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PROSPECTUS

Songa Bulk ASA

(A Public Limited Liability Company Organised under the Laws of Norway with org.no. 917 811 288)

This prospectus (the "**Prospectus**") has been prepared in connection with the listing on Oslo Axess (the "**Listing**") of all ordinary shares, each with a par value of NOK 5 (the "**Shares**") in Songa Bulk ASA ("**Songa Bulk**" or the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**"). The Prospectus serves as a listing prospectus pursuant to section 7-3 of the Norwegian Securities Trading Act.

The Company applied for admission to trading of the Shares on Oslo Axess on 20 April 2017, and the Company's listing application was approved by the board of directors of Oslo Børs on 22 May 2017. Prior to the Listing, the Shares have been admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs ASA. The first day of trading on Oslo Axess is expected to be on or about 24 May 2017.

Clarksons Platou Securities AS and Fearnley Securities AS (together referred to as the "**Managers**") have acted as the Company's financial advisors in connection with the Listing.

Prospective investors should read this Prospectus in its entirety. Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*".

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities described herein and the Prospectus relates solely to the Listing.

Managers

Clarksons Platou Securities AS

Fearnley Securities

The date of this Prospectus is 23 May 2017

IMPORTANT INFORMATION

This Prospectus has been prepared in order to provide information about Songa Bulk ASA (previously "Songa Bulk AS") and its business solely for use in connection with the Listing. Please refer to Section 18 "*Definitions and Glossary*" for definitions of terms used in this Prospectus.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA is dated on 23 May 2017 and only relates to the information included in accordance with pre-defined disclosure requirements. This Prospectus is valid for a period of 12 months from the date of approval by the Norwegian FSA. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

The Company has engaged Clarksons Platou Securities AS and Fearnley Securities AS as managers of the Listing (together referred to as the "**Managers**"). The Managers are acting for the Company and no one else in relation to the Listing. The Managers will not be responsible to anyone other than the Company for providing the protections afforded to clients of the Managers or for providing advice in relation to the Listing. In the ordinary course of their businesses, the Managers and certain of their respective affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, or material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on Oslo Axess, will be included in a supplement to this Prospectus. Except as required by applicable law and stock exchange rules the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with the Listing of the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates or advisors of any of the foregoing.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Prospectus in any jurisdiction.

This Prospectus shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior management (the "**Management**") are not residents of the United States, and all or a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters.

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APPENDICES

1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as an introduction to the Prospectus and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant European Union member states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Warning**	Not applicable; no consent is granted by the Company to the use of the Prospectus for subsequent resale or final placement of the securities described herein.

Section B – Issuer

B.1	**Legal and commercial name**	The legal and commercial name of the Company is Songa Bulk ASA (previously "Songa Bulk AS").
B.2	**Domicile and legal form, legislation and country of incorporation**	The Company is a Norwegian public limited liability company incorporated in Norway under the Norwegian Public Limited Companies Act with registration number 917 811 288.
B.3	**Current operations, principal activities and markets**	The business of the Company is to own and operate vessels in the dry bulk shipping market. The Company was founded in 2016, primarily as an investment vehicle to take exposure to fluctuating asset values of dry bulk vessels. This was done in the belief held by its founders that asset values were at a cyclically low level and that opportunities were present to make gains from increasing asset values over a period following the Company's foundation.

	In accordance with its Articles of Association, the Company shall have a term limited to a maximum of 10 years, such that the Company shall the liquidated within 4 November 2026. This may be changed at any time by a majority vote of 2/3 of votes cast at a shareholders' meeting. The intention of the Company is to make asset investments over a short time horizon (approximately one year) from the initial capital raising in November 2016. The intention is further to return capital to shareholders through dividends, following realized earnings or sales proceeds, as the dry bulk shipping market recovers. The Company's intention is to own modern and flexible tonnage which will be operated on short- to medium-term contracts. The Group will have an efficient and low cost set-up and will have a conservative leverage profile, to ensure that operating expenses are held at a competitive level. As per the date of this Prospectus, the Group's fleet consists of eight vessels, including two Supramax vessels with an average age of 6.5 years and an average acquisition price of USD 13.35 million, five Kamsarmax vessels with an average age of 6.6 years and an average acquisition price of USD 15.56 million and one Ultramax vessel built in 2017 at an acquisition price of USD 23.30 million. The Company has also agreed to acquire one additional Kamsarmax vessel, to be named Songa Grain, with expected delivery in September 2017, and one Capesize vessel, to be named Songa Mountain, with expected delivery by end of July 2017. As of the date of this Prospectus all of the Group's vessels are chartered out on time charter trips and/or time charter periods, both for longer and shorter periods. The commercial management is performed in-house by Mr Herman Billung and Mr Per Kristian Aamlid. Operations are handled in-house by Ms Nina Rathsack. While the Company is also responsible for the technical operations of the Group's vessels, the performance of technical services and crewing services has been outsourced to Songa Shipmanagement Ltd., Equinox Maritime Ltd. and other third party managers on arm's lengths terms. The Company performs the commercial services on behalf of each of its subsidiaries under an intra-group commercial management agreement. The Company has entered into technical management and crewing agreement for the Songa Glory, Songa Flama and Songa Wave with Equinox Maritime Ltd., an affiliate of the seller of the Songa Glory, for an annual fee of USD 144,000 per vessel. The Company has entered into technical management and crewing agreement for the Songa Maru, Songa Genesis, Songa Marlin, Songa Genesis and Songa Hadong with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000 per vessel.

	Arne Blystad AS, which is controlled by Arne Blystad, provides administrative services on arm's length terms for the Company. The services are charged at cost plus a mark-up to be determined in accordance with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. The rights to the name and trademarks "Songa" are held by companies controlled by Arne Blystad. The Company has entered into an agreement with such companies to use the "Songa" name and trademarks without payment of royalties or licenses fees. The right to use the name and trademark will terminate 90 days following the date at which Songa Corporation (the parent company of Arne Blystad AS and Blystad Shipholding AS, being a shareholder in Songa Bulk), directly or indirectly ceases to be a shareholder of Songa Bulk.
B.4a Significant recent trends	The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the period covered by the Company's historical financial information, as well as those considered likely to have a material effect on its results of operations in the future, are described below. • Changes in national and international economic conditions, including, for example interest rate levels, inflation and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments – none of which will be within the control of the Company – may negatively impact the Company's investment activities, realization opportunities and overall investor returns. • The demand for, and the pricing of the underlying assets are outside of the Company's control and depend, among other things, on the global economy, global trade growth, as well as oil and gas prices. On the supply side there are uncertainties tied to ordering of new vessels and scope of future scrapping. The actual residual value of the vessels in the underlying investments, and/or their earnings after expiration of the fixed contract terms, may be lower than the Company estimates. • Suitable investments may not always be available at a particular time. The Company's investment rate may be delayed or progress at a slower than anticipated rate for a variety of reasons. The Company may be competing for appropriate investment opportunities with other participants in the markets. It is possible that the level of such competition may increase, which may reduce the number of opportunities available to the Company and/or adversely affect the terms upon which such investments can be made by the Company.

		• The technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained. • The performance of an underlying portfolio investment depends heavily on its counterparties' ability to perform their obligations under agreed charter parties. Default by a counterparty of its obligations under its agreements with an SPV may have material adverse consequences on the portfolio investment. The counterparty's financial strength will thus be very important. • The Group's vessels will operate in a variety of geographic regions. Consequently, the Group may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition and results of operations of the Group, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur. The Company's market belief is that the supply of vessels will grow less than demand for vessels over the next few years, creating a demand/supply balance, which is more favourable for vessel owners following a few years of oversupply. The Company believes that the supply of vessels may have a negative growth, i.e. a capacity decline, caused by a tapering off in delivery of new vessels and a high degree of scrapping of older vessels. The existing order book of new vessels stand at 9% of the total fleet, but the real order book is considered to be smaller and could represent 8% of the total fleet, which is low in a historic perspective. At the same time, older vessels are being scrapped because of lack of maintenance, uneconomical upgrading requirements due to new regulations, and other factors. If the Company's expectations of a declining fleet turn out to be right, and the demand for dry bulk transportation is stable or increasing, the Company believes that rates for dry bulk vessels will increase from the depressed levels seen in 2015 and 2016, and that dry bulk vessel values will increase accordingly.
B.5	**Description of the Group**	Songa Bulk is the parent company of the Group.
B.6	**Interests in the Company and voting rights**	As at the date of this Prospectus, the Company has approximately 750 shareholders. The Company has only one class of Shares. There are no differences in voting rights between the Shares. With effect from listing of the Shares on Oslo Axess, shareholders

		owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of 15 May 2017 and to the best of the Company's knowledge, the following shareholders have holdings in excess of the statutory thresholds for disclosure requirements: • Magnus Roth and related companies hold 4,871,400 Shares, equal to 13.58% of the total number of issued Shares in the Company • Companies related to Arne Blystad hold 4,711,900 Shares, equal to 13.14% of the total number of issued Shares in the Company
B.7	**Selected historical key financial information**	The selected historical key financial information as set out below has been derived from the Group's audited consolidated financial statements for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016, prepared in accordance with IFRS as adopted by the EU. The Company is a start-up entity with limited financial history as of 31 December 2016. The first vessel, the Songa Maru, was delivered to the Company in December 2016 and commenced operations during the same month. Based on the status at the date of this Prospectus, the Company has entered into contracts to purchase nine additional dry-bulk vessels. As further detailed in Section 7.5.2, the nine additional vessels are all expected to be delivered to the Group during 2017, seven of which have already been delivered. Accordingly, the Company's historical financial information is of limited relevance for the current and expected future operations of the Company. Amongst others things, time charter revenues and operating expenses will increase significantly due to the expected increase in the volume of operations. The Company may also enter into debt financing transactions and as a result, finance expenses would increase.

Consolidated statement of comprehensive income

The table below sets out selected data from the Group's audited consolidated income statement for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016.

	Period from date of incorporation (24 August 2016) to 31 December 2016
In USD	*(audited)*
Net time charter revenue	116 916
Total operating income	**116 916**
Voyage expenses	44 883
Operating expenses vessels	116 934
General and administrative expenses	779 299
Depreciation	37 476
Total operating expenses	**978 592**
Operating profit (loss)	**-861 675**
Financial income	34 747
Financial expenses	-338 827
Net financial income (expenses)	**-304 080**
Loss before taxes	**-1 165 755**
Tax expense	870 464
Net loss	**-2 036 219**
Total comprehensive loss	**-2 036 219**
Basic and diluted loss per share	**-0.349**

Consolidated balance sheet

The table below sets out selected data from the Group's audited consolidated statement of financial position as at the year ended 31 December 2016.

	Year ended 31 December 2016
In USD	*(audited)*
Vessels	11 107 586
Deposit vessels	3 855 000
Total non-current assets	**14 962 586**
Inventories	26 313
Trade receivables	2 950
Other current receivables	131 940
Financial investments	1 311
Cash and bank deposits	57 687 573
Total current assets	**57 850 088**
TOTAL ASSETS	**72 812 673**
Share capital	9 085 337
Share premium	63 756 111
Other paid-in capital	399 583
Retained earnings	-2 036 219
Total equity	**71 204 812**
Financial liabilities	326 930
Total non-current liabilities	*326 930*
Trade payables	681 577
Income taxes payable	393 447
Other current liabilities	205 907
Total current liabilities	*1 280 931*
Total liabilities	**1 607 861**
TOTAL EQUITY AND LIABILITIES	**72 812 673**

Consolidated cash flow statement

The table below sets out selected data from the Group's audited consolidated statement of cash flow for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016.

	Period from date of incorporation (24 August 2016) to 31 December 2016
In USD	*(audited)*
Loss before taxes	-1 165 755
Depreciation	37 476
Change in inventories	-26 313
Net change in trade receivables/payables	678 627
Employee benefit expenses in connection with issuance of warrants	399 583
Change in financial liabilities at fair value through profit or loss	326 930
Net change in other current items	-404 362
Net cash flow from operating activities	**-153 814**
Purchase of vessels	-10 000 156
Paid deposit vessels	-3 855 000
Net cash flow from investment activities	**-13 855 156**
Proceeds from share issuance	73 128 749
Share issuance costs	-1 432 206
Net cash flow from financing activities	**71 696 543**
Net change in cash and bank deposits	**57 687 573**
Cash and bank deposits at beginning of period	0
Cash and bank deposits at end of period	**57 687 573**

Consolidated statement of changes in equity

The table below sets out selected data from the Group's audited consolidated statement of changes in equity for the year ended 31 December 2016.

	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
In USD	*(audited)*	*(audited)*	*(audited)*	*(audited)*	*(audited)*
Incorporation 24 August 2016	3 654	-	-	-	3 654
Share issuance	9 081 683	65 188 317	-	-	74 270 000
Share issuance costs	-	-1 432 206	-	-	-1 432 206
Warrants issued to employees	-	-	399 583	-	399 583
Net loss	-	-	-	-2 036 219	-2 036 219
Balance 31 December 2016	**9 085 337**	**63 756 111**	**399 583**	**-2 036 219**	**71 204 812**

B.8	**Selected key pro forma financial information**	Not applicable. The Prospectus does not contain any pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. The Prospectus does not contain any profit forecasts or estimates.
B.10	**Audit report qualifications**	Not applicable. The audit reports do not include any qualifications.
B.11	**Working capital**	The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

Section C – Securities

C.1	**Type and class of securities admitted to trading and identification number**	All shares issued in the Company are equal in all respects. The Company has only one class of shares. The shares are registered in VPS with ISIN NO0010778095.
C.2	**Currency**	Norwegian Kroner (NOK).
C.3	**Number of shares in issue and par value**	As at the date of this Prospectus, the Company's share capital is NOK 179,300,000 divided into 35,860,000 Shares, each with a par value of NOK 5.
C.4	**Rights attaching to the securities**	All shares in the Company rank pari passu in all respects and carry full and equal rights in the Company. All Shares have voting rights and other rights and obligations that are standard under the Norwegian Public Limited Liability Companies Act, and are governed by

		Norwegian law.
C.5	**Restrictions on transfer**	The Shares of the Company are freely transferable subject to local regulatory transfer restrictions. Shares owned by companies related to Arne Blystad, Herman Billung and Per Kristian Aamlid are subject to a lock up expiring 6 months after the first day of listing of the shares on Oslo Axess, subject to certain exemptions and limitations.
C.6	**Admission to trading**	The Shares of the Company are listed on Merkur Market under the ticker "SBULK-ME". The Company applied for admission to listing of the Shares on Oslo Axess on 20 April 2017, and the Company's listing application was approved by the board of directors of Oslo Børs on 22 May 2017. It is expected that the Shares of the Company will start trading on Oslo Axess on 24 May 2017 under the ticker code "SBULK".
C.7	**Dividend policy**	In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account applicable legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors. The Company seeks to actively manage the cyclicality in dry bulk through investing at historically low asset values. The Company will focus on returning capital to shareholders through asset sales and dividends as dry bulk fundamentals allow. The timing and amount of dividends is at the discretion of the Board of Directors. There can be no assurance that a dividend will be proposed or declared in any given period. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

Section D – Risks

D.1	**Key risks specific to the Company or its industry**	• The Group's success depends, to a significant extent, upon the abilities and efforts of a small number of key personnel, including the members of the current management team and any other key persons appointed by the Company who will be involved in the management of the Company, and there can be no assurance that such individuals will continue to be employed by the Company and involved in the management of the Company in the future, or that their continued involvement will guarantee the future success of the Company. • Although the Management of the Company and key employees have extensive experience investing in the dry bulk sector, the

	Company is a recently formed entity with very limited operating history upon which to evaluate the Company's likely performance. Accordingly, investors will have limited historical financial and other information on which to base any decision to invest in the Company's securities. • The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks. • The Group may become involved in claims and disputes, which may have a negative impact on the results and cash flows of the Group. • The Group as a whole is exposed to a material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries. • The Group will complete reasonable and appropriate technical and legal due diligence prior to making an investment. Such due diligence will primarily be based on information which may only be available through certain third parties. Such information may be erroneous, incomplete and/or misleading, and there can be no assurance that all material issues will be uncovered. • Although the Company's management will monitor the performance of each investment, the Company will rely upon the technical and day-to-day management of the assets. There can be no assurance that such management will operate successfully. • Although the Company considers the market for dry bulk vessels to be fairly liquid, the realization of such investments may take time and be exposed to a variety of general and specific market conditions. There can be no assurance that the Group will manage to achieve a successful realisation of its investments. • The Group may only participate in a limited number of investments so that returns might be adversely affected by the poor performance of even a single investment. • The Group will invest in assets that are not traded in a regulated market and where the correct valuation at any given point in time will be subject to uncertainty. The Company will normally publish quarterly valuation reports that are made available to their investors, but these should only be taken as indicative and there can be no guarantee that the valuations in such reports represent the values at which the Group can buy or sell. • Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained. • In accordance with its Articles of Association, the Company shall have a term limited to a maximum of 10 years, such that the Company shall the liquidated within 4 November 2026. This may be changed at any time by a majority vote of 2/3 of votes cast at a shareholders' meeting. Following liquidation, it may not be possible for shareholders to reinvest such proceeds at comparable rates of return (if any).

