2017: USD 5,625,000;

(iv) 18 May 2018: USD 7,500,000.

«Refinancing» means any restructuring, refinancing or amendment of the KfW Facility, subject to such Refinancing meeting all of the following criteria; (a) no increase of the principal amount being outstanding under the KfW Facility at the time of such Refinancing, (b) ~~no changes to the amortization profile under the KfW Facility as per the date of this Bond Agreement,~~ (c) no change in interest or fees which more than reflects an improved cash flow for the Vessel compared to the cash flow from the Petrobras Contract, (d) ~~is~~ based on market terms at the time of such Refinancing and otherwise on terms which are not materially more onerous compared to the KfW Facility, (e) ~~create~~ no additional Security or guarantees permitted compared to those permitted under the KfW Facility and (f) ~~is~~ not likely to have a Material Adverse Effect

2.2 The Bonds

The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 60,000,000 (U.S. Dollar sixty million).

The Face Value is USD ~~100,000~~1.00. The Bonds shall rank ~~paripassu~~ pari passu between themselves.

The Bond Issue will be described as «FRN Axis Offshore Pte. Ltd. Senior Secured Callable Bond Issue 2013/2018».

The ISIN of the Bond Issue will be NO 0010699317.

The tenor of the Bonds is from and including the Issue Date to the Maturity Date.

9.7 Payment in kind

9.7.1 Following the Interest Payment Date in September 2016, if a PIK Event occurs, the interest payments which would otherwise be due and payable on the two following Interest Payment Dates thereafter shall be made as payment in kind (and not cash) in the form of additional Bonds based on the Face Value, calculated based on the total number of Bonds on each Interest Payment Date, rounded to the nearest USD.

9.7.2 If an interest payment shall be made as payment in kind in accordance with Clause 9.7.1, the Floating Rate shall be applicable for such payment in kind interest payment.

13.4 Issuer's Positive Covenants

The Issuer shall:

- (iii) procure that no Group Company-, unless permitted under the Permitted Senior Debt Changes, create or permit to exist any contractual obligation (or Security) restricting any subsidiary from paying dividends or make other distributions to its shareholders to the extent such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Agreement;
- (v) ensure that Additional Unit Owners are single purpose companies ~~(directly or indirectly) which are owned wholly or in part by the Issuer;~~ and

~~(vii) ensure that no Additional Unit Owner incur any secured debt (to be calculated less any cash collateral posted as security for such debt) exceeding 70% of the relevant fair market value (such fair market value to be based on the same principles as described under Group Market Value) of the relevant Additional Unit (the «Permitted Secured Debt Facility»), but not including any securities granted under any hedging arrangements of up to USD 5 million being included in such Permitted Secured Debt Facility.~~

13.5 Issuer's Negative Covenants

The Issuer shall not:

(vii) “if any instalments under the KfW Facility have been deferred in accordance with the Permitted Senior Debt Changes or a Permitted Refinancing (“Deferred Facility Instalments”), make any payment of such Deferred Facility Instalments, unless the Issuer offers to buy Bonds from the Bondholders for an equal amount under a Buy-back Offer”.

13.6 Dan Swift Group Positive Covenants

The Issuer shall procure that each Dan Swift Company shall:

~~(iv) ensure that no distributions are made from the Dan Swift Group to the Issuer other than as applied in accordance with the provisions under Clause 13.8.3;~~

13.7 Dan Swift Group Negative Covenants

The Issuer shall procure that none of the Dan Swift Companies shall:

(vii) enter into any changes to the Senior Bank Facility other than such changes which are permitted under a Refinancing or under the Permitted Senior Debt Changes;

(x) create or permit to exist any contractual obligation (or Security) restricting it from paying dividends or make other distributions to its shareholders, other than (i) permitting to subsist such contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Agreement or (ii) which is permitted under the Permitted Senior Debt Changes;

~~(xiv) deviate from the application of earnings set forth in Clause 13.8.3;~~

~~13.8.2 Commencing from the Issue Date, the Issuer shall at the end of each calendar month ensure that an amount equal to 1/3 of the next scheduled interest payment on the Bonds is deposited into the Debt Service Account. Any such payment shall be made as described in Clause 13.8.3, however if there is not sufficient earnings in the Dan Swift Group, such payment shall be made by any other Group Company or from the shareholders of the Issuer.~~

~~The Issuer shall ensure that the amount deposited in the Debt Service Account shall only be released for interest payments under the Bond Issue as and when interest fall due, as long as no Event of Default has occurred and is continuing.~~

~~13.8.3 The Issuer shall ensure that earnings available from the Dan Swift Group after the Dan Swift Group having met its financial obligations (i.e. net of ordinary operating expenses including interest payments and amortizations under the Senior Bank Facility) shall be applied as follows:~~

