

To: The Bondholders in ISIN NO001 0744246 – 12 per cent. NSA Bondco Limited Secured Callable Bond Issue 2015/2020 (the “Bonds”)

From: NSA Bondco Limited (the “Issuer”)

Date: 10 October 2016

Information Update:

Pursuant to the Notice of a Written Bondholder's Resolution dated 05 July 2016 (the "Notice") and the subsequent Bondholders' Written Resolutions that were passed on 07 July 2016, NSA Bondco Limited has entered into a contract of sale for Norshore Atlantic with Ocean Champion Holding Limited (the "Contract of Sale").

Pursuant to the Contract of Sale, Ocean Champion Holding Limited was required to deliver a notice of its readiness to take delivery of the vessel by 07 October 2016. That notice has not been received, which gives rise to a right by NSA Bondco Limited to terminate the Contract of Sale. Discussions between NSA Bondco Limited and Ocean Champion Holding Limited are on-going.

In respect of the Standstill Fees payable pursuant to the Standstill Letter dated 07 July 2016, the Standstill Fee of \$465,000 due for the August time period has not yet been paid. The Standstill Fees payable for the September period also became due on 10 October 2016.