	• The dry bulk shipping market is highly competitive, which might have a material adverse effect on the Group's overall business. • The dry bulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability, and the main drivers of demand growth are outside of the Group's control. No assurances can be made that the Group will be able to successfully charter its vessels in the future or renew existing charters at rates sufficient to allow it to meet its obligations. • The continued downturn in the dry bulk carrier charter market has had and may continue to have an adverse effect on the Group's earnings. • Charter hire rates for dry bulk vessels may decrease in the future, which may adversely affect the Group's earnings. • Fluctuation of vessel values which may result in an impairment of the book value of vessels or a loss upon a sale of a vessel. • For vessels on voyage charters, fuel oil, or bunkers, is a significant, if not the largest, expense. The price and supply of fuel is unpredictable and fluctuates based on events outside the Group's control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of the Group's business versus other forms of transportation, such as truck or rail. Increasing bunker prices may also lead to higher working capital requirements, which may have a negative effect on the Group's liquidity. • There is no assurance that the Group is adequately insured against all risks or that the insurers will pay a particular claim. Even if the insurance coverage is adequate to cover incurred losses, the Group may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, the Group may not be able to obtain adequate insurance coverage at reasonable rates for its fleet. • If economic conditions throughout the world do not improve, it will have an adverse impact on the Group's operations and financial results. • Operational and other errors may incur liabilities for the Group. • Maritime claimants could arrest vessels operated by the Group. • If the Group fails to comply with international safety regulations, it may be subject to increased liability, which may adversely affect its insurance coverage and may result in a denial of access to, or detention in, certain ports. • Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce the Group's net cash flows and net income. • If the Group's charterers fail to pay their obligations, it would have to attempt to re charter its vessels at lower charter rates,

		which could have a material adverse effect on the Group's business, financial condition, results of operation and liquidity. • Charter hire is normally payable in USD and the value of the vessels is normally denominated in USD. Thus, currency fluctuations may affect both the Group's and consequently the investors' return, book value and value adjusted equity of subsidiaries in other currencies than USD. • The subsidiaries may engage in certain hedging transactions which are intended to reduce the currency or interest rate exposure; however, there would normally be no obligation to enter into any such transactions. Any such hedging transaction may be imperfect, leaving the Group indirectly exposed to some risk from the position that was intended to be protected. • The Group may in the future be dependent on obtaining financing and/or new equity to ensure adequacy of available funds to support the business. It is not certain that the Group will be able to obtain future financing on acceptable terms and conditions, nor that the Group will be able to raise new capital in the equity markets. If the Group is unable to obtain future debt and/or equity financing, it may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.
D.3	**Key risks specific to the securities**	• The Company will incur increased costs upon admission to trading on Oslo Axess. Any such increased costs, individually or in the aggregate, could have a material and adverse effect on the Company's business, operations, financial position, results of operation, cash flow and/or prospects. • The trading volume and price for the Shares may fluctuate significantly and may not always reflect the underlying asset value of the Company. • The Company's major shareholders own a significant percentage of Shares and are able to exercise significant influence over matters subject to shareholder approval. • Future sales, or the possibility for future sales of substantial numbers of Shares could affect the market price of the Shares. • The Company in the future may decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities, liquidity needs, continued downturn in the Group's markets or expenses or for any other purposes. If the Company raises additional funds by issuing additional equity securities, holdings of existing shareholders may be diluted. Future subscription of shares may be limited to certain nationals outside the United States. • Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meeting of shareholders. The Company cannot guarantee that beneficial owners of Shares will receive the notice of a general meeting of shareholders of the Company in time to

	instruct their nominees to either effect a reregistration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. • The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future. • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK. • One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

Section E – Offer

E.1	**Net proceeds and estimated expenses**	Not applicable. The Company will not receive any proceeds as there will be no public offering of Shares.
E.2a	**Reasons for the Offering and use of proceeds**	Not applicable. The Company will not receive any proceeds as there will be no public offering of Shares.
E.3	**Terms and conditions of the Offering**	Not applicable.
E.4	**Material and confliction interests**	Not applicable.
E.5	**Selling shareholders and lock-up agreements**	Not applicable. Lock-up agreements are discussed in C.5 "*Restrictions on transfer*" above.
E.6	**Dilution resulting from the Offering**	Not applicable.
E.7	**Estimated expenses charged to investor**	Not applicable.

2 RISK FACTORS

An investment in the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this Prospectus. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the business of the Group

2.1.1 Commercial management and the Group's ability to attract and retain key personnel

The Group's success depends, to a significant extent, upon the abilities and efforts of a small number of key personnel, including the members of the current management team and any other key persons appointed by the Company who will be involved in the management of the Company, and there can be no assurance that such individuals will continue to be employed by the Company and involved in the management of the Company in the future, or that their continued involvement will guarantee the future success of the Company. If the Group does not retain such key competence, and/or if it is unable to attract new talent or competencies relevant for the future development of the Group, this may have a negative effect on the success of the Group, and the Group's ability to expand its business and/or to maintain and develop its competitive skill set, which will correspondingly have an adverse effect on the Group's competitive position and financial performance. Difficulty in hiring and retaining replacement personnel could adversely affect the business prospects of the Group.

2.1.2 Lack of operating history

Although the Management of the Company and key employees have extensive experience investing in the dry bulk sector, the Company is a recently formed entity with very limited operating history upon which to evaluate the Company's likely performance. Accordingly, investors will have limited historical financial and other information on which to base any decision to invest in the Company's securities.

2.1.3 The ability to continue and expand the Group's relationships with existing customers and to obtain new customers

In order to continue the ongoing business and to protect its earnings, the Group must continue its strong and long relationships with industrial customers in addition to attracting new customers. However, it is not given that the Group will be able to continue its existing relationships, nor that it will be able to replace outgoing customers or attract new customers. This could, for instance, be a result of reduced competitiveness, making it harder for the Group to offer competitive pricing on its freight services. Moreover, if the Group's external reputation is damaged, customers may elect to stay away from the Group even if it can offer competitive freight rates. This may have a material adverse effect on the Group's future income from its chartering business.

Likewise, if the Group fails to maintain its relatively new and operationally efficient fleet, due to for example loss of commercial relationships and/or deal flow, or delayed delivery of newbuildings, it may fail to remain competitive against other tonnage providers. Further, the Group may fail to attract cargo owners who place strict demands on the quality of the vessels they choose to employ to carry their cargoes.

2.1.4 The Group could be subject to fraudulent behavior from employees and/or third parties

Employees of, and/or third parties acting as agents for the Group could engage in fraudulent behaviour against the Group on their own, or that of others' initiative, making them act against the interest of the Group. Such actions could include, but is not limited to, document fraud, port bribes, fraudulent commission agreements, facilitation payments and bribes to get access to exclusive business. Whether deliberate or not, such actions could potentially put the Group at risk for both legal liabilities and reputational damage.

Following the introduction of the UK Bribery Act, and the subsequent international conventions on the subject (UN, OECD, EU), a growing number of countries are intensifying their efforts towards fighting corruption. Norway has, like the UK, also changed its indemnity act to include liability for corruption, whereas it is required that the employers take "*adequate procedures*" to prevent bribery within the organisation in order for the employer to avoid liability for corruption made by an employee. The Group is continuously working to ensure such adequate procedures to prevent fraudulent behavior from individuals inside, or with connections to, the Group are implemented and repeatedly reinforced in all levels of the organisation. However, should the Group fail to meet applicable regulation it could potentially trigger criminal, civil and employment sanctions. Ensuing attention from the media could further increase reputational risk. Consequently, the reputational risk of employees acting beyond or without the mandate of the Group could be detrimental to the Group's ability to retain and attract customers, as well as key personnel.

2.1.5 The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks

The Group's activities are exposed to i.e. freight rate risk, bunker fuel price risk, as well as risks relating to foreign exchange, interest rate, counterparties (including credit), operations, regulations and other risks. The Group's policies and procedures to identify, monitor and manage risks may not be fully effective. Some of the Group's methods of monitoring and managing risks are based on historical market behaviour that may not be an accurate predictor of future market behaviour. Other risk management methods depend on evaluation of information relating to markets, suppliers, customers and other matters that are publicly available or otherwise accessible by the Group. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in doing so. Failure to mitigate all significant risks associated with the Group's business could have a material adverse effect on the Group's business, results of operations and financial condition.

2.1.6 The Group may become involved in claims and disputes, which may have a negative impact on the results and cash flows of the Group

As a party to several contracts and other instruments, governing complex operational, commercial and legal matters which involve significant amounts, the Group may from time to time be subject to commercial disagreements, contractual disputes, and, possibly, litigation with its counterparties, as well as insurance matters, environmental issues, and governmental claims for taxes or duties in its ordinary course of business. The Group cannot predict with certainty the outcome or effect of any current or future commercial disagreements, contractual disputes or litigation involving the Group and its counterparties or others.

The Group might suffer economical and reputational damage from its involvement in claims or disputes, which could lead to material adverse change to the Group's financial condition, results of operation and liquidity, as well as the deterioration of existing customer relationships, and/or the Group's ability to attract new customers, all factors which are important for the Group's ability to continue to run its business.

2.1.7 Changes in, or interpretation of, tax laws applicable to the Group companies

The Company's and the Group's activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Group as a whole is exposed to a material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries.

The Group operates within the Norwegian tonnage tax regime. There is a risk that these favorable tax regulations will be modified in the future, and/or that the Norwegian tonnage tax regime no longer will be applicable to any of the Group companies due to new requirements and/or changes in the Group structure.

In general, changes in taxation law or the interpretation of taxation law may also impact the business, results of operations and financial condition of the Group.

2.1.8 Availability of investments / competition

Suitable investments may not always be available at a particular time. The Group's investment rate may be delayed or progress at a slower than anticipated rate for a variety of reasons and as a result, there is also no guarantee that the Group will be able to fully invest all of its capital.

The Company may be competing for appropriate investment opportunities with other participants in the markets. It is possible that the level of such competition may increase, which may reduce the number of opportunities available to the Group and/or adversely affect the terms upon which such investments can be made by the Group.

2.1.9 Due diligence risk

The Group will complete reasonable and appropriate technical and legal due diligence prior to making an investment. Such due diligence will primarily be based on information which may only be available through certain third parties. Such information may be erroneous, incomplete and/or misleading, and there can be no assurance that all material issues will be uncovered.

2.1.10 Reliance on technical management of assets

Although the Company's management will monitor the performance of each investment, the Company will rely upon the technical and day-to-day management of the assets. There can be no assurance that such management will operate successfully.

2.1.11 Illiquidity of assets – realisation risk

The Group contemplates to make further investments in and is already invested in dry bulk vessels. Although the Company considers the market for dry bulk vessels to be fairly liquid, the realization of such investments may take time and be exposed to a variety of general and specific market conditions. There can be no assurance that the Group will manage to achieve a successful realisation of its investments.

2.1.12 Diversification

The Group may only participate in a limited number of investments so that returns might be adversely affected by the poor performance of even a single investment.

2.1.13 Valuation

The Group will invest in assets that are not traded in a regulated market and where the correct valuation at any given point in time will be subject to uncertainty. The Company will normally publish quarterly valuation reports that are made available to their investors, but these should only be taken as indicative and there can be no guarantee that the valuations in such reports represent the values at which the Group can buy or sell.

2.1.14 Technical risks

The technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present, even if the vessel is on bareboat charter. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained.

2.1.15 Execution Risk

There is always a possibility that intended transactions might not conclude due to various execution risks related to, but not limited to, documentation, inspection of the vessel(s) and/or class records and due diligence. Thus there might be certain external and third party costs carried by the Group that are not recoverable.

2.1.16 Limited term of the Company

In accordance with its Articles of Association, the Company shall have a term limited to a maximum of 10 years, such that the Company shall the liquidated within 4 November 2026. This may be changed at any time by a majority vote of 2/3 of votes cast at a shareholders' meeting. Following liquidation, it may not be possible for shareholders to reinvest such proceeds at comparable rates of return (if any).

2.2 Risks related to the dry bulk industry

2.2.1 Highly competitive dry bulk shipping market

The dry bulk shipping market is highly competitive, which might have a material adverse effect on the Group's overall business. Factors determining the degree of competiveness in the dry bulk market include, but are not limited to: low barriers to entry, lack of transparency, highly fragmented market with many small market participants, and access to financing.

2.2.2 Highly cyclical nature of the dry bulk shipping industry

The dry bulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely, and the charter hire rates have declined significantly from historically high levels. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by water internationally. No assurances can be made that the Group will be able to successfully charter its vessels in the future or renew existing charters at rates sufficient to allow it to meet its obligations. The supply of and demand for shipping capacity strongly influence charter rates. Because the factors affecting the supply and demand for vessels are outside of the Group's control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

The main drivers of demand growth are outside of the Group's control. For example, short-term variances in growth rates of demand for agricultural commodities are often a result of seasonal variations, variations which can be further augmented by irregularities in weather patterns. In the longer term, the demand growth for commodities like seaborne iron ore and coal will likely have a larger impact on the fleet utilisation rate. Random shocks to the economy beyond the Group's control could also impact the growth in demand for transportation of dry bulk commodities, both positively and negatively. A negative shock in demand for dry bulk transportation could result in lack of employment for the Group's vessels causing idle time and lay-up of vessels and a corresponding loss of revenues.

The fleet serving the dry bulk market is large and with diverse ownership. Owing to the long life span of ships, as well as the long construction period, the fleet size will not adapt as quickly to changes in the market as the demand side does. In periods of high market rates, there is a risk that vessel orders will surpass future demand growth for seaborne transportation, which may have a long-lasting effect on the market balance once the ships are delivered. Over time, during such periods of oversupply, the fleet productivity goes down; vessels spend longer time off hire (in port/bunkering/ballasting), and the average speed of the fleet is reduced. In order for fleet productivity to increase again, there must be an increase in demand and/or increase in the scrapping of vessels. Factors influencing ship-owners to scrap their vessels depend on a number of parameters, including but not limited to, age of the vessel, technical advances (e.g. within the area of fuel efficiency), scrap prices and the freight market. The prevailing freight market influences both present earnings for the vessel, and the present possibilities for locking in the future income of the vessel for a given period. Should behavioral factors, or other factors influencing ship-owners' decision to scrap its vessels, distort the ongoing reduction of net fleet growth in the form of scrapping of obsolete vessels, the Group may face a further prolonged period of depressed freight rates, which can have a severe negative effect on the Group's performance and results.

Should the freight market levels remain depressed for a prolonged period, either due to lack of demand for seaborne commodities and/or continued oversupply of vessels, the Group could suffer as lower markets imply lower margins, making it more difficult to produce positive net results and maintaining a healthy balance sheet.

2.2.3 The continued downturn in the dry bulk carrier charter market has had and may continue to have an adverse effect on the Group's earnings

The recent downturn in the dry bulk charter market, from which the Group derives its revenues, has severely affected the dry bulk shipping industry. This downturn in dry bulk charter rates and their volatility have had a number of adverse consequences for dry bulk shipping, including, among other things:

- an absence of financing for vessels;
- low activity in the second-hand market for the sale of vessels;
- extremely low charter rates, particularly for vessels employed in the spot market;

- widespread loan covenant defaults in the dry bulk shipping industry; and
- declaration of bankruptcy by some operators and ship owners as well as charterers.

The occurrence of one or more of these events could adversely affect the Group's business, results of operations, cash flows, financial condition and ability to pay cash distributions. There can be no assurance that the dry bulk charter market will recover and the market could continue to decline further.

Charter rates and vessel values have in the past been affected in part by the lack of availability of credit to finance both vessel purchases and purchases of commodities carried by sea, resulting in a decline in cargo shipments, and the excess supply of iron ore in China, which resulted in falling iron ore prices and increased stockpiles in Chinese ports. Charter rates may remain at low levels for some time, which will adversely affect the Group's revenue and profitability.

In addition, because the market value of the Group's vessels may fluctuate significantly, the Group may incur losses when it sells vessels, which may adversely affect its earnings. If the Group sells vessels at a time when vessel prices have fallen and before it has recorded an impairment adjustment to its financial statements, the sale may be at less than the vessel's carrying amount in those financial statements, resulting in a loss and a reduction in earnings.

2.2.4 Charter hire rates for dry bulk vessels may decrease in the future, which may adversely affect the Group's earnings

The dry bulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely, and the charter hire rates have declined significantly from historically high levels. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by water internationally. No assurances can be made that the Group will be able to successfully charter its vessels in the future or renew existing charters at rates sufficient to allow it to meet its obligations. The supply of and demand for shipping capacity strongly influence charter rates. Because the factors affecting the supply and demand for vessels are outside of the Group's control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for vessel capacity include:

- supply and demand for energy resources, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, semi-finished and finished consumer and industrial products;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, including armed conflicts and terrorist activities, embargoes and strikes;
- developments in international trade;

- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other regulatory developments;
- currency exchange rates; and
- the weather.

Factors that influence the supply of vessel capacity include:

- number of newbuilding deliveries;
- port and canal congestion;
- scrapping of older vessels;
- vessel casualties; and
- number of vessels that are out of service.

Demand for the Group's dry bulk vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand, changes in the capacity of the global dry bulk fleet and the sources and supply of dry bulk cargo transported by sea. Given the large number of new dry bulk carriers currently on order with shipyards, the capacity of the global dry bulk carrier fleet seems likely to increase and economic growth may not resume in areas that have experienced a recession or continue in other areas. Adverse economic, political, social or other developments could have a material adverse effect on the Group's business and operating results.

2.2.5 Efforts to curb climate change, as well as potential effects of climate change may negatively affect demand for dry bulk services

International or national efforts to curb emissions of greenhouse gases or to reduce local pollution may affect the dry bulk market in several different ways. Taxes or quotas on CO2 emissions will increase costs of transportation, all other things equal, and this may have a negative effect on the demand for dry bulk transportation. Increased occurrences of storms, adverse currents or other extreme weather events may lead to higher costs and/or risks related to sea passages and may also increase cost of relevant insurance. Efforts to cut emissions from coal-fired power production may reduce the demand for seaborne transportation of coal, the second most important dry bulk commodity in terms of ton mile demand.

2.2.6 Fluctuation of vessel values which may result in an impairment of the book value of vessels or a loss upon a sale of a vessel

Over time, vessel values may fluctuate substantially, which may result in an impairment of the book value of the Group's vessels and investments in vessel-owning companies or a loss upon a sale of the vessels.

The fair market value of the Group's vessels and investment in vessel-owning companies or other ships possibly acquired in the future may increase or decrease depending on a number of factors, including:

- the prevailing level of dry bulk charter rates;
- general economic and market conditions affecting the dry bulk industry, including competition from other companies;
- types, sizes and ages of dry bulk vessels;

- supply and demand for dry bulk vessels;
- costs of newbuildings;
- governmental or other regulations; and
- technological advances.

If the Group sells its vessels, its shares in vessel-owning companies or other vessels it acquires in the future when prices have fallen and before having recorded an impairment adjustment to the financial statements, the sale may be at less than the Group's vessels' carrying amount in the financial statements, resulting in a loss. Such loss or repayment may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.2.7 Fluctuation of bunker fuel prices

For vessels on voyage charters, fuel oil, or bunkers, is a significant, if not the largest, expense. The price and supply of fuel is unpredictable and fluctuates based on events outside the Group's control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of the Group's business versus other forms of transportation, such as truck or rail. Increasing bunker prices may also lead to higher working capital requirements, which may have a negative effect on the Group's liquidity.

To reduce the risk of fluctuations in bunker fuel prices, the Group may decide to hedge the bunker price exposure by the use of bunker fuel swaps or options to hedge the inherent fuel oil exposure in its freight contracts.

Bunker fuel hedging contracts only exist for a small number of major ports, such as Singapore and Rotterdam. This means that the hedging contracts will settle against bunker fuel prices in these ports, and not against actual bunker prices achievable in the ports the Group companies will need to perform its bunker purchases. In addition, it is not possible to either exactly quantify the fuel need for a certain future voyage or to purchase hedging instruments for non-standard volumes. This means that the Group will be subject to basis risk, i.e. the risk that the Group's underlying exposure will not exactly match the exposure of the hedging contract put in place. This basis risk may from time to time be significant, even though the size and diversification of the Group's operations mean that the risk is relatively small in aggregate and over time.

2.2.8 Losses arising from the inherent risks of the shipping industry, which the Group's insurance policies may not be adequate to cover

The Group procures insurance for their fleet against risks commonly insured against by vessel owners and operators, including hull and machinery insurance, war risks insurance, loss of hire and protection and indemnity insurance (which include environmental damage and pollution insurance). There is no assurance that the Group is adequately insured against all risks or that the insurers will pay a particular claim. Even if the insurance coverage is adequate to cover incurred losses, the Group may not be able to timely obtain a replacement vessel in the event of a loss. Furthermore, in the future, the Group may not be able to obtain adequate insurance coverage at reasonable rates for its fleet. The Group may also be subject to calls, or premiums, in amounts based not only on their own claim records but also the claim records of all other members of the protection and indemnity associations through which they receive indemnity insurance coverage for tort liability. The Group's insurance policies also contain deductibles, limitations and exclusions which, although they represent standards in the shipping industry, may nevertheless increase the Group's costs or decrease their recovery in the event of a loss.