- ~~(i) Firstly, at the end of each calendar month, an amount equal to 1/3 of the next scheduled interest payment on the Bonds shall be transferred to the Debt Service Account;~~
- ~~(ii) Secondly, as and when applicable, an amount equal to the amount needed in order to satisfy the Dan Swift Coverage Ratio (less any such amount being paid in as equity or Subordinated Loan from the shareholders of the Issuer) shall be transferred to the Additional Bond Security Account;~~
- ~~(iii) Thirdly, any other amount shall be made freely available to the Issuer for legal distributions within the Group.~~

~~The above payments to the Issuer shall be carried out as intercompany loans, interim dividend payments or dividend payments.~~

13.9 Financial Covenants

The Issuer undertakes ~~to comply with the following financial covenants that the Market Value Coverage Ratio shall~~ at all times ~~which be at least 1.2:1.00 and~~ will be tested on each Quarter Date;.

~~(a) Dan Swift Coverage Ratio~~

~~The Dan Swift Coverage Ratio shall be at least 1.75:1.00 unless the amount standing on the Additional Bond Security Account is USD 60 million or higher.~~

~~The amount deposited in the Additional Bond Security Account shall be increased or decreased (as applicable) quarterly in accordance with the need under the Dan Swift Coverage Ratio, however no release shall take place if there is a potential Event of Default.~~

~~(b) Value Adjusted Equity Ratio~~

~~The Issuer shall ensure that the Value Adjusted Equity Ratio, on a consolidated basis meets or exceeds 30%.~~

~~(c) Liquidity~~

~~The Issuer (on consolidated basis) shall have free Liquidity in excess of USD 5 million.~~

15 EVENTS OF DEFAULT

15.1 The Bond Trustee may declare the Bonds to be in default upon occurrence of any of the following events:

(e) Insolvency

(ii) The value of the assets of any member of the Group, excluding any Additional Unit Owner, is less than its liabilities (taking into account contingent and prospective liabilities);

(iii) A moratorium is declared in respect of any indebtedness of any member of the Group, excluding any Additional Unit Owner.

1.1 Definitions

«**Dan Swift Group**» means DS Denmark, DS Singapore and all ~~its~~their existing and future Subsidiaries (as may be incorporated from time to time), each individually a «Dan Swift Company».

«**DS Denmark**» means Dan Swift A/S, a company registered in Denmark with registration no. 36890495 and 100% directly owned by the Issuer.

«**DS Denmark Share Charge**» means a share charge under Danish law granted by the Issuer over all of the shares (100%) in DS Denmark, together with (to the extent legally possible), inter alia, letters of resignation (effective upon an Event of Default for which the Bond Trustee has issued a notice) from the current board members and covenants to obtain such from future board members.

«**Financial Statements**» means the audited unconsolidated and consolidated annual financial statements of the Issuer-, the Vessel Owner and DS Singapore for any financial year, drawn up according to SFRS or IFRS, such accounts to include a profit and loss account, balance sheet, cash flow statement and report from the Board of Directors.

«**Interim Accounts**» means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer~~-and~~-, DS Singapore and the Vessel Owner for any quarter ending on a Quarter Date, drawn up according to SFRS or IFRS.

«**Mandatory Prepayment Event**» means, unless it constitutes a Total Loss Event, the occurrence of one or more of the following events:

- (a) the Vessel is sold or disposed of, excluding a Permitted Disposal of Vessel;
- (b) any of the Issuer's shares in DS Singapore or the Vessel Owner is sold or disposed of;
- (c) the Petrobras Contract is terminated before ordinary expiry and the Group is not able to secure a new charter contract within sixty (60) Business Days; or
- (d) expropriation or hijack of the Vessel.

«**Permitted Disposal of Vessel**» means a transfer of title of the Vessel from DS Singapore to DS Denmark.

«**Security Interests**» means the Escrow Account Pledge-, DS Denmark Share Charge and the Pre-Disbursement Security.

«**Vessel Owner**» means the company which, from time to time, is the owner of the Vessel.

13.2 Information Covenants

13.2.1 The Issuer shall:

- (c) without being requested to do so, prepare Financial Statements for itself-, the Vessel Owner and DS Singapore and make them available on its website in the English language as soon as they become available, and not later than 120 days after the end of the financial year;
- (d) without being requested to do so, prepare Interim Accounts for itself-, the Vessel Owner and DS Singapore and make them available on its website in the English language as soon as they become available, and not later than 90 days after the end of the relevant Quarter Date;

13.4 Issuer's Positive Covenants

The Issuer shall:

- (i) maintain a 100% direct ownership over all the shares and control over all the voting rights in each of DS Singapore-, DS Denmark and Axis Denmark;