2.2.9 If economic conditions throughout the world do not improve, it will have an adverse impact on the Group's operations and financial results

Negative trends in the global economy that emerged in 2008 continue to adversely affect global economic conditions. In addition, the world economy continues to face a number of challenges, including the recent turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries and continuing economic weakness in several areas of the world. There has historically been a strong link between the development of the world economy and demand for dry bulk commodities. An extended period of deterioration in the outlook for the world economy could reduce the overall demand for dry bulk commodities and for the Group's services. The decline in charter rates and vessel values may, if the situation continues for an extended period of time, have a material adverse effect on the Group's results of operations, financial condition and cash flows and could cause the price of its shares to further decline.

The economies of the United States, the European Union and other parts of the world continue to experience relatively slow growth and exhibit weak economic trends. Over the past decade, the credit markets in the United States and Europe have experienced significant contraction, deleveraging and reduced liquidity. While credit conditions are beginning to stabilize, global financial markets have been, and continue to be, disrupted and volatile. Since 2008, lending by financial institutions worldwide remains at low levels compared to the period preceding 2008.

The continued economic slowdown in the Asia Pacific region, especially in Japan and China, may further exacerbate the effect on the Group. China has imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth. China and other countries in the Asia Pacific region may continue to experience slowed or even negative economic growth in the future. The Group's financial condition and results of operations, as well as its future prospects, would likely be impeded by a continuing or worsening economic downturn in these countries.

Limitations on the availability of capital, higher costs of capital for financing expenditures or the desire to preserve liquidity, may cause the Group's current or prospective customers to make reductions in future capital budgets and spending. Such adjustments could reduce demand for the Group's services. A tightening of the credit markets may also affect the solvency of the Group's counterparties which could impact the performance and payment of the counterparties' obligations under the current or future contracts of the Group.

2.2.10 Acts of piracy on ocean-going vessels could adversely affect the Group's business

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean and in the Gulf of Aden off the coast of Somalia, with dry bulk vessels and tankers particularly vulnerable to such attacks. If these piracy attacks result in regions in which the Group's vessels are deployed being characterized by insurers as "war risk" zones or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent the Group employs onboard security guards, could increase in such circumstances. The Group may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on its business. In addition, detention hijacking as a result of an act of piracy against the Group's vessels, or an increase in cost, or unavailability of insurance for its vessels, may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.2.11 World events could affect the Group's results of operation and financial condition

Past terrorist attacks, as well as the threat of future terrorist attacks around the world, continue to cause uncertainty in the world's financial markets and may affect the business, operating results and financial condition of the Group. Continuing conflicts, instability and other recent developments in the Ukraine, the Korean Peninsula, the East China Sea, the Middle East, including Iraq, Syria, Egypt, West Africa and North Africa, and the presence of U.S. or other armed forces in the Middle East, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. Epidemic diseases may lead to crew member illness, which can disrupt the operations of the Group's vessels, or to public health measures, which may prevent its vessels from calling on ports or loading or discharging cargo in the affected areas or in other locations after having visited the affected areas. These uncertainties could also adversely affect the ability to obtain additional financing on terms acceptable to the Group, or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia. Any of these occurrences may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.2.12 Operational and other errors may incur liabilities for the Group

The vessels operated by the Group are subject to perils particular to marine operations, including capsizing, grounding, collision and loss and damage from severe weather or storms. The vessels may also be subject to other unintended accidents. Such circumstances may result in loss of or damage to the relevant vessel, damage to property, including other vessels and damage to the environment or persons or for damages connected with future time charter contracts which cannot be fulfilled. Such events may lead to the Group being held liable for substantial amounts by injured parties, their insurer and public governments. In the event of pollution, the Group may be subject to strict liability. Environmental laws and regulations applicable in the countries in which the Group operates have become more stringent in recent years. Such laws and regulations may expose the Group to liability for the conduct of or conditions caused by others, or for acts by the Group that were in compliance with all applicable laws at the time such actions were taken.

The occurrence of the above mentioned events may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity, and there can be no assurance that the Group's insurance will fully compensate any such potential losses and/or expenses.

2.2.13 Maritime claimants could arrest vessels operated by the Group

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against one or more of the vessels operated by the Group for unsatisfied debts, claims or damages. In many jurisdictions a maritime lien holder may enforce its lien by arresting a vessel through judicial proceedings. The arrest or attachment of one or more of the vessels owned or chartered in by the Group could interrupt the cash flow of the charterer and/or the Group and require the Group to pay a significant amount of money to have the arrest lifted. In addition, in some jurisdictions, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and/or any "associated" vessel, which is any vessel owned or controlled by the same owner. Like other ship-owners with multiple vessels, the Group is exposed to claimants who may try to assert "sister ship" liability against vessels owned by the Group. A claimant may also arrest vessels chartered in by the Group even if the claimant has no claim against the Group.

The Group might suffer reputational damage from its owned or chartered vessels becoming subject to a maritime lien, which could affect the company unfavorably whether the maritime lien holders' claim is justified or not. This could lead to the deterioration of existing customer relationships, and/or the Group's ability to attract new customers, both factors which are important for the Group's ability to continue to run its business.

2.2.14 Risks in general inherent in international operations

The Group's owned and chartered vessels are, and future vessels acquired may be, operated and chartered to charterers operating from various countries, and operated internationally. As a result, the Group encounters the following risks, among others:

- exchange rate fluctuations;
- difficulties in collecting amounts owed;
- domestic and foreign tax policies; and
- laws and regulations, interpretations and court decisions under legal systems, which are not always fully developed.

2.2.15 The Group is subject to complex laws and regulations, including environmental laws and regulations that can adversely affect its business, results of operations and financial condition

The Group's operations will be subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which its vessels operate or are registered, which can significantly affect the ownership and operation of its vessels.

Compliance with such laws and regulations, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of the Group's vessels. Compliance with such laws and regulations may also require the Group to obtain certain permits or authorizations prior to commencing operations. Failure to obtain such permits or authorizations could materially impact the Group's business results of operations, financial conditions and ability to pay cash distributions by delaying or limiting its ability to accept charterers. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast and bilge waters, maintenance and inspection, elimination of tin-based paint, development and implementation of emergency procedures and insurance coverage or other financial assurance of its ability to address pollution incidents. Additionally, the Group cannot predict the cost of compliance with any new environmental protection and other laws and regulations that may become effective in the future.

A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the Group to liability, without regard to whether it was negligent or at fault. The Group may be required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. There can be no insurance that the Group's insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

2.2.16 If the Group fails to comply with international safety regulations, it may be subject to increased liability, which may adversely affect its insurance coverage and may result in a denial of access to, or detention in, certain ports

If the Group fails to comply with international safety regulations, it may be subject to increased liability, which may adversely affect its insurance coverage and may result in a denial of access to, or detention in, certain ports.

If the Group fails to comply with applicable safety regulations, it may be subject to increased liability, may invalidate existing insurance or decrease available insurance coverage for its affected vessels and such failure may result in a denial of access to, or detention in, certain ports.

2.2.17 Compliance with safety and other vessel requirements imposed by classification societies may be costly and could reduce the Group's net cash flows and net income

The hull and machinery of every commercial vessel must be certified as being "in class" by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea Convention.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. The Group expects its vessels to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. After a vessel ages 15 years, the Company must adhere to class guidelines and dock in period every two to three years as required, in addition to class renewal survey docking requirement every 5 years.

Compliance with the above requirements may result in significant expense. If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable, which could have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.3 Financial risks

2.3.1 Availability of financing

Difficulties in the financial markets may result in dysfunctional credit markets and restrict the availability of debt finance to the Group's underlying investments. The resultant lack of available credit and/or higher financing costs and more onerous terms may materially impact on the performance of certain investments with a potential adverse impact on both working capital and term debt availability and on exit options.

2.3.2 A drop in spot charter rates may provide an incentive for some charterers to default on their charters

When the Group enters into a time charter or bareboat charter, charter rates under that charter may be fixed for the term of the charter. If the spot charter rates or short-term time charter rates in the dry bulk shipping industry become significantly lower than the time charter equivalent rates that some of the Group's charterers are obligated to pay under existing charters, the charterers may have an incentive to default under that charter or attempt to renegotiate the charter rate. If the Group's charterers fail to pay their obligations, it would have to attempt to re charter its vessels at lower charter rates, which could have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.3.3 Hedging transactions

The subsidiaries may engage in certain hedging transactions which are intended to reduce the currency or interest rate exposure; however, there would normally be no obligation to enter into any such transactions. Any such hedging transaction may be imperfect, leaving the Group indirectly exposed to some risk from the position that was intended to be protected. The successful use of hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments and there can be no assurance that the underlying subsidiaries will be able to close out a position when deemed advisable.

2.3.4 The Group is exposed to fluctuations in working capital

The Group is depending on having available funds to support working capital requirements for its business. The adequacy of available funds will depend on many factors, including but not limited to the further growth of the business, capital expenditures, changes in working capital and market development (including but not limited to freight rates, time charter rates and bunker oil price).

The Group may therefore in the future be dependent on obtaining financing and/or new equity to ensure adequacy of available funds to support the business. It is not certain that the Group will be able to obtain future financing on acceptable terms and conditions, nor that the Group will be able to raise new capital in the equity markets. If the Group is unable to obtain future debt and/or equity financing, it may have a material adverse effect on the Group's business, financial condition, results of operation and liquidity.

2.4 Risk related to the Listing and the Shares

2.4.1 The Company will incur increased costs upon admission to trading on Oslo Axess

As a publicly traded company with its Shares listed on Oslo Axess, the Company will be required to comply with the reporting and disclosure requirements and with corporate governance requirements applicable for companies listed on Oslo Axess. Such requirements are more comprehensive than the rules applying to issuers admitted to trading on Merkur Market. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and quarterly reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have a material and adverse effect on the Company's business, operations, financial position, results of operation, cash flow and/or prospects.

2.4.2 The market price of the Shares may fluctuate

The trading volume and price for the Shares may fluctuate significantly and may not always reflect the underlying asset value of the Company. A number of factors outside the Company's control may impact its performance and the price of the Shares, including but not limited to, quarterly variations in operating results, adverse business developments, changes in market sentiment regarding the Shares, the operating and share price performance of other companies in the industry in which the Company operates, changes in financial estimates and investment recommendations or ratings. Changes in market sentiment may be due to speculation about the Company's business in the media or investment community, changes to the Company's profit estimates (if such have been provided), the publication of research reports by analysts and changes in general market conditions. If any of these factors actually occurs, this may have a material adverse effect on the pricing of the Shares.

In recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of the Shares.

2.4.3 The Company's major shareholders owns a significant percentage of Shares and are able to exercise significant influence over matters subject to shareholder approval

As of the date of this Prospectus, Magnus Roth and Arne Blystad (including related companies) hold approximately 13.58% and 13.14% of the Shares, and are accordingly able to exert a certain degree of influence over the Company's management and affairs and over matters requiring shareholder approval, including the election of the Company's Board of Directors and approval of significant corporate transactions. As significant shareholders, the major shareholders may also decide to sell large blocks of Shares, thereby reducing the market price of the Shares as described in the risk factor in Section 2.4.4.

This concentration of ownership could also have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of the Company, which in turn could have a material adverse effect on the market value of the Shares.

2.4.4 Future sales, or the possibility for future sales of substantial numbers of Shares could affect the market price of the Shares

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

2.4.5 Shareholders not participating in future offerings of Shares or other equity investments will be diluted

Shareholders not participating in future offerings of Shares or other equity instruments will be diluted. Under Norwegian law, unless otherwise resolved or authorized at the Company's general meeting of shareholders, existing Shareholders in the Company have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to offer shares and other equity investments issued by the Company for cash consideration. However, shareholders not able or that choose not to exercise such pre-emptive rights will experience dilution of their shareholding.

The exercise of pre-emptive rights by certain shareholders not residing in Norway may be restricted by applicable law, practice or other considerations, and such shareholders may not be entitled to exercise such rights, unless the rights and Shares are registered or qualified for sale under the relevant legislation or regulatory framework. Shareholders in jurisdictions outside Norway who are not able or not permitted to exercise their pre-emptive rights in the event of a future equity or other offering may suffer dilution of their shareholdings.

Furthermore, the general meeting of the Company may in the future pass resolutions to deviate from the pre-emptive rights of its shareholders.

2.4.6 Future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company in the future may decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities, liquidity needs, continued downturn in the Group's markets or expenses or for any other purposes, see Section 2.1 "*Risks related to the business of the Group*". If the Company raises additional funds by issuing additional equity securities, holdings of existing shareholders may be diluted. Future subscription of shares may be limited to certain nationals outside the United States.

2.4.7 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote such Shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meeting of shareholders. The Company cannot guarantee that beneficial owners of Shares will receive the notice of a general meeting of shareholders of the Company in time to instruct their nominees to either effect a reregistration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners.

2.4.8 The ability to bring action against the Company may be limited under Norwegian law

The Company is a public limited company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions, e.g. typical U.S. corporations. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, foreign securities laws. For these reasons investors may encounter difficulties in serving summons and other documents relating to court proceedings to any of the entities within the Group and its management. For the same reason it may be more difficult and more costly for investors to obtain judgments against, and enforce judgments issued against, the entities within the Group and its directors and management.

2.4.9 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state or territory securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and other applicable securities laws. In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

2.4.10 The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at a general meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Company's board of directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company is, among other things, dependent upon receipt of dividends and other distributions of value from its subsidiaries. As a general rule, the general meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the general meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

Distributions from the Company, if any, will normally be made in cash. The distributions will not be predictable and will depend on the realization of or distributions from underlying investments. Investors should not expect any, or any level of, distributions from the Company.

2.4.11 Investors in the U.S. may have difficulty enforcing any judgment obtained in the U.S. against the Company or the Company's Board members or executive officers in Norway

The Company is incorporated under the laws of Norway and all of its current Board members and executive officers reside outside the U.S.; furthermore, substantially all of the Company's assets and substantially all of the assets of the Company's Board members and executive officers are located outside the U.S. As a result, investors in the U.S. may be unable to effect service of process upon the Company or its Board members and executive officers or enforce judgments predicated upon the civil liability provision of the federal securities laws of the U.S. The U.S. and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters.

2.4.12 Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by check or transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. Investors registered in the VPS with a foreign bank account will receive the dividend in local currency. Checks cannot be issued in all countries and the investors with residence in one of those countries, will receive a letter asking them to provide DNB Bank ASA, being the Company's VPS registrar, with their foreign bank details for receiving the dividend. If it is not practical in the sole opinion of DNB Bank ASA to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

2.4.13 Market yield rates could influence the price of the Shares

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Listing of the Shares on Oslo Axess.

The Board of Directors of Songa Bulk ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

23 May 2017

The Board of Directors of Songa Bulk ASA

Arne Blystad
Chairman

Magnus Roth
Board member

Vibeke Gwendoline Fængsrud
Board member

Christine Rødsæther
Board member

4 GENERAL INFORMATION

4.1 Date of information

The information contained in this Prospectus is current as at the date of the Prospectus and is subject to change or amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing, will be included in a supplement to this Prospectus. Except as required by applicable law and stock exchange rules the Company does not undertake any duty to update the information in this Prospectus. The publication of this Prospectus shall not under any circumstances create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company's financial statements as of, and for the period from the date of incorporation (24 August 2016) to 31 December 2016 (the "**Annual Financial Statements**") have been prepared in accordance with the accounting principles prescribed by International Financial Reporting Standards ("**IFRS**") as adopted by the International Accounting Standards Board ("**IASB**") and approved by the European Union ("**EU**").

The Annual Financial Statements of Songa Bulk ASA (previously "Songa Bulk AS") hare presented in USD, which is also the functional currency for all companies in the Group.

The Annual Financial Statements have been audited by BHL DA, as set forth in their auditor's report included together with the Annual Financial Statements.

In this Prospectus, references to "Norwegian kroner" or "NOK" are to the lawful currency of the Kingdom of Norway. References to "euro", "Euro", "EUR" and "€" are to the lawful currency for the time being of the member states of the EU that have adopted or may adopt the single currency introduced at the third stage of the European Economic Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act of 1986, the Treaty of the European Union of 7 February 1992, and the Treaty of Amsterdam of 2 October 1997, establishing the European Community. References to "U.S. Dollars", "USD", "U.S.$" and "$" are to the lawful currency of the U.S.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly.

4.2.2 Sources of industry and market data

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research, and other publicly available information. While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

4.3 Cautionary note regarding forward-looking statements

This Prospectus contains certain forward-looking information and statements, including, but not limited to, certain statements set forth under Section 6 "*Industry and Market Overview*", Section 7 "*Business of the Group*" and Section 10 "*Operating and Financial Review*" and elsewhere in this Prospectus. Such forward-looking information and statements are based on the current, estimates and projections of the Company or assumptions based on the information currently available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give assurance to the correctness of such information and statements. The forward-looking information and statements can generally be identified by the fact that they do not relate only to historical or current facts. The forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of places throughout this Prospectus and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "*Risk factors*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as of the date on which they are made. Save as required according to Section 7-15 of the Norwegian Securities Trading Act, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 THE LISTING

5.1 Purposes of the Listing

The Company believes the Listing will:

- Facilitate for raising of necessary capital needed to take delivery of potential new acquisitions;
- Facilitate continued growth through other acquisition possibilities;
- Increase visibility and public credibility; and
- Create a more liquid market for the Company's Shares.

5.2 Admission to trading

On 20 April 2017 the Company submitted an application for listing of the Shares on Oslo Axess.

On 22 May 2017, the Board of Directors of Oslo Børs ASA resolved to grant admission of the Shares to listing on Oslo Axess. The first day of listing of the Shares on Oslo Axess is expected to take place on or about 24 May 2017. The Company will be listed on Oslo Axess under the ticker symbol "SBULK".

Prior to the Listing, the Shares have been admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs ASA and have traded under the ticker code "SBULK-ME". The Company's Shares are not listed on another stock exchange or regulated market, and no application has been made for listing, on any stock exchange or regulated market other than Oslo Axess.

5.3 Advisors

The Managers of the Listing are Clarksons Platou Securities AS and Fearnley Securities AS.

Wikborg Rein Advokatfirma AS has acted as legal advisor to the Company in connection with the Listing.

6 INDUSTRY AND MARKET OVERVIEW

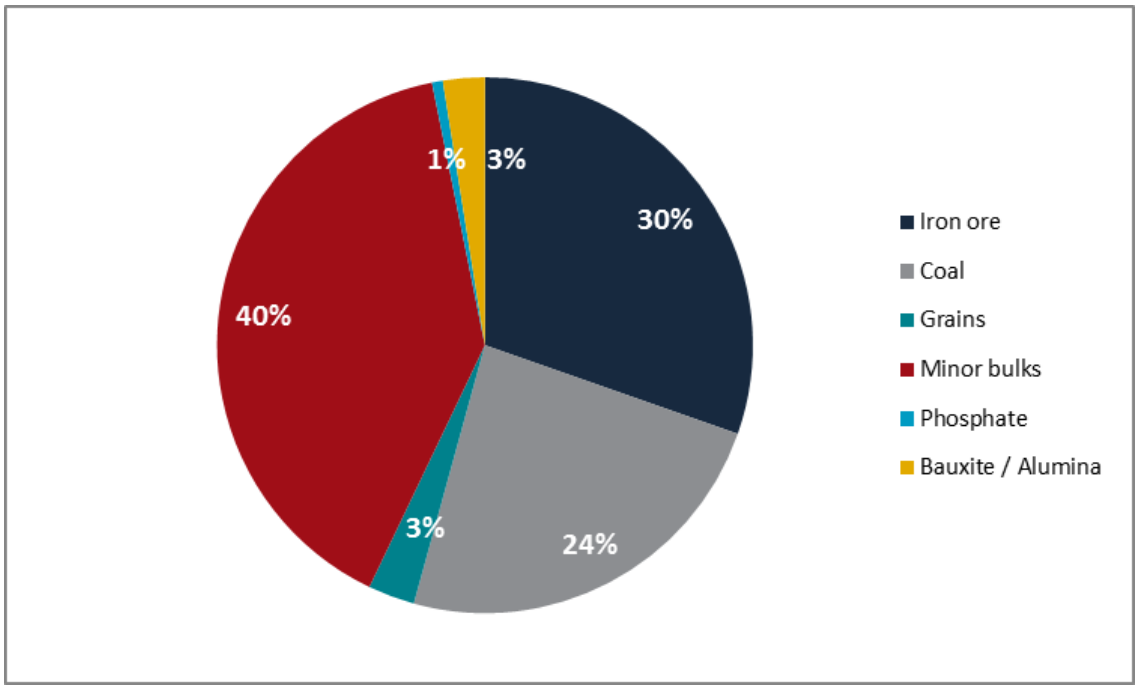
This Section discusses the industry and markets in which the Group operates. Certain information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts, in addition to market data from other external and publicly available sources, and the Company's knowledge of the markets.

The following discussion contains forward-looking statements. Any forecasts and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 4.3 "Cautionary note regarding forward-looking statements" for further details.

6.1 Overview of the dry bulk shipping market

The dry bulk shipping market is a complex, diverse and global market dealing with the seaborne transportation of dry bulk commodities. Iron ore, coal and grain are considered as the major bulk commodities, while alumina / bauxite, steel products, forest products, fertilizers, and others constitute the minor bulk commodities. Many of these products are correlated to general economic activity, and seaborne transportation follows several patterns reflecting geographical, economical and seasonal differences. The below chart illustrates the composition of seaborne bulk products being transported as per 31 December 2016.

Composition of seaborne dry bulk product transportation



Source: Shipping Intelligence Network database[1], Clarkson Research Services

The fleet used to carry dry bulk products is made up of oceangoing vessels in different sizes, each with their characteristics. Larger vessels will benefit from economies of scale and are best suited for long hauls between large ports, while smaller vessels have the flexibility to enter smaller ports.

[1] Shipping Intelligence Network database is owned by Clarksons Platou Research, a database accessible for payable clients of the Clarksons group only.

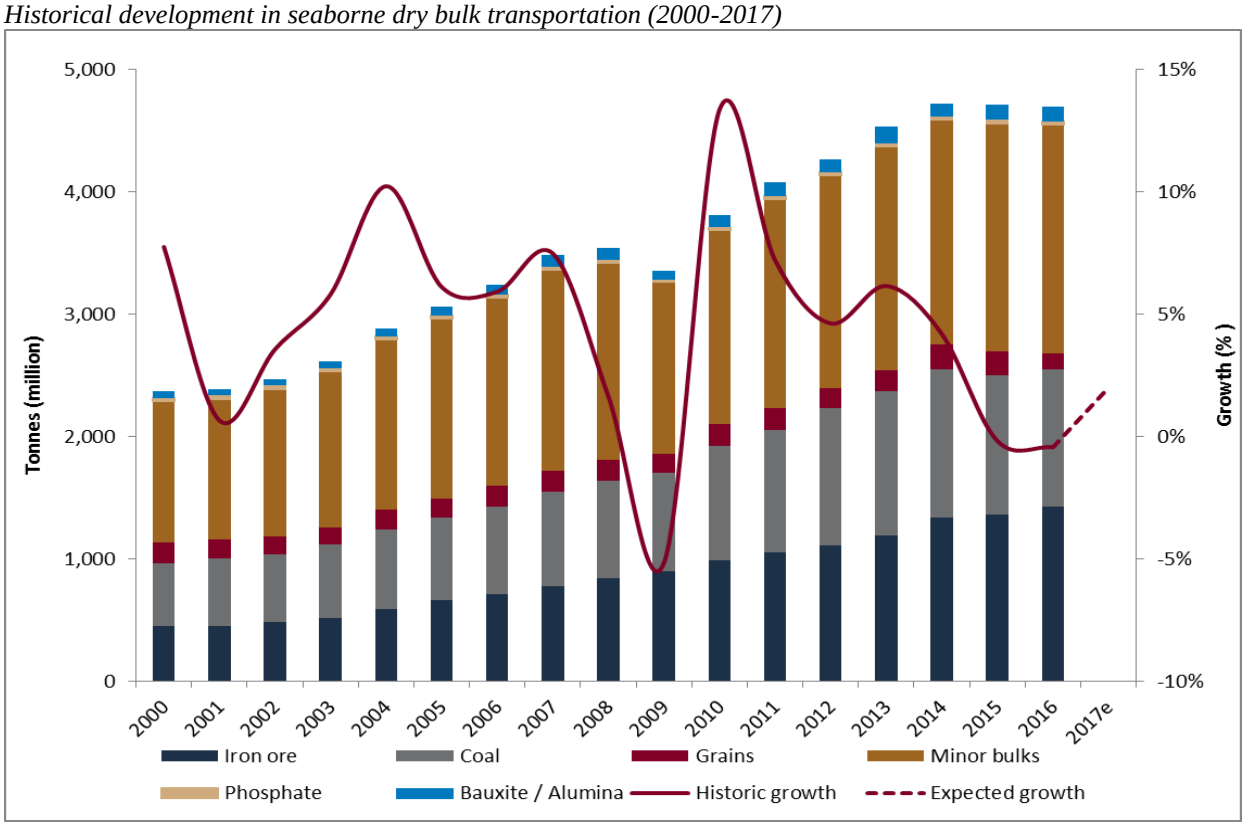
- Capesize (and larger): Generally used as a term to describe vessels above 80,000 dwt carrying capacity. These vessels mainly carry iron ore and coal, and rely on port facilities for the loading and discharging of their cargo.
- Panamax: Denotes the largest vessel size that can pass fully laden through the Panama canal, i.e. vessels up to approximately 80,000 dwt. These vessels carry a mix of all major and some minor bulks, and generally rely on port facilities for loading and discharging.
- Supramax: Denotes vessels between approximately 50,000 and 60,000 dwt, being flexible vessels that carry all major and minor bulks, and typically having cargo gear to allow for loading and discharging independent of port facilities.
- Kamsarmax: Denotes vessels to meet the specified requirements making it the largest vessel that can enter the world's largest Bauxite port, Port Kamsar in the Republic of Guinea. Generally larger than 80,000 dwt, these vessels are often considered a sub-set of the "Panamax" family which would fall under Post-Panamax size. Most Kamsarmax bulk carriers are likely primarily devoted to the bauxite trade, there are those Kamsarmax vessels out there that will carry mostly agricultural products, coal, cement, iron ore or fertilizers.
- Ultramax: Denotes vessels between approximately 40,000 dwt to 66,000 dwt. designed to carry bulk cargoes including coal, iron ore, grain and cement.
- Handysize: Denotes vessels up to approximately 50,000 dwt, being used primarily for minor bulks and shorter hauls. These vessels generally have cranes and cargo gear.

6.2 Key drivers for the dry bulk shipping market

6.2.1 Demand and supply balance

Demand for transportation of bulk commodities has varied considerably over time, with an uneven upwards trend. The chart below provides an illustration of demand growth since the year 2000.

Historical development in seaborne dry bulk transportation (2000-2017)

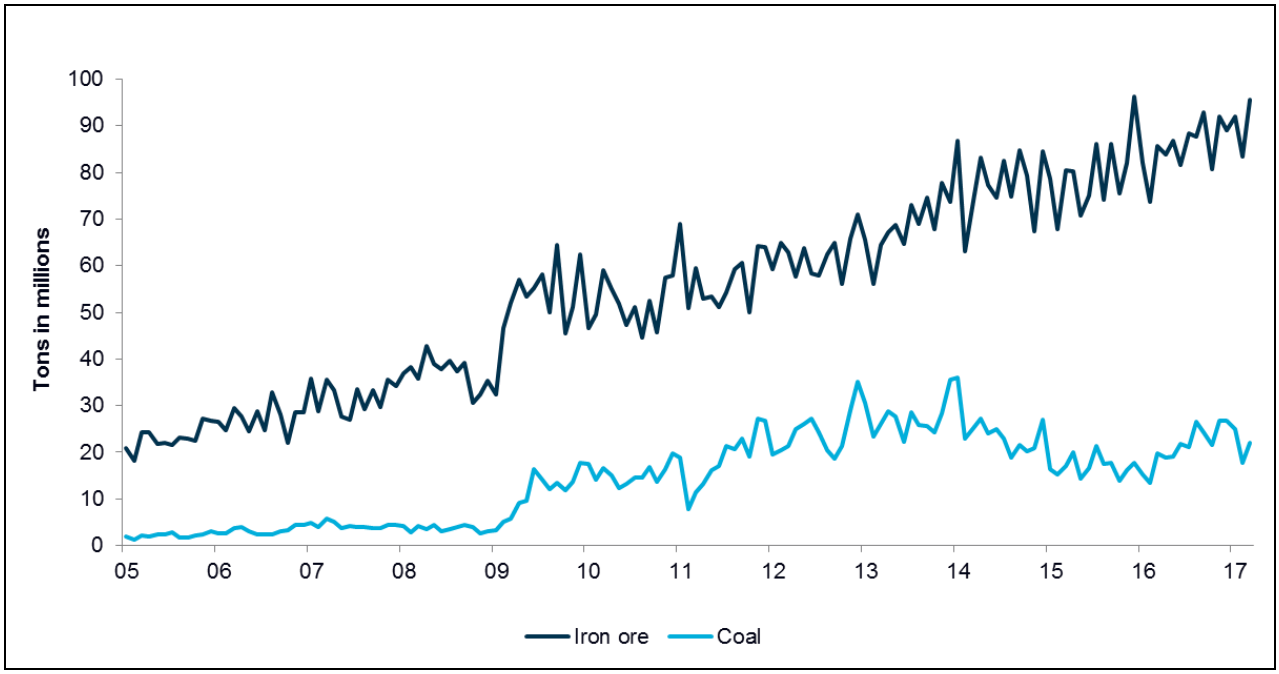


Source: Shipping Intelligence Network database, Clarkson Research Services

In times of imbalance between the supply and demand, the market rates, vessel values and fleet size can fluctuate significantly which is why these drivers may give an estimate of the current or coming market environment.

The compounded annual growth rate in the period 2000 to 2016 was approximately 4.3%, while the expected growth rate from 2017 to 2019 is estimated to be approximately 2-3% annually. While there is uncertainty in respect of future development, there is reason to believe that a modest growth can be expected, assuming no major setback in global economies. These uncertainties can be driven by government regulations, international regulations, economic instability and other factors that are difficult to predict.

In 2016, Chinese imports of coal and iron ore rose more rapidly than expected. The jump in coal imports was mainly driven by lower domestic coal production in China, as a result of new government regulations at the coal mines. The elevated iron ore imports were replacements of falling domestic production and a moderate inventory build-up. In 2016, China raised its dry bulk imports by approximately 7 percent, of which coal imports rose approximately 25 percent and iron ore rose approximately 7.5 percent. The graph below illustrates historical iron ore and coal imports to China from January 2005 to March 2017.

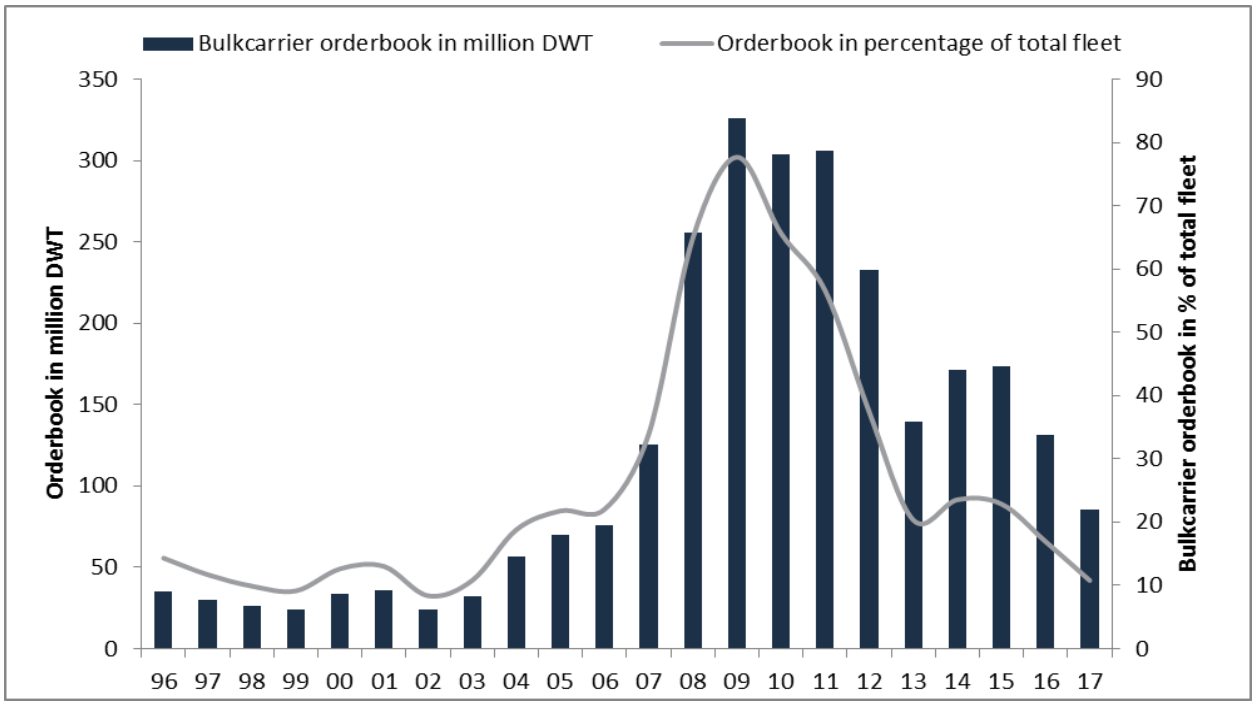


Source: China's National Bureau of Statistics / GTIS

There are several factors influencing the supply side of dry bulk shipping, with the most fundamental factors being the orderbook from the shipyards and the amount of ships that are being scrapped each year. The underlying drivers behind how many ships that are being ordered and scrapped at any given time has to do with i) the current fleet size, ii) the age of the fleet, iii) government and international shipping regulations iv) future market expectations and v) other factors that can potentially affect the shipping cycle.

The supply of dry bulk vessels is illustrated in the chart below, showing the development since 2000.

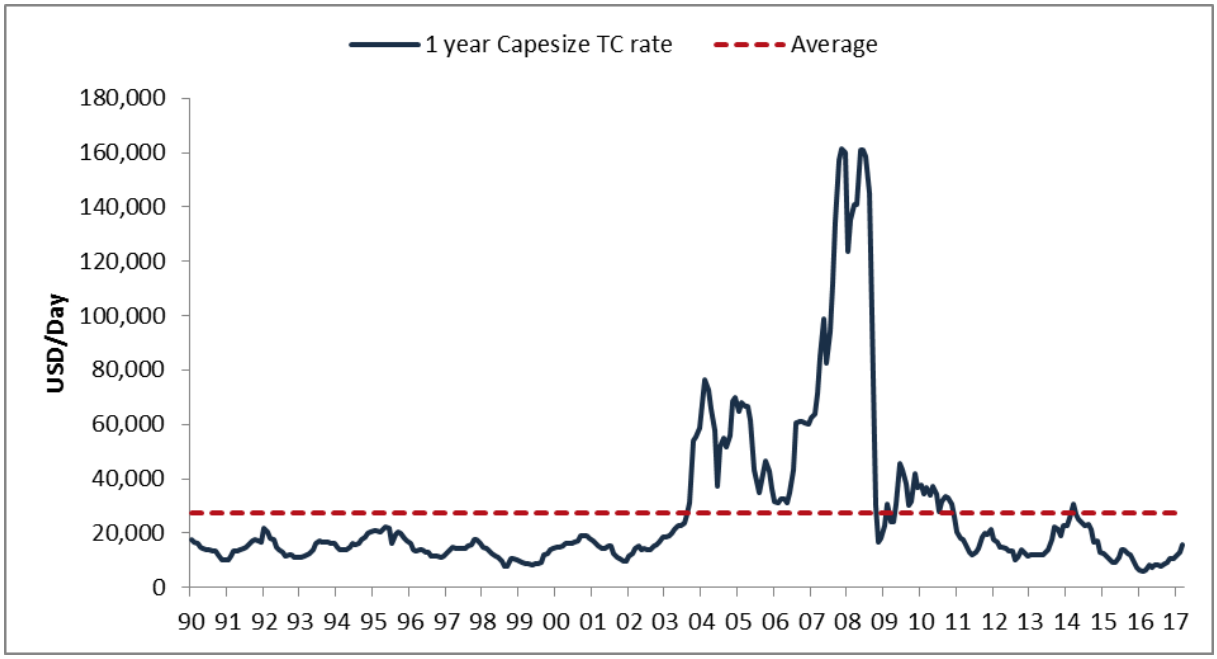
Historical and projected development in the dry bulk fleet



Source: Shipping Intelligence Network database, Clarkson Research Services

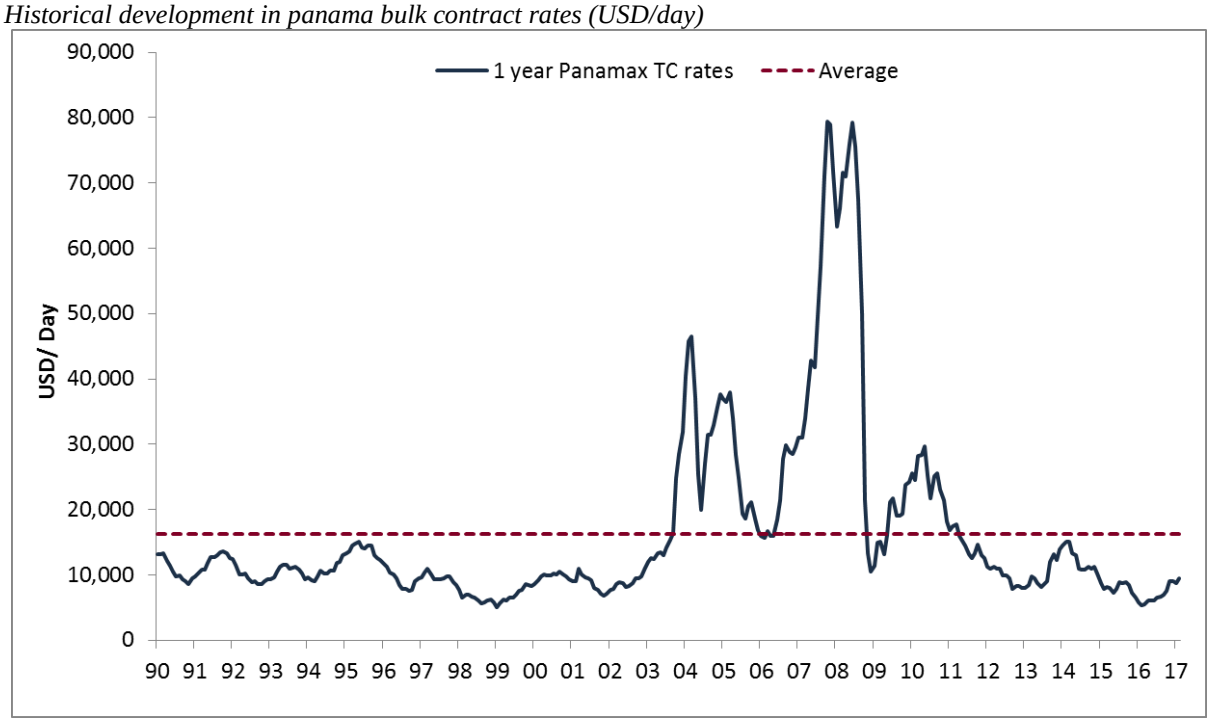
In times of imbalance between demand and supply of dry bulk vessels, the resulting market rates for these vessels can fluctuate very significantly. The below charts illustrate the historical development in rates for capesize, panamax and supramax vessels in a long perspective, showing remarkable spikes in periods when demand has increased ahead of supply. The chart also illustrates that rates in 2015 and 2016 have been below historical averages, which for the period from 1990-2017 year-to-date has averaged 27,640 USD/day for capesize vessels, 16,200 USD/day for panamax vessels and 14,370 USD/day for supramax/handymax vessels. Dayrates for kamsarmax and ultramax vessels are considered the same as the dayrates for panamax vessels.

Historical development in capesize bulk contract rates (USD/day)



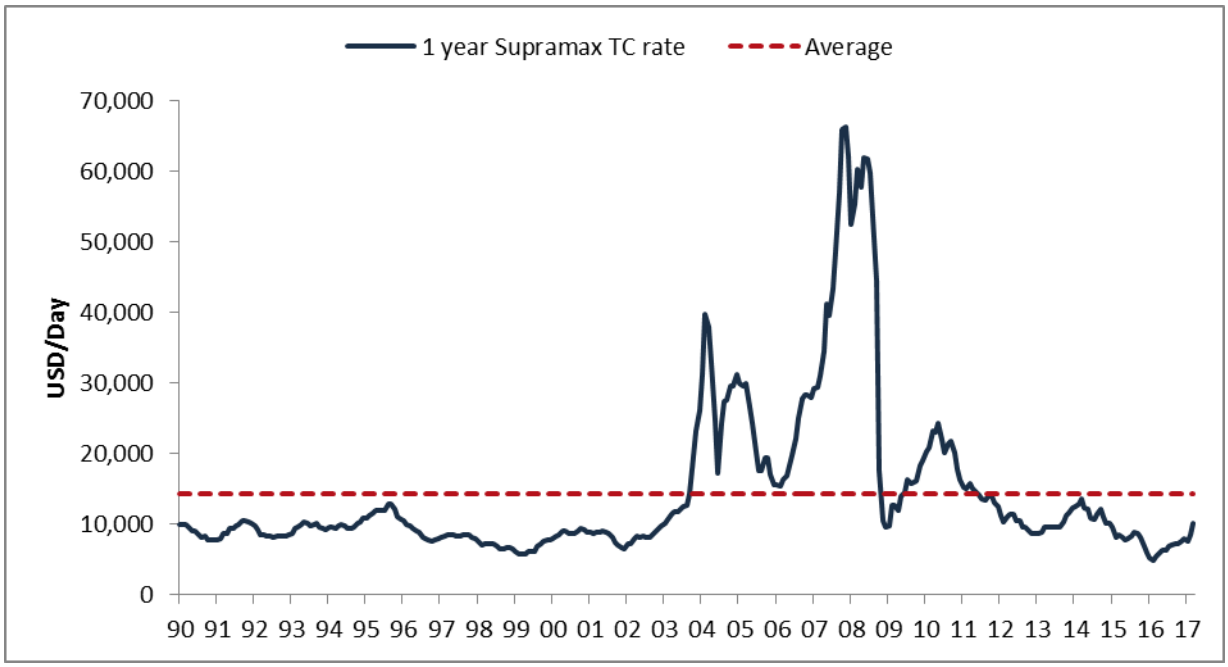
Source: Shipping Intelligence Network database, Clarkson Research Services

Historical development in panama bulk contract rates (USD/day)



Source: Shipping Intelligence Network database, Clarkson Research Services

Historical development in Supramax/handymax bulk contract rates (USD/day)



Source: Shipping Intelligence Network database, Clarkson Research Services

6.3 Future market expectations

The Company's market belief is that supply of vessels will grow at a slower pace than demand for vessels over the next few years, creating a demand/supply balance, which is more favourable for ship owners following a period of oversupply. The Company believes that supply of vessels may have negative growth, i.e. a capacity

decline, caused by a tapering off in delivery of new vessels and a high degree of scrapping of older vessels. The existing order book stands at approximately 9 % of the total fleet. However, the real order book is considered to be smaller and is believed by the Company to represent approximately 8 % of the total fleet, which is low in a historic perspective. At the same time, older vessels are being scrapped due to lack of maintenance, uneconomical upgrading requirements caused by new regulations, as well as other factors. If the Company's expectations of a declining fleet turns out to be right, and the demand for dry bulk transportation is stable or increasing, the Company believes that rates for dry bulk vessels will recover from the depressed levels seen in 2015 and 2016, and that dry bulk vessel values will increase accordingly.

6.4 Competitive position

The Group's business and profitability is dependent on entering into vessel contracts (acquisitions, operations, and sales) in a competitive market, based on bidding procedures against other ship-owning companies with capacities and competences similar to those of the Group. Hence, the Company is not aware of any particular relative competitive advantages or disadvantages compared to other industry participants.

7 BUSINESS OF THE GROUP

7.1 Introduction

The Company is a public limited liability company pursuant to the Norwegian Public Limited Companies Act, incorporated under the laws of Norway. The commercial and legal name of the Company is Songa Bulk ASA (previously "Songa Bulk AS"). The Company was established on 24 August 2016 and registered in the Norwegian Register of Business Enterprises with the organisation number 917 811 288. The Company's registered business address is Haakon VIIs gate 1, N-0161 Oslo, Norway. The telephone number is +47 23 11 82 70. The Company converted from a private limited liability company to a public limited liability company in an extraordinary general meeting on 18 April 2017.

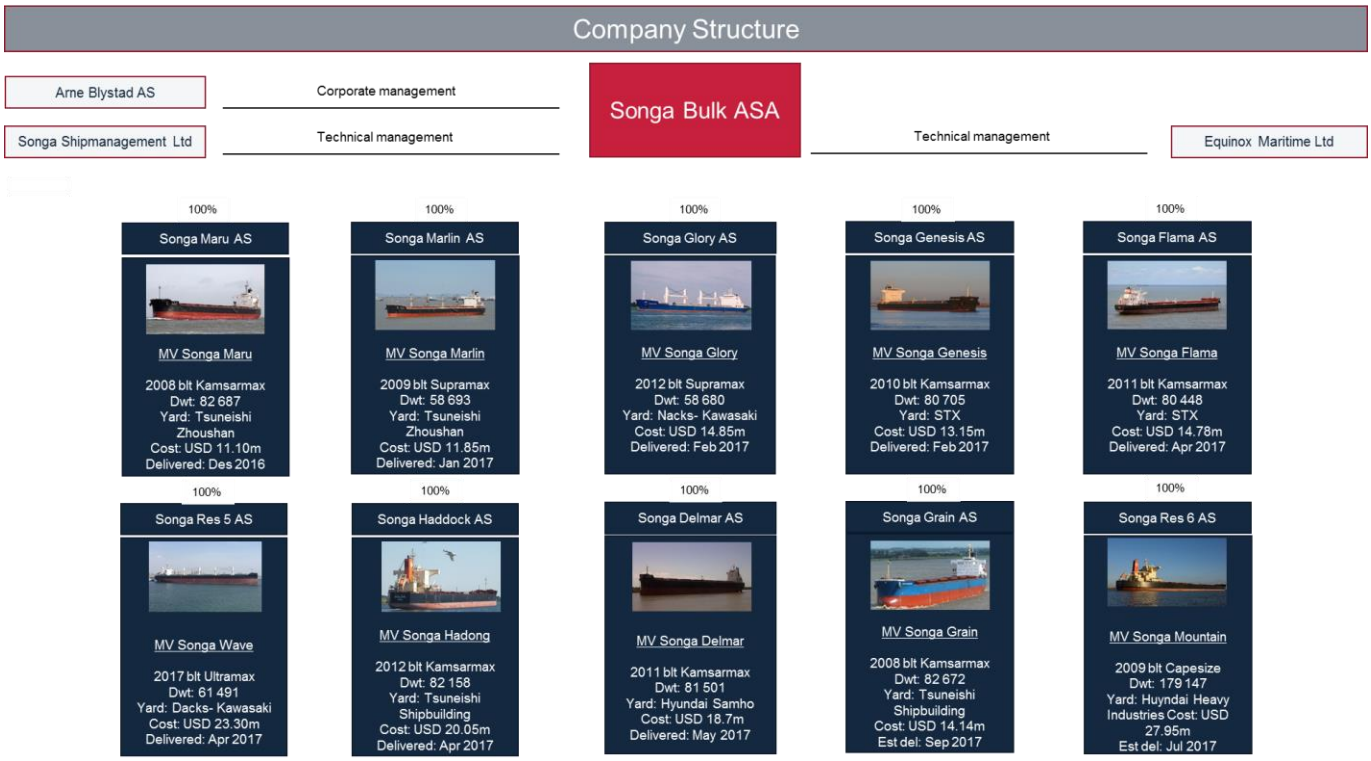
The business of the Company is to own and operate vessels in the dry bulk shipping market. The Group's fleet currently consists of eight vessels, including five Kamsarmax, one Ultramax and two Supramax bulk carriers and the Company has agreed to acquire a further additional Kamsarmax vessel, with expected delivery in September 2017 and one Capesize vessel, with expected delivery by end of July 2017.

7.2 Legal structure of the Group

7.2.1 Overview

Songa Bulk ASA is the parent company of the Group. The principal activity of the Group is to own and operate vessels and to invest in ship-owning subsidiaries within the dry-bulk segment.

The following chart shows the subsidiaries of the Company and the legal structure of the Group as of the date of this Prospectus:



Below is a description of the companies in which the Company has a direct or indirect ownership interest.

<u>Songa Bulk ASA:</u> Songa Bulk ASA is the parent company of the Group.

Songa Maru AS: Songa Maru AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Maru, which was delivered on 12 December 2016. Songa Maru AS is incorporated in Norway.

Songa Marlin AS: Songa Marlin AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Marlin, which was delivered on 23 January 2017. Songa Marlin AS is incorporated in Norway.

Songa Glory AS: Songa Glory AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Glory, which was delivered on 1 February 2017. Songa Glory AS is incorporated in Norway.

Songa Genesis AS: Songa Genesis AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Genesis, which was delivered on 22 February 2017. Songa Genesis AS is incorporated in Norway.

Songa Flama AS: Songa Flama AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Flama, which was delivered on 18 April 2017. Songa Flama AS is incorporated in Norway.

Songa Res 5 AS (to be named Songa Wave AS): Songa Res 5 AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Wave, which was delivered on 20 April 2017. Songa Res 5 AS is incorporated in Norway.

Songa Haddock AS: Songa Haddock AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Hadong, which was delivered on 27 April 2017. Songa Haddock AS is incorporated in Norway.

Songa Delmar AS: Songa Delmar AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Delmar, which was delivered on 12 May 2017. Songa Delmar AS is incorporated in Norway.

Songa Grain AS: Songa Grain AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Grain, which is expected to be delivered in September 2017. Songa Grain AS is incorporated in Norway.

Songa Res 6 AS (to be named Songa Mountain AS): Songa Res 6 AS is a wholly-owned subsidiary of the Company. The sole purpose of the entity is to own the vessel Songa Mountain, which is expected to be delivered in July 2017. Songa Res 6 AS is incorporated in Norway.

7.2.2 Additional information for material subsidiaries incorporated as per 31 December 2016

The following table shows certain additional information for Songa Maru AS, Songa Marlin AS and Songa Glory AS as per 31 December 2016. Songa Maru AS owns and operate a vessels as of 31 December 2016, while Songa Marlin AS and Songa Glory AS as of 31 December 2016 has paid deposit amounts representing 10% of the purchase price for the vessels which were delivered to these entities in January 2017 and February 2017, respectively.

Amounts in USD thousand	Songa Maru AS[1]	Songa Marlin AS[2]	Songa Glory AS[3]
Registered office:	Oslo	Oslo	Oslo
Field of activity:	Sole purpose to own the vessel Songa Maru	Sole purpose to own the vessel Songa Marlin	Sole purpose to own the vessel Songa Glory
Proportion of capital held:	100%	100%	100%
Issued capital:	3.64	3.59	3.59
Other equity:	-140.87	13.25	12.66
Profit or loss arising out of ordinary activities, after tax, for the last financial year:	-140.20	-2.89	-0.51
Value at which the Company shows the shares held in its accounts:	0	20.34	17.40
Any amount still to be paid up on the shares:	0	0	0
Any amount of dividend received during the last financial year in respect of the shares held by the Company:	0	0	0
Amount of debts owed to the Company by the subsidiary:	11,567.36	2,377.77	1,489.44
Amount of debts owed by the Company to the subsidiary:	0	22.37	18.41

(1) 2016 audited financial statements for Songa Maru AS

(2) 2016 audited financial statements for Songa Marlin AS

(3) 2016 audited financial statements for Songa Glory AS

7.3 History and important events

The Company was founded in 2016 by the Blystad Group and Herman Billung. Songa Bulk seeks to actively manage the cyclicality in dry bulk through investing at historically low asset values. The Company was founded based on: aligned interests between founders and shareholders, efficient and low cost set-up and a conservative leverage profile. Songa Bulk will focus on returning capital to shareholders through asset sales and dividends as dry bulk fundamentals allow.

The table below provides an overview of key events in the history of the Company:

Date	Year	Milestone
24 August	2016	Incorporation
1 November	2016	The Company acquired the Songa Maru, a Kamsarmax bulk carrier. The seller of the vessel was Abigail Shipping Co Pte. Ltd.
4 November	2016	Completion of a private placement raising USD 73.1 million in gross proceeds
11 November	2016	The Company was listed on the Norwegian over-the-counter (OTC) market with ticker code SBULK.
28 November	2016	Announcement of the acquisition of two Supramax bulk carriers, the Songa Glory and the Songa Marlin. The sellers were North East Star Maritime Ltd. and Chijin Shipping S.A respectively.
17 December	2016	The Company was listed on Merkur Market with ticker code SBULK-ME.
23 January	2017	The Group took delivery of one Supramax bulk carrier, Songa Marlin.
25 January	2017	Announcement of the acquisition of the Kamsarmax bulk carrier, Songa Genesis, through an auction in Seoul, South Korea.
1 February	2017	The Group took delivery of one Supramax bulk carrier, Songa Glory. The seller at the same time subscribed for 1 000 000 new issued shares in Songa Bulk.
8 February	2017	The Group entered into a memorandum of agreement for the purchase of the Songa Flama, a Kamsarmax bulk carrier, which was delivered on 18 April 2017. The seller of the vessel was Cerb Denizcilik A.S.
10 February	2017	The Group announced the successful private placement of USD 100 million.[2]
22 February	2017	The Group took delivery of a Kamsarmax bulk carrier, Songa Genesis.
17 March	2017	The Group entered into a memorandum of agreement for the purchase of a Kamsarmax bulk carrier, Songa Delmar, which was delivered on 12 May 2017. The seller of the vessel was Felicity Shipbuilding Ltd.
23 March	2017	The Group entered into a memorandum of agreement for the purchase of a Kamsarmax bulk carrier, Songa Grain. The vessel is expected to be delivered in September 2017. The seller of the vessel is BW Dry Cargo Ships Limited.
29 March	2017	The Group entered into a memorandum of agreement for the purchase of a Kamsarmax bulk carrier, Songa

[2] The subscription price in the private placement was fixed at NOK 42 per share, and the USD amount stated (USD 100 million) is based on the NOK/USD exchange rate of 8.40.

		Hadong, which was delivered on 27 April 2017. The seller of the vessel was H.O.J. Shipping S.A.
30 March	2017	The Group entered into a memorandum of agreement for the purchase of a Supramax bulk carrier, Songa Wave, which was delivered on 20 April 2017. The seller of the vessel was Xingu Shipping Limited of BVI.
12 April	2017	The Company announced that it had entered into an agreement to acquire one Capesize bulk carrier, Songa Mountain. The vessel is expected to be delivered by end of July 2017. The seller of the vessel is Tebtale Marine Inc.

7.4 Corporate strategy

The Group seeks to actively manage the cyclicality in dry bulk through investing at historically low asset values. The Company will focus on returning capital to shareholders through asset sales and dividends as dry bulk fundamentals allow.

7.5 Business description

7.5.1 General

The business of the Company is to own and operate vessels in the dry bulk shipping market. The Company was founded in 2016, primarily as an investment vehicle to take exposure to fluctuating asset values of dry bulk vessels. This was done in the belief held by its founders that asset values were at a cyclically low level and that opportunities were present to make gains from increasing asset values over a period following the Company's foundation.

In accordance with its Articles of Association, the Company shall have a term limited to a maximum of 10 years, such that the Company shall the liquidated within 4 November 2026. This may be changed at any time by a majority vote of 2/3 of votes cast at a shareholders' meeting. The intention of the Company is to make asset investments over a short time horizon (approximately one year) from the initial capital raising in November 2016. The intention is further to return capital to shareholders through dividends, following realized earnings or sales proceeds, as the dry bulk shipping market recovers.

The Company's intention is to own modern and flexible tonnage which will be operated on short- to medium-term contracts. The Company will have an efficient and low cost set-up and will have a conservative leverage profile, to ensure that operating expenses are held at a competitive level.

7.5.2 The fleet

As per the date of this Prospectus, the Group's fleet consists of eight vessels, including two Supramax vessels with an average age of 6.5 years and an average acquisition price of USD 13.35 million, five Kamsarmax vessels with an average age of 6.6 years and an average acquisition price of USD 15.56 million and one Ultramax vessel built in 2017 at an acquisition price of USD 23.30 million. The Company has also agreed to acquire one additional Kamsarmax vessel, to be named Songa Grain, with expected delivery in September 2017, and one Capesize vessel, to be named Songa Mountain, with expected delivery by end of July 2017.

Vessel	**Vessel spesifications:**
	Vessel name: Songa Maru Type: Kamsarmax Yard: Tsuneishi Zhoushan, China Built: 2008 Delivery to Songa Bulk ASA: December 2016 Seller: Abigail Shipping Co Pte. Ltd.

	DWT: 82,687 LOA: 229m Beam: 32.26m Place of registration: Marshall Island Vessel owning company: Songa Maru AS Financing terms: On behalf of Songa Maru AS, Songa Shipholding AS ("Songa Shipholding", previously named Blystad Shipholding AS) paid a 10% deposit amount of the total purchase consideration for the vessel. Subsequently, the Company purchased Songa Maru AS from Songa Shipholding for nil consideration. The remaining portion of the purchase consideration for the vessel was paid using the Group's existing cash reserves.
	Vessel name: Songa Marlin Type: Supramax bulk carrier Yard: Tsuneishi Zhoushan Built: 2009 Delivery to Songa Bulk ASA: January 2017 Seller: Chijin Shipping S.A DWT: 58,693 LOA: 189.99m Beam: 32.26m Place of registration: Marshall Island Vessel owning company: Songa Marlin AS Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Glory Type: Supramax bulk carrier Yard: NACKS-KAWASAKI Built: 2012 Delivery to Songa Bulk ASA: February 2017 Seller: North East Star Maritime Ltd. DWT: 58,680 LOA: 197.0m Beam: 32.26m Place of registration: Cayman Island Vessel owning company: Songa Glory AS Financing terms: The vessel was acquired using the Group's existing cash reserves and consideration in Shares.
	Vessel name: Songa Genesis Type: Kamsarmax Yard: STX Built: 2010 Delivery to Songa Bulk ASA: February 2017 Seller: Acquired through an auction in Seoul, South Korea. DWT: 80 705 LOA: 229m Beam: 32.24m Place of registration: Marshall Island Vessel owning company: Songa Genesis AS

	Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Flama Type: Kamsarmax Yard: STX Built: 2011 Delivery to Songa Bulk ASA: April 2017 Seller: Cerb Denizcilik A.S. DWT: 80,448 LOA: 228.97m Beam: 32.24m Place of registration:Cayman Island Vessel owning company: Songa Flama AS Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Delmar Type: Kamsarmax Yard: Hyundai Samho Heavy Industries Built: 2011 Delivery to Songa Bulk ASA: May 2017 Seller: Felicity Shipbuilding Ltd. DWT: 81,501 LOA: 229.02m Beam: 32.25m Place of registration: Marshall Island Vessel owning company: Songa Delmar AS Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Grain Type: Kamsarmax Yard: Tsuneishi Shipbuilding Built: 2008 Expected delivery to Songa Bulk ASA: September 2017 Seller: BW Dry Cargo Ships Limited DWT: 82,672 LOA: 228.99m Beam: 32.26m Place of registration: Cayman Island Vessel owning company: Songa Grain AS Financing terms: The vessel is expected to be acquired using the Group's existing cash reserves.
	Vessel name: Songa Hadong Type: Kamsarmax Yard: Tsuneishi Shipbuilding Built: 2012 Delivery to Songa Bulk ASA: April 2017 Seller: H.O.J. Shipping S.A. DWT: 82,158

	LOA: 228.99m Beam: 32.26m Place of registration: Marshall Island Vessel owning company: Songa Haddock AS Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Wave Type: Ultramax Yard: DACKS-KAWASAKI Built: 2017 Delivery to Songa Bulk ASA: April 2017 Seller: Xingu Shipping Limited of BVI DWT: 61,491 LOA: 199.90m Beam: 32.24m Place of registration: Cayman Island Vessel owning company: Songa Wave AS Financing terms: The vessel was acquired using the Group's existing cash reserves.
	Vessel name: Songa Mountain Type: Capesize Yard: Hyundai Heavy Industries Built: 2009 Expected delivery to Songa Bulk ASA: July 2017 Seller: Tebtale Marine Inc. DWT: 179,147 LOA: 291.97 Beam: 45 Place of registration: Marshall Island Vessel owning company: Songa Mountain AS Financing terms: The vessel was acquired using the Group's existing cash reserves.

7.5.3 Contract coverage

The contract coverage of the Group's fleet as of the date of this Prospectus is set out in the charts below. The only vessel to be delivered with an existing time charter contract is Songa Delmar. For all other vessels the time charter contracts are negotiated and entered into by the Company.

Vessel name	Client	Min Period	Max Period
Songa Maru(1)	Transgrain Shipping Pte Ltd	15.09.2017	30.12.2017
Songa Marlin(2)	Pan Ocean Co. Ltd	26.08.2017	10.11.2017
Songa Glory(3)	Weco Bulk AS	03.01.2018	18.03.2018
Songa Genesis(4)	Klaveness Chartering	01.08.2017	01.11.2017
Songa Flama(5)	Transgrain Shipping Pte Ltd	21.02.2018	05.06.2018

Songa Delmar(6)	D/S Norden A/S	07.08.2017	07.12.2017
Songa Grain(7)	Not yet negotiated	-	-
Songa Hadong(8)	D/S Norden A/S	Est. 30.07.2017	Est. 15.08.2017
Songa Wave(9)	Pan Ocean Co. Ltd	10.08.2017	26.10.2017
Songa Mountain (10)	Not yet negotiated	-	-

(1) The time charter was entered into on 24 October 2016, with a duration of minimum 9 to a maximum of about 12 months. Delivery to charterers took place on 15 December 2016. Day rates are USD 7 000 gross and USD 6 650 net

(2) The time charter was entered into on 9 December 2016, with a duration of minimum 7 to a maximum of about 9 months. Delivery to charterers took place on 26 January 2017. Day rates are USD 7 100 gross and USD 6 745 net

(3) The time charter was entered into on 19 January 2017, with a duration of minimum 11 to a maximum of about 13 months. Delivery to charterers took place on 3 February 2017. Day rates are USD 5 950 gross and USD 5 653 net for the first 50 days, thereafter USD 6 975 gross and USD 6 626 net for the remaining period

(4) The time charter was entered into on 17 February 2017, with a duration of minimum 5 to a maximum of 8 months. Delivery to charterers took place on 1 March 2017. Day rates are USD 7 750 gross and USD 7 363 net

(5) The time charter was entered into on 10 March 2017, with a duration of minimum 10 to a maximum of about 13 months. Delivery to charterers took place on 21 April 2017. Day rates are USD 10 400 gross and USD 9 880 net

(6) The time charter already agreed between previous owners of M/V Delmar and the charterers (D/S Norden A/S) was novated to Songa Bulk on the same terms. The balance period has a duration of about six to about 9 months USD 7 969 net per day (USD 8 500 gross)

(7) As of the date of this Prospectus, the Company has not yet entered into a charter contract for Songa Grain. The vessel is expected to be delivered to the Company in September 2017.

(8) The time charter was entered into on 24 April 2017, for 1 or 2 laden legs in charterer's option. Delivery to charterers took place on 8 May 2017. Day rates are USD 12 500 gross and USD 11 875 net

(9) The time charter was entered into on 13 April 2017, with a duration of about 4 to a maximum 6 months. Delivery to charterers took place on 26 April 2017. Day rates are USD 10 750 gross and USD 10 213 net

(10) As of the date of this Prospectus, the Company has not yet entered into a charter contract for Songa Mountain. The vessel is expected to be delivered to the Company by end of July 2017

7.5.4 Competitors

The dry bulk fleet by the end of March 2017 consisted of 3,020 handysize vessels (10-39,999 dwt), 3,411 handymax vessels (46-64,499 dwt), 2,489 Panamax vessels (65-99,999 dwt) and 1,676 capesize vessels (100,000 dwt +) and is the largest segment both in number of vessels and measured in carrying capacity within the global shipping industry. The ownership of dry bulk assets is widely distributed among numerous owners and is considered to be more fragmented than any other sector. The Group's vessels are typically chartered out to three different categories of customers; end users, operators and other owners out of which both operators and other owners both can act as a client and a competitor.

7.5.5 Customers/Charterers

As of the date of this Prospectus, all of the Group's vessels are chartered out on time charter trips and/or time charter periods, both for longer and shorter periods, all as listed in Section 7.5.3 "*Contract coverage*". The charterers are situated world-wide.

7.5.6 Operations of the Group

The commercial management is performed in-house by Mr Herman Billung and Mr Per Kristian Aamlid. Operations are handled in-house by Ms Nina Rathsack. While the Company is also responsible for the technical operations of the Group's vessels, the performance of technical services and crewing services has been outsourced to Songa Shipmanagement Ltd., Equinox Maritime Ltd. and other third party managers on arm's lengths terms. The Company performs the commercial services on behalf of each of its subsidiaries under an intra-group commercial management agreement.

The Company has entered into technical management and crewing agreement for the Songa Glory, Songa Flama and Songa Wave with Equinox Maritime Ltd., an affiliate of the seller of the Songa Glory, for an annual fee of USD 144,000 per vessel.

The Company has entered into technical management and crewing agreement for the Songa Maru, Songa Genesis, Songa Marlin, Songa Genesis and Songa Hadong with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000 per vessel.

Arne Blystad AS, which is controlled by Arne Blystad, provides administrative services on arm's length terms for the Company. The services are charged at cost plus a mark-up to be determined in accordance with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

The rights to the name and trademarks "Songa" are held by companies controlled by Arne Blystad. The Company has entered into an agreement with such companies to use the "Songa" name and trademarks without payment of royalties or licenses fees. The right to use the name and trademark will terminate 90 days following the date at which Songa Corporation (the parent company of Arne Blystad AS and Blystad Shipholding AS, being a shareholder in Songa Bulk), directly or indirectly ceases to be a shareholder of Songa Bulk.

7.5.7 Norwegian Tonnage tax regime

The Company is incorporated in and tax resident in Norway. The Company is subject to tax on its income in accordance with the general tax rules pertaining to companies’ tax resident in Norway. Net taxable income is taxed at the corporate income tax rate, currently 24%. Dividends and gains on shares in the Company's 100% owned subsidiaries are tax exempt according to the Norwegian exemption method.

The Company's vessel owning subsidiaries will be sought taxed according to the Norwegian tonnage tax regime. Under the tonnage tax regime, qualifying shipping income is exempt from taxation in Norway. Net financial income is subject to tax in accordance with the general Norwegian tax rules. Instead of tax on qualifying shipping income a tonnage tax based on the net tonnage of the vessel(s) is paid.

7.6 Litigation and disputes

Neither the Company nor any other company in the Group is, nor has been, during the course of the preceding twelve months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

7.7 Environmental matters

The Group recognizes its environmental responsibility and strives to comply with and maintain high standards in order to reduce the environmental impact from its operations. The vessel managers have environment policies in place, with the focus on quality. Quality is reflected in the approach to all aspects of business policy in vessel owning, management and operations. The policy is to conduct operations with the utmost regard for the safety of employees, the public and the environment – in accordance with sound business practice and in compliance with environmental regulations. The overall objective of the environment policy is to ensure avoidance of damage to the environment, in particular to the marine environment and property.

7.8 Insurance

The Group has various operating insurance policies, including Hull and Machinery, War Risk insurance, Loss of Hire and Protection and Indemnity insurance. The Group’s insurance policies all follow one of the main insurance conditions in the marine markets: Hull & Machinery including Interests follow the Nordic Marine Insurance Plan of 2013, version 2016, and the same applies for Loss of Hire. The Group’s vessels have or will have when delivered Protection and Indemnity insurance with a club in the International Group. The War Risk cover is taken out with the Norwegian War Risk Club and the Hellenic War Risk Club, following these two clubs’ standard covers.

7.9 Dependency on contracts, patents and licenses

In the normal course of business, the Group enters into numerous contracts, but the Group is not materially dependent upon any single contract.

The Group does not have any patents or licenses of material importance.

8 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 9 "*Selected Financial and Other Information*" and Section 10 "*Operating and Financial Review*", and the Annual Financial Statements and the notes related thereto, incorporated by reference in this Prospectus.

8.1 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as of 31 December 2016 and adjusted to reflect the below-mentioned material changes.

Capitalisation

(In USD)	**As of 31 December 2016** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
Indebtedness			
Total current debt	1 280 931	0	1 280 931
- Guaranteed	0	0	0
- Secured	0	0	0
- Unguaranteed/unsecured	1 280 931	0	1 280 931
Total non-current debt	326 930	0	326 930
- Guaranteed	0	0	0
- Secured	0	0	0
- Unguaranteed/unsecured	326 930	0	326 930
Total indebtedness	**1 607 861**	**0**	**1 607 861**
Shareholders' equity			
Share capital	9 085 337	12 505 247[(i)]	21 590 584
Additional paid-in capital	63 756 111	90 360 032[(i)]	154 116 143
Other reserves	399 583	0	399 583
Retained earnings	-2 036 219	0	-2 036 219
Non-controlling interests	0	0	0
Total shareholders' equity	**71 204 812**	**102 865 279**	**174 070 091**
Total capitalisation	**72 812 673**	**102 865 279**	**175 677 952**

The Group has no interest bearing debt, and consequently no guaranteed or secured obligations.

Notes to the capitalisation table above:

(i) Increase of USD 12.5 million in share capital and USD 90.4 million in additional paid-in capital relates to the share issuances that were completed on 31 January 2017 and 17 February 2017 with total gross proceeds of USD 105 million and net proceeds of USD 102.9 million. The aforementioned gross proceeds of USD 105 million partially consists of a USD 100 million private placement carried out on

17 February 2017. The subscription price in the private placement was fixed at NOK 42 per share, and the USD amount stated (USD 100 million) is based on the NOK/USD exchange rate of 8.40.

8.2 Indebtedness

The following table sets forth information about the Group's unaudited net indebtedness as of 31 December 2016 and adjusted to reflect the below-mentioned material changes.

Net indebtedness

(In USD)	**As of 31 December 2016** *(unaudited)*	**Adjustments** *(unaudited)*	**As adjusted** *(unaudited)*
(A) Cash	57 687 573	-16 900 000 (i)	40 787 573
(B) Cash equivalents	0	0	0
(C) Trading securities	0	0	0
(D) Liquidity (A)+(B)+(C)	**57 687 573**	**-16 900 000**	**40 787 573**
(E) Current financial receivables (ii)	**79 582**	**0**	**79 582**
(F) Current bank debt	0	0	0
(G) Current portion of non-current debt	0	0	0
(H) Other current financial debt (iii)	796 204	0	796 204
(I) Current financial debt (F)+(G)+(H)	**796 204**	**0**	**796 204**
(J) Net current financial indebtedness (I)-(E)-(D)	**-56 970 951**	**16 900 000**	**-40 070 951**
(K) Non-current bank loans	0	0	0
(L) Bonds issued	0	0	0
(M) Other non-current loans	0	0	0
(N) Non-current financial indebtedness (K)+(L)+(M)	**0**	**0**	**0**
(O) Net financial indebtedness (J)+(N)	**-56 970 951**	**16 900 000**	**-40 070 951**

Notes to the indebtedness table above:

(i) The adjustment related to cash is explained as follows; net proceeds from share issuances that were completed on 31 January 2017 and 17 February 2017 of USD 102.9 million less USD 119.8 million representing cash used in the period from 1 January 2017 until the date of this Prospectus to purchase vessels including deposit paid for undelivered vessels at the date of this Prospectus.

(ii) Current financial receivables include trade receivables (USD 2 950) and other receivables (USD 131 940) less prepaid expenses (USD 55 308).

(iii) Other current financial debt include trade payables (USD 887 484) and other current liabilities (USD 205 907) less prepaid revenues (USD 91 286).

8.3 Contingent and indirect indebtedness

As at 31 December 2016 and as at the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9 SELECTED FINANCIAL AND OTHER INFORMATION

9.1 Introduction and basis for preparation

The following summary of consolidated financial data has been derived from the Group's audited consolidated financial statements as of, and for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016. The financial statements have been prepared in accordance with the accounting principles prescribed by International Financial Reporting Standards ("**IFRS**") as adopted by the International Accounting Standards Board ("**IASB**") and approved by the European Union ("**EU**").

Please see Section 17.3 "*Incorporation by Reference*" of this Prospectus for a link to the Group's significant accounting policies.

9.2 Consolidated historical financial information

The following tables present data extracted from the Group's audited financial statements for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016. The presented data is in accordance with IFRS.

The Company is a start-up entity with limited financial history as of 31 December 2016. The first vessel, the Songa Maru, was delivered to the Company in December 2016 and commenced operations during the same month. Based on the status at the date of this Prospectus, the Company has entered into contracts to purchase nine additional dry-bulk vessels. As further detailed in Section 7.5.2 above, the nine additional vessels are all expected to be delivered to the Group during 2017, seven of which have already been delivered. Accordingly, the Company's historical financial information is of limited relevance for the current and expected future operations of the Company. Amongst others things, time charter revenues and operating expenses will increase significantly due to the expected increase in the volume of operations. The Company may also enter into debt financing transactions and as a result, finance expenses would increase.

9.2.1 Consolidated income statement

The table below sets out selected data from the Group's audited consolidated income statement for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016.

	Period from date of incorporation (24 August 2016) to 31 December 2016
In USD	*(audited)*
Net time charter revenue	116 916
Total operating income	**116 916**
Voyage expenses	44 883
Operating expenses vessels	116 934
General and administrative expenses	779 299
Depreciation	37 476
Total operating expenses	**978 592**
Operating profit (loss)	**-861 675**
Financial income	34 747
Financial expenses	-338 827

Net financial income (expenses)	**-304 080**
Loss before taxes	**-1 165 755**
Tax expense	870 464
Net loss	**-2 036 219**
Total comprehensive loss	**-2 036 219**
Basic and diluted loss per share	**-0.349**

9.2.2 Consolidated statement of financial position

The table below sets out selected data from the Group's audited consolidated statement of financial position as at the year ended 31 December 2016.

	Year ended 31 December 2016
In USD	*(audited)*
Vessels	11 107 586
Deposit vessels	3 855 000
Total non-current assets	**14 962 586**
Inventories	26 313
Trade receivables	2 950
Other current receivables	131 940
Financial investments	1 311
Cash and bank deposits	57 687 573
Total current assets	**57 850 088**
TOTAL ASSETS	**72 812 673**
Share capital	9 085 337
Share premium	63 756 111
Other paid-in capital	399 583
Retained earnings	-2 036 219
Total equity	**71 204 812**
Financial liabilities	326 930
Total non-current liabilities	*326 930*
Trade payables	681 577
Income taxes payable	393 447
Other current liabilities	205 907
Total current liabilities	*1 280 931*
Total liabilities	**1 607 861**
TOTAL EQUITY AND LIABILITIES	**72 812 673**

9.2.3 Consolidated statement of cash flow

The table below sets out selected data from the Group's audited consolidated statement of cash flow for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016.

	Period from date of incorporation (24 August 2016) to 31 December 2016
In USD	*(audited)*
Loss before taxes	-1 165 755
Depreciation	37 476
Change in inventories	-26 313
Net change in trade receivables/payables	678 627
Employee benefit expenses in connection with issuance of warrants	399 583
Change in financial liabilities at fair value through profit or loss	326 930
Net change in other current items	-404 362
Net cash flow from operating activities	**-153 814**
Purchase of vessels	-10 000 156
Paid deposit vessels	-3 855 000
Net cash flow from investment activities	**-13 855 156**
Proceeds from share issuance	73 128 749
Share issuance costs	-1 432 206
Net cash flow from financing activities	**71 696 543**
Net change in cash and bank deposits	**57 687 573**
Cash and bank deposits at beginning of period	0
Cash and bank deposits at end of period	**57 687 573**

9.2.4 Consolidated statement of changes in equity

The table below sets out selected data from the Group's audited consolidated statement of changes in equity for the year ended 31 December 2016.

	Share capital	**Share premium**	**Other paid-in capital**	**Retained earnings**	**Total equity**
In USD	*(audited)*	*(audited)*	*(audited)*	*(audited)*	*(audited)*
Incorporation 24 August 2016	3 654	-	-	-	3 654
Share issuance	9 081 683	65 188 317	-	-	74 270 000
Share issuance costs	-	-1 432 206	-	-	-1 432 206
Warrants issued to employees	-	-	399 583	-	399 583
Net loss	-	-	-	-2 036 219	-2 036 219
Balance 31 December 2016	**9 085 337**	**63 756 111**	**399 583**	**-2 036 219**	**71 204 812**

9.3 Auditor

The Company's independent auditor is PricewaterhouseCoopers AS ("**PWC**") with registration number 987 009 713, and business address at Dronning Eufemias gate 8, N-0191 Oslo, Norway. PWC is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*). PWC was elected as the Company's independent auditor at the Company's annual general meeting on 18 April 2017.

The historical financial information of the Company for the period from the date of incorporation (24 August 2016) to 31 December 2016 was audited by BHL DA ("**BHL**") with registration number 992 768 061, and business address at Elias Smiths vei 24, N-1337 Sandvika, Bærum, Norway. BHL is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*).

10 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 9 "Selected Financial and Other Information" and the Annual Financial Statements and related notes incorporated by reference into this Prospectus (see Section 17.3 "Incorporation by reference"). The operating and financial review contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk Factors" and Section 4.3 "Cautionary note regarding forward-looking statements", as well as other Sections of this Prospectus.

10.1 Basis for preparation of financial information

10.1.1 Critical accounting policies and estimates

The Group's significant accounting policies are summarised in Note 2 to the Annual Financial Statements, incorporated by reference to this Prospectus. Summarised below are those accounting policies that require management to apply judgments which management believes to have the most significant effect on the amounts recognised in the Annual Financial Statements.

- Impairment of vessels: The vessels are reviewed for indication of impairment at each reporting date, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset’s net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arms' length transaction less the costs of disposal, while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.
- Fair value of equity instruments used in share-based payment transactions and fair value of financial liabilities at fair value through profit or loss: Market prices for warrants are not available and therefore they are valued by use of an option pricing model. Warrants are valued by use of Monte Carlo Simulation based on one million observations. The following factors are taken into account when valuing the warrants: The exercise price of the warrants, the life of the warrants, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate for the life of the warrants. Factors are estimated based on management’s best knowledge at the date of the valuation.

10.1.2 New and amended accounting standards

Standards and interpretations that are issued but not yet effective up to the date of the issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 Financial instruments: The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after 1 January 2018. Management is still assessing the impact of the new standard.

- IFRS 15 Revenue from contracts with customers: The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018. Management is still assessing the impact of the new standard. The impact of the new standard will depend on assessments and conclusions made on the industry level in the coming year.
- IFRS 16 Leases: The standard was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard is effective for annual periods beginning on or after 1 January 2019. Management is still assessing the impact of this new standard.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

10.2 Significant factors affecting the Group's results of operation and financial performance

The Group's results of operations have been, and will continue to be, affected by a range of factors, many of which are beyond the Group's control. The key factors that Management believes have had a material effect on the Group's results of operations during the period under review, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

10.2.1 Macroeconomic conditions

Changes in national and international economic conditions, including, for example interest rate levels, inflation and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes and developments – none of which will be within the control of the Company – may negatively impact the Company's investment activities, realization opportunities and overall investor returns.

10.2.2 Shipping market conditions

The demand for, and the pricing of the underlying assets are outside of the Company's control and depend, among other things, on the global economy, global trade growth, as well as oil and gas prices. On the supply side there are uncertainties tied to ordering of new vessels and scope of future scrapping. The actual residual value of the vessels in the underlying investments, and/or their earnings after expiration of the fixed contract terms, may be lower than the Company estimates.

10.2.3 Availability of investments

Suitable investments may not always be available at a particular time. The Company's investment rate may be delayed or progress at a slower than anticipated rate for a variety of reasons. The Company may be competing for appropriate investment opportunities with other participants in the markets. It is possible that the level of such competition may increase, which may reduce the number of opportunities available to the Company and/or adversely affect the terms upon which such investments can be made by the Company.

10.2.4 Technical factors

The technical operation of a vessel has a significant impact on the vessels' economic life. Technical risks will always be present. There can be no guarantee that the parties tasked with operating a vessel or overseeing such operation perform their duties according to agreement or satisfaction. Failure to adequately maintain the technical operation of a vessel may adversely impact the operating expenses of the portfolio investment and accordingly the potential realization values that can be obtained.

10.2.5 Counterparties

The performance of an underlying portfolio investment depends heavily on its counterparties' ability to perform their obligations under agreed charter parties. Default by a counterparty of its obligations under its agreements with an SPV may have material adverse consequences on the portfolio investment. The counterparty's financial strength will thus be very important.

10.2.6 Operations in foreign countries

The Group's vessels will operate in a variety of geographic regions. Consequently, the Group may, indirectly through its underlying investments, be exposed to political risk, risk of piracy, corruption, terrorism, outbreak of war, amongst others. The business, financial condition and results of operations of the Group, indirectly, and its underlying investments directly, may accordingly be negatively affected if such events do occur.

10.3 Consolidated income statement

The accounting period is from the date of incorporation of the Company (24 August 2016) to 31 December 2016.

The Group's operating income amounted to USD 116 916 for the period ended 31 December 2016. Operating income consists of time charter income for one vessel from mid-December 2016 to year-end 2016.

The Group's total operating expenses amounted to USD 978 592 for the period ended 31 December 2016. Total operating expenses consist mainly of operating expenses vessels of USD 116 934 and general and administrative expenses of USD 779 299.

Operating expenses vessels consist of crew costs and other costs in relation to vessel operations and technical management.
General and administrative expenses consist mainly of employee benefit expenses of USD 523 556 and professional fees to auditor, lawyers and other service providers of USD 181 246. Of the mentioned employee benefit expenses, USD 399 581 relates to share-based payments by warrants granted to employees. Warrants are recognized at fair value of the warrants at the issuance date.

The Group's net financial expenses amounted to USD 304 080 for the period ended 31 December 2016. The net financial expenses mainly consist of an expense related to financial liabilities at fair value through profit or loss of USD 326 930. The financial liabilities at fair value through profit or loss are related to warrants issued to shareholder.

The Group's net loss before taxes amounted to USD -1 165 755 for the period ended 31 December 2016. The loss is influenced by the fact that this is the start-up year for the Group, with limited operations and various start-up costs. A foreign exchange gain in NOK on bank deposits denominated in USD resulted in a tax expense of USD 870 464 which brings the net loss after taxes to USD – 2 036 219 for the period ended 31 December 2016.

10.4 Consolidated statement of financial condition

The Group's total assets as of 31 December 2016 amounted to USD 72 812 673.

The Group's total non-current assets as of 31 December 2016 amounted to USD 14 962 586. Non-current assets consist of one vessel of USD 11 107 586 as well as paid deposits for two more vessels of USD 3 855 000.

The Group's total current assets as of 31 December 2016 amounted to USD 57 850 088. Current assets consist mainly of cash and cash equivalents of USD 57 687 573.

The Group's total equity as of 31 December 2016 amounted to USD 71 204 712. The equity ratio was 97.8%.

The Group's total liabilities as of 31 December 2016 amounted to USD 1 607 861.

The Group's total non-current liabilities as of 31 December 2016 amounted to USD 326 930. Non-current liabilities consist of liabilities at fair value through profit or loss related to warrants issued to shareholder.

The Group's total current liabilities as of 31 December 2016 amounted to USD 1 280 931. Current liabilities consist mainly of trade payables of USD 681 577 and tax payable of USD 393 447.

10.5 Liquidity and capital resources

10.5.1 Liquidity and funding

The principal sources of funds for the Group's liquidity needs are cash flows from operations and capital contributions from shareholders. The Group has no long-term borrowing or other debt other than trade receivable in the ordinary course of business. There are furthermore no restrictions which may represent an obstacle to the free transfer of funds within the Group. Cash and cash equivalents are primarily held in USD and as of the date of this Prospectus, the Group has not entered into any hedging instrument contracts. Subsequent to 31 December 2016, the Group has completed two share issuances in January and February 2017 generating total net proceeds of approximately USD 102.9 million. As of the date of this Prospectus, the Group has no borrowings.

10.5.2 Cash flows

Cash flows are from the period from incorporation of the Company (24 August 2016) to 31 December 2016.
The Group's net cash flow from operating activities for the period ended 31 December 2016 amounted to USD -153 814. Non-cash expenses related to issuance of warrants to employees of USD 399 583 as well as positive net change in net trade payables of USD 678 627 is the main reason for the difference between the net operating loss of USD 861 675 and the net cash flow from operating activities.

The Group's net cash flow used in investing activities for the period ended 31 December 2016 amounted to USD -13 855 156. Cash flow used in purchase of vessel amounted to USD 10 000 156 and is the settlement amount of the total purchase consideration for the purchase of Songa Maru. Cash flow used in paying deposits on vessels for later delivery amounted to USD 3 855 000.

The Group's net cash flow from financing activities for the period ended 31 December 2016 amounted to USD 71 696 543. A total of USD 73 128 749 was paid in by shareholders in a private placement while USD 1 432 206 was paid to service providers as share issuance costs.

The Group does not have any material unused sources of liquidity. Please see Section 10.5.1 "*Liquidity and funding*" above regarding share issuances subsequent to 31 December 2016 and information regarding borrowings.

10.6 Investments

10.6.1 Historical investments

Below is a summary of the Group's principal investments carried out from incorporation of the Company in 2016 and to the date of this Prospectus.

2016 (from incorporation):

- The Company took delivery of the vessel Songa Maru in December 2016. The total purchase price was USD 11.1 million.
- The Company paid deposits under memorandum of agreements for delivery of two Supramaxes in 2017, Songa Marlin (20% of the purchase price) and Songa Glory (10% of the purchase price). Total paid deposit was USD 3.85 million.

2017 and to the date of this Prospectus:

- The Company took delivery of the vessel Songa Marlin in January 2017. The total purchase price was USD 11.85 million. The purchase consideration for the vessel was financed by payment in cash.
- The Company took delivery of the vessel Songa Glory in February 2017. The total purchase price was USD 14.85 million. The purchase consideration for the vessel was financed by payment in cash.
- The Company took delivery of the vessel Songa Genesis in February 2017. The total purchase price was USD 13.15 million. The purchase consideration for the vessel was financed by payment in cash.
- The Company took delivery of the vessel Songa Flama in April 2017. The total purchase price was USD 14.78 million. The purchase consideration for the vessel was financed by payment in cash.
- The Company took delivery of the vessel Songa Delmar in May 2017. The total purchase price was USD 18.7 million. The purchase consideration for the vessel was financed by payment in cash.
- In March 2017, the Company entered into a memorandum of agreement for the purchase of the vessel Songa Grain. The purchase price was USD 14.14 million. The vessel is scheduled to be delivered around September 2017 and a deposit of 10% of the purchase price has been funded.
- The Company took delivery of the vessel Songa Hadong in April 2017. The total purchase price was USD 20.05 million. The purchase consideration for the vessel was financed by payment in cash.
- The Company took delivery of the vessel Songa Wave in April 2017. The total purchase price was USD 23.30 million. The purchase consideration for the vessel was financed by payment in cash.
- In April 2017, the Company entered into an agreement for the purchase of the Capesize bulk carrier vessel Songa Mountain. The purchase price was USD 27.95 million. The vessel is scheduled to be delivered by end of July 2017 and a deposit of 20% of the purchase price has been funded.

10.6.2 Investments in progress and future principal investments

Following the acquisition of Songa Mountain, with expected delivery by end of July 2017, the Company is fully invested and has no imminent plans for further acquisitions of new vessels. Songa Hadong has undergone docking with estimated costs of approximately USD 500,000. No further docking is planned for this year, and the earliest next docking is planned for 2018.

10.7 Significant changes in the financial or trading position of the Group

Other than as set out below, there have been no significant changes in the financial or trading position of the Group following 31 December 2016:

- The Company took delivery of the vessel Songa Marlin in January 2017. The total purchase price was USD 11.85 million.
- The Company took delivery of the vessel Songa Glory in February 2017. The total purchase price was USD 14.85 million.
- The Company took delivery of the vessel Songa Genesis in February 2017. The total purchase price was USD 13.15 million.
- The Company took delivery of the vessel Songa Flama in April 2017. The total purchase price was USD 14.78 million.
- The Company took delivery of the vessel Songa Delmar in May 2017. The total purchase price was USD 18.7 million.
- In March 2017, the Company entered into a memorandum of agreement for the purchase of the vessel Songa Grain. The purchase price was USD 14.14 million. The vessel is scheduled to be delivered around September 2017 and a deposit of 10% of the purchase price has been funded.
- The Company took delivery of the vessel Songa Hadong in April 2017. The total purchase price was USD 20.05 million.
- The Company took delivery of the vessel Songa Wave in April 2017. The total purchase price was USD 23.30 million.
- On 17 February 2017, the Group successfully completed a share capital increase with gross considerations of USD 100 000 000[3]. An additional 325 000 warrants were granted to the founding shareholders.
- In April 2017, the Company entered into an agreement for the purchase of the Capesize bulk carrier vessel Songa Mountain. The purchase price was USD 27.95 million. The vessel is scheduled to be delivered by end of July 2017 and a deposit of 20% of the purchase price has been funded.

10.8 Future market expectations

The Company's market belief is that the supply of vessels will grow less than demand for vessels over the next few years, creating a demand/supply balance, which is more favourable for vessel owners following a few years of oversupply.

The Company believes that the supply of vessels may have a negative growth, i.e. a capacity decline, caused by a tapering off in delivery of new vessels and a high degree of scrapping of older vessels. The existing order book of new vessels stand at 9% of the total fleet, but the real order book is considered to be smaller and could represent 8% of the total fleet, which is low in a historic perspective. At the same time, older vessels are being scrapped because of lack of maintenance, uneconomical upgrading requirements due to new regulations, and other factors.

If the Company's expectations of a declining fleet turn out to be right, and the demand for dry bulk transportation is stable or increasing, the Company believes that rates for dry bulk vessels will increase from the depressed levels seen in 2015 and 2016, and that dry bulk vessel values will increase accordingly.

[3] The subscription price in the private placement was fixed at NOK 42 per share, and the USD amount stated (USD 100 million) is based on the NOK/USD exchange rate of 8.40.

11 BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

11.1 Introduction

The Company's highest authority is the General Meeting of shareholders. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to propose resolutions for items to be included on the agenda for a General Meeting.

The Company's Board of Directors and Management are responsible for the overall management of the Group. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has one sub-committee, the Audit Committee. See Sections 11.10 "*Audit Committee*" for a description of the sub-committee.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer, or CEO, is responsible for keeping the Group's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at least once a month.

11.2 Board of Directors

11.2.1 The Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of up to 6 Board Members elected by the Company's shareholders. The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires
Arne Blystad	Chairman	August 2016	2019
Magnus Roth	Board member	November 2016	2019
Vibeke Gwendoline Fængsrud	Board member	April 2017	2019
Christine Rødsæther	Board member	April 2017	2019

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board Members are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors.

The Company's registered business address at Haakon VIIs gate 1, N-0161 Oslo, Norway, serves as the business address for the Board Members in relation to their directorship of the Company.

11.2.2 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Arne Blystad, Chairman

Mr. Blystad is an independent investor and co-founder of the Company. The Blystad Group, which is 100% owned and controlled by Mr. Arne Blystad and his immediate family, has a long history in international shipping. His companies have historically been active in the sale and purchase market. In addition to shipping, the Group has investments in heavy-lift, a securities portfolio and real-estate. Mr. Blystad is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*Arne Blystad AS (CEO and director), Songa Corp Inc (CEO and director), Songa Eiendom AS (director), Songa Trading Inc (CEO and director), Songa Shipholding AS (CEO and director), Offshore Heavy Transport AS (director), Songa Investments AS (CEO and director), Delray Trading AS (director), Agmably AS (director), JJB AS (director), AKB AS (director), Haakon Vll's gate 1 ANS (director), Bergshav Product Tankers AS (director), Maritime & Merchant Bank ASA (director), Songa Crew Management Ltd. (director), Songa Holding AS (director), Agmably Holding AS (director), AKB II AS (director), JJB Holding AS (director), Songa Product and Chemical Tankers AS (director), Songa Product and Chemical Tankers II AS (director), Songa Product and Chemical Tankers III AS (director), Songa Product and Chemical Tankers IV AS (director), Songa Shipmanagement Ltd. (director), Songa Projects AS (director), Blystad Bulk AS (director), Songa Shipping AS (director), Songa Shipping Pte Ltd. (director), Blystad Shipholding Inc. (CEO and director), OHT Eagle AS (director), OHT Falcon AS (director), OHT Osprey AS (director), OHT Hawk AS (director), OHT Albatross AS (director), OHT Management AS (director), OHT Bemanning AS (director), Songa Bulk Chartering AS (director), Songa Capital AS (director), Peg Inc (CEO and director), Sørkedalsveien 8 Holding AS (director), Sørkedalsveien 8 AS (director), Fritzners Gate 12 AS (director), Norelia AS (director), FIAS Invest AS (director), Gamle Lilleby AS (director), Fabrikk Invest AS (director), Songa AS (director)*
Previous directorships and management positions last five years:	*Songa Offshore SE (director), Heavy Transport AS (director), Pineapple Grove AS (director), Spencer Invest AS (CEO and director), Songa Ancora Pte Ltd. (director), Sørkedalsveien 8 Næring AS (director), Sørkedalsveien 8 Parkering AS (director)*

Magnus Roth, Board Member

Mr. Roth studied engineering at Linköping University between 1975 and 1977. Between 1977 and 1981 he was educated in the Royal Swedish Navy and left as a Captain in 1981. He received a Diploma in Shipping from London School of Foreign trade in 1982. From 1982 to 1983 Mr. Roth was self-employed in Oberon Overseas AB in Stockholm, a company offering Supercargo service to shipping clients. In 1984 Mr. Roth joined the Volvo Groups food sector, Witte International AS where he started up their fish trading in Ålesund, Norway. In 1989, the management did an MBO and established Scandsea International AS/AB, which became one of the world's leading in fish trading. In 1997 Mr. Roth part-founded Ocean Trawlers, which became one of the leading vertically integrated seafood companies, which he departed from when selling his shares in April 2016. Mr Roth is a Swedish citizen and resides in Switzerland.

Current directorships and management positions:	*In Nordvest AS (director), Canomaro Bulk AS (director), Canomaro Oilservice AS (director), Canomaro Real Estate AS (director), Storgaten AS (director), Threetowns Capital Ltd (director and CEO), MM Bank AS (director)*
Previous directorships and management positions last five years:	*Ocean Trawlers Holding Ltd (director)*

Vibeke Gwendoline Fængsrud, Board Member

Ms. Fængsrud is the founder, owner and CEO of House of Math AS, Norway's largest private tutoring company within the natural sciences and economics. The company was inspired by her education in Mathematics and Physics at the University of Oslo. House of Math is currently holding 100 employees. Ms. Fængsrud has written 11 books on mathematics, as well as 16 compendia. In addition, Ms. Fængsrud has an Executive Bachelor of Management from BI Norwegian Business School, specializing in International business, Leadership and Board competence. Ms. Fængsrud has her board experience from academia. Ms. Fængsrud is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*Nerd Holding AS (CEO and owner), House of Math AS (CEO and owner)*
Previous directorships and management positions last five years:	*Simula Prepare (board consultant)*

Christine Rødsæther, Board Member

Christine Rødsæther is a partner with the law firm Simonsen Vogt Wiig AS with more than 25 years' experience assisting international financial institutions, funds, project brokers, shipowners, shipyards and equipment suppliers with transactional work, contract negotiations, financings and restructurings. She has held a number of board positions within the maritime sector. She is also a member of the advisory board to the Norwegian Ministry of Trade, Industry and Fisheries on maritime development and a member of the Marshall Islands' flag's Quality Council. She graduated from the University of Bergen in 1989, with a master of laws in transnational business practice from University of the Pacific, California. Ms. Rødsæther is a Norwegian citizen and resides in Bærum, Norway.

Current directorships and management positions:	*Odfjell SE (director), Advokatfirma Simonsen Vogt Wiig AS (partner), Norwegian Finans Holding ASA (director)*
Previous directorships and management positions last five years:	*GIEK (director), Advokatfirma Simonsen Vogt Wiig AS (director), Mediterranean Chemical KS (director), Tide ASA (director)*

11.2.3 Shares held by Board Members

As of the date of this Prospectus, the Board Members have the following shareholdings in the Company:

Name	Position	No. of Shares	No. of Warrants	No. of Options
Arne Blystad[1)]	Chairman	4,711,900	673,594	nil
Magnus Roth[2)]	Board member	4,871,400	nil	nil
Vibeke Gwendoline Fængsrud	Board member	nil	nil	nil
Christine Rødsæther	Board member	nil	nil	nil

1) The shares are held indirectly through Songa Shipholding and Songa Trading Inc., both owned 100% by Mr. Blystad and his immediate family. The warrants are held indirectly through Songa Shipholding.

2) The shares are held indirectly through Canomaro Bulk AS, a company owned 100% by Mr. Roth.

The Shares and warrants controlled by Arne Blystad are subject to a lock-up. The lock-up period is until the later of (i) 4 November 2017 or (ii) six months after admission to trading on Oslo Axess. The lock-up agreements are otherwise on terms customary for such agreements.

11.3 Management

11.3.1 Overview

The Group's management team consists of four individuals. The names of the members of the Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

Name	Position	Employed since
Herman Billung	Chief Executive Officer	October 2016
Per Kristian Aamlid	Chief Operational Officer	October 2016
Nina Rathsack	Operations Manager	January 2017
Thomas Rønningen	Chief Financial Officer	March 2017

The Company's registered business address at Haakon VIIs gate 1, N-0161 Oslo, Norway, serves as the business address for the members of the Management in relation to their employment with the Company.

11.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Herman Billung, Chief Executive Officer

Mr. Billung has an extensive shipping experience. He was the CEO of Golden Ocean, from 2005 until 2016, Managing Director of Maritime Services, responsible for the Commercial management of the Torvald Klaveness Group’s dry bulk pools, Bulkhandling and Baumarine, from 1998 until 2005, Managing Director of the dry bulk operating company, Frapaco Shipping Ltd, from 1994 until 1998, held various positions within chartering in the Torvald Klaveness Group from 1989 until 1994 and was with the Royal Norwegian Navy from 1978 until 1989. Mr Billung is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*Sofies Plass 3 AS (director), Billung Bulk AS (chairman)*
Previous directorships and management positions last five years:	*Front Aso Inc. (director), Front Atlantic Inc. (director), Front Baltic Inc. (director), Front Caribbean Inc. (director), Front Fuji Inc. (director), Front Mediterranean Inc. (director), Front Sakura Inc. (director), Front San Francisco Inc. (director), Front Santiago Inc. (director), Front Santos Inc. (director), Front Savannah Inc. (director), Front Seoul Inc.(director), Front Seville*

	Inc. (director), Front Shanghai Inc. (director), Front Singapore Inc. (director), Front Stockholm Inc. (director), Golden Arcus Inc. (director), Golden Barnet Inc. (director), Golden Bexley Inc. (director), Golden Calvus Inc. (director), Golden Cirrus Inc. (director), Golden Cumulus Inc. (director), Golden Finsbury Inc. (director), Golden Fulham Inc. (director), Golden Incus Inc. (director), Golden Nimbus Inc. (director), Golden Scape Inc. (director), Golden Swift Inc. (director), Golden Zhejiang Inc. (director), Palila Inc. (director), Piper Inc. (director), Petrel Inc. (director), Parula Inc. (director), Golden Ocean Group Limited (director), Golden Aries Inc. (director), Golden Arima Inc. (director), Golden Azalea Inc. (director), Golden Beijing Inc. (director), Golden Beppu Inc. (director), Golden Brilliant Inc. (director), Golden Crystal Inc. (director), Golden Daisy Inc. (director), Golden Diamond Inc. (director), Golden Effort Inc. (director), Golden Eminence Inc. (director), Golden Empress Inc. (director), Golden Endeavour Inc. (director), Golden Endurer Inc. (director), Golden Enterprise Inc. (director), Golden Excalibur Inc (director), Golden Excellence Inc. (director), Golden Explorer Inc. (director), Golden Express Inc. (director), Golden Exquisite Inc. (director), Golden Extreme Inc. (director), Golden Eye Inc. (director), Golden Feng Inc. (director), Golden Gemini Inc. (director), Golden Ginger Inc. (director), Golden Hilton Shipping Corporation (director), Golden Ice Inc. (director), Golden Leo Inc. (director), Golden Libra Inc. (director), Golden Lyderhorn Inc. (director), Golden Magnum Inc. (director), Golden Nantong Inc. (director), Golden Ocean Group Management (Bermuda) Limited (director), Golden Ocean Trading Limited (director), Golden Opportunity Inc. (director), Golden Opus Inc. (director), Golden President Shipping Corporation (director), Golden Pearl Inc. (director), Golden Rose Inc. (director), Golden Ruby Inc. (director), Golden Saguenay Inc. (director), Golden Sapphire Inc. (director), Golden Shui Inc. (director), Golden Strength Inc. (director), Golden Taurus Inc. (director), Golden Virgo Inc. (director), Golden Virgo Inc. (director), United Freight Carriers LLC (director), Golden Eclipse Inc. (director), Capesize Chartering Ltd. (director), Gudbrandsgard Apartments Sameie (director)

Per Kristian Aamlid, Chief Operating Officer

Mr. Aamlid has been the Chartering Director for Arne Blystad AS since 2007 and year to date. Previously he has been Chartering Director of dry bulk and tankers (Consultancy), Arendals Dampskibselskab, 2015 – 2016. Chartering Director, headed up the Torvald Klaveness Group's dry bulk pools, Bulkhandling and Baumarine, 1991-2007, and Chartering Manager, Leif Höegh & Co AS 1978-1990. Mr Aamlid is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions:	*PK Shipping AS (chairman), Cedar Car Carriers AS/DIS (director), Lillefanten AS (director), Fantholmen AS (director), Lehmar Equity Holding AS (director), Lehmar Shipbroking AS (director).*
Previous directorships and management positions last five years:	*Sameiet Kvitfjell Lodge (director), Aframar AS (director).*

Nina Rathsack, Operations Manager

Ms Rathsack joined the Songa Bulk team in the beginning of 2017. She was previously with Oldendorff Carriers Singapore, from 2013 - 2016. From 2008 – 2013, she was working as a Commercial Manager for Opielok Reederei, a German dry bulk and offshore owner, and she was based out of Hamburg, Perth and Singapore. Ms Rathsack is a Norwegian Citizen and resides in Drammen, Norway.

Current directorships and management positions: ..... *Brantenborg Søndre Boligsameie (director)*

Previous directorships and management positions last five years: ..... -

Thomas Rønningen, Chief Financial Officer

Mr Rønningen has worked as a Financial Controller for Arne Blystad AS since 2013 and year to date and is currently hired to the position as CFO of the Company. From 2007 - 2013 he worked for Deloitte Norway in their offices in Oslo as an auditor, which included 1.5 years as an Audit Manager. He holds a Master of Business Administration degree from the Norwegian School of Economics as well as being a Norwegian State Authorised Auditor. Mr Rønningen is a Norwegian Citizen and resides in Asker, Norway.

Current directorships and management positions: ..... *NITHO Invest AS (director)*

Previous directorships and management positions last five years: ..... -

11.3.3 Shares held by Management

As of the date of this Prospectus, the Management have the following shareholdings in the Company:

Name	Position	No. of Shares	No. of Warrants	No. of Options
Herman Billung[1)]	Chief Executive Officer	68,500	673,594	nil
Per Kristian Aamlid[2)]	Chief Operating Officer	34,000	149,688	nil
Nina Rathsack.....	Operations Manager	2,540	nil	nil
Thomas Rønningen[3)].....	Chief Financial Officer	2,000	nil	nil

1) The shares and the warrants are held by Billung Bulk AS, a company owned 100% by Mr. Billung.
2) The shares and the warrants are held by PK Shipping AS, a company owned 100% by Mr. Aamlid.
3) The shares are held by NITHO Invest AS, a company owned 50% by Mr. Rønningen.

The Shares controlled by Herman Billung and Per Kristian Aamlid are subject to a lock-up. The lock-up period is until the later of (i) 4 November 2017 or (ii) six months after admission to trading on Oslo Axess. The lock-up agreements are otherwise on terms customary for such agreements. The warrants controlled by Herman Billung and Per Kristian Aamlid are not transferable. It is a condition for exercise by Billung Bulk AS that Herman Billung has not resigned from the Company or been dismissed with immediate effect (*Nw.: avskjedigelse*) at the time of exercise. It is a condition for exercise and PK Shipping AS Aamlid that Per Kristian has not resigned from the Company or been dismissed with immediate effect (*Nw.: avskjedigelse*) at the time of exercise.

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The annual compensation of members of the Board of Directors is determined by the general meeting. The total remuneration paid to members of the Board of Directors in 2016 was nil.

11.4.2 Remuneration of the Management

The table below sets out the total remuneration paid to the members of the Management in 2016 (in NOK thousand).

Name	Salary	Bonus paid	Pensions	Other remuneration[1)]	Total remuneration
Herman Billung	500	nil	34	5	539
Per Kristian Aamlid	250	nil	32	6	288

1) Other remuneration includes insurances, telephone expenses, newspaper.

11.4.3 Bonus programs

Please see Section 14.7 for a description of the warrants issued by the Company. Otherwise, the Group has no share- or option-based incentive programs.

11.5 Share options and warrants

The Company has not issued any share options.

Herman Billung, Per Kristian Aamlid and Arne Blystad, through companies controlled by them (Billung Bulk AS, PK Shipping AS, Songa Shipholding respectively), have been granted warrants (*Nw.: frittstående tegningsretter*) to subscribe for additional Shares in the Company. Please see Section 14.7 for a description of the warrants issued.

11.6 Benefits upon termination

The Company and its subsidiaries have not entered into any service contracts with members of the Management or the Board of Directors of the Company providing for benefits upon termination of employment.

11.7 Pensions and retirement benefits

The Group has defined contribution pension plans. The Group's defined contribution plan is a retirement plan in which the Group pays fixed contributions to a separate legal entity. For defined contribution plans, the Group contributes to a public or privately managed insurance plan for retirement payment, on a compulsory agreed upon, or voluntary basis. The Group has no further payment obligations once these contributions have been paid. Contributions are booked as costs on an ongoing basis taking into account up-to-date accruals.

11.8 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of its Board Members or to any member of the executive management team of the Group.

11.9 Nomination committee

The Company has not established a nomination committee.

11.10 Audit committee

The Board of Directors has established an audit committee composed of two Board Members. The current members of the audit committee are Arne Blystad (chairman) and Vibeke Gwendoline Fængsrud.

The primary purposes of the audit committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance. In particular, the audit committee shall:

- Monitor, amongst others, the financial reporting process, the effectiveness of the Company's internal control, internal audit and risk management system and the statutory audit of the annual and consolidated accounts,

- Monitor and review the independent auditor's qualifications and independence and the Company's internal accounting function; and
- Monitor the Group's compliance with applicable legal and regulatory requirements, and the Group's compliance with its governance policies.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.11 Remuneration Committee

The Company has not established a remuneration committee.

11.12 Conflicts of interest etc.

During the last five years preceding the date of this Prospectus, none of the Board Members and the members of the Management have, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

There are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and the members of the Management, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the current Board members or members of the Management was selected as a member of the Board of Directors or Management of the Company.

11.13 Corporate governance

The Company has, with effect from the Listing, adopted and implemented a corporate governance regime and will comply with the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), save for the following deviations:

- As set out in Section 11.9 "*Nomination committee*", the Company has not appointed a nomination committee. This represents a deviation from section 4 of the Corporate Governance Code. The Board of Directors aims to constructively engage with shareholders to ensure the interests of the shareholder base are taken into account in regard of the board composition.
- As further described in Section 11.11 "*Remuneration Committee*", the Company has not appointed a remuneration committee. The board will determine the remuneration and compensation scheme of the Group in accordance with applicable law.
- As described in Section 11.4.2 "*Remuneration of the Management*", the Company does not have an absolute limit for the performance-related remuneration to the CEO and other members of the Company's Management. This represents a deviation from section 12 of the Corporate Governance Code. The grounds for the deviation are that the warrants already issued are not capped and no cap has

subsequently been agreed. The Company notes that the warrant structure in the view of the Company is aligned with the shareholders' interest.

- As further detailed in Section 14.7 "*Warrants*", Songa Shipholding, a company controlled by Arne Blystad, has been granted warrants (*Nw.: frittstående tegningsretter*) to subscribe for additional Shares in the Company. This represents a deviation from section 11 of the Corporate Governance Code which recommends that the Company does not grant share options to members of the Board of Directors. The Company notes that the warrant structure in the view of the Company is aligned with the shareholders' interest.

11.14 Employees

The Group currently employs four persons. As of 31 December 2016, the Group employed two persons.

12 RELATED PARTY TRANSACTIONS

12.1 Introduction

Below is a summary of the Group's related party transaction for the periods covered by the historical financial information incorporated by reference into this Prospectus and up to the date of this Prospectus. For further information on related party transactions of the Group, please refer to note 19 of the Annual Financial Statements, incorporated by reference into this Prospectus.

12.2 Transactions carried out with related parties in the period from 1 January 2017 to the date of the Prospectus

Since 1 January 2017 and up to the date of this Prospectus, the Group has had the following related party transactions (all of which were entered into on an arms' length basis):

- In January 2017, the Company entered into a technical management and crewing agreement for the vessels Songa Marlin with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000.
- In February 2017, the Company entered into a technical management and crewing agreement for the vessels Songa Genesis with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000.
- In March 2017, the Company entered into a technical management and crewing agreement for the vessel Songa Flama with Equinox Maritime Ltd., an affiliate of the seller of the Songa Glory, for an annual fee of USD 144,000. Equinox Maritime Ltd. is indirectly a significant shareholder in the Company, and was previously represented on the Company's Board of Directors.
- In March 2017, the Company entered into a technical management and crewing agreement for the vessel Songa Wave with Equinox Maritime Ltd., an affiliate of the seller of the Songa Glory, for an annual fee of USD 144,000. Equinox Maritime Ltd. is indirectly a significant shareholder in the Company, and was previously represented on the Company's Board of Directors.
- In April 2017, the Company entered into a technical management and crewing agreement for the vessel Songa Hadong with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000.
- In April 2017, the Company entered into a technical management and crewing agreement for the vessel Songa Delmar with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000.
- In April 2017, the scope of the corporate service agreement with Arne Blystad AS (as mentioned under Section 12.3 below) was extended to include CFO services to the Company from Mr. Rønningen.

12.3 Transactions carried out with related parties in the period from the date of incorporation (24 August 2016) to 31 December 2016

In the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016, the Group had the following related party transactions (all of which were entered into on an arms' length basis):

- In September 2016, Songa Maru AS entered into an agreement to acquire the vessel Songa Maru for USD 11.1 million. On behalf of Songa Maru AS, Songa Shipholding paid a 10% deposit amount of the total purchase consideration for the vessel. Subsequently, in November 2016, the Company entered into an agreement to acquire all the shares in Songa Maru AS from Songa Shipholding for nil consideration.

The remaining portion of the purchase consideration for the vessel was paid using the Group's existing cash reserves.

- In November 2016, the Company entered into a technical management and crewing agreement for the vessels Songa Maru with Songa Shipmanagement Ltd., an affiliate of Arne Blystad and Arne Blystad AS, for an annual fee of USD 144,000.
- In November 2016, the Company entered into a technical management and crewing agreement for the vessel Songa Glory with Equinox Maritime Ltd. for an annual fee of USD 144,000. Equinox Maritime Ltd. is indirectly a significant shareholder in the Company, and was previously represented on the Company's Board of Directors.
- In November 2016, the Company entered into an agreement for the acquisition of the vessel Songa Glory, at a purchase price of USD 14,850,000, from an associated company of Equinox Maritime Ltd. Equinox Maritime Ltd. is indirectly a significant shareholder in the Company, and was previously represented on the Company's Board of Directors.
- In November 2016, the Company entered into a corporate services agreement with Arne Blystad AS, controlled by Arne Blystad, pursuant to which Arne Blystad AS shall provide administrative and corporate services to the Company and its subsidiaries. USD 20,555 was paid for such services in 2016.
- The rights to the name and trademarks "Songa" are held by companies controlled by Arne Blystad. In December 2016, the Company entered into an agreement with such companies to use the "Songa" name and trademarks without payment of royalties or licenses fees.

13 DIVIDENDS AND DIVIDEND POLICY

13.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account applicable legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 13.3 "*Legal constraints on the distribution of dividends*"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Company seeks to actively manage the cyclicality in dry bulk through investing at historically low asset values. The Company will focus on returning capital to shareholders through asset sales and dividends as dry bulk fundamentals allow. The timing and amount of dividends is at the discretion of the Board of Directors.

There can be no assurance that a dividend will be proposed or declared in any given period. If a dividend is proposed or declared, there can be no assurance that the dividend amount or yield will be as contemplated above.

13.2 Dividend history

The Company has not paid any dividends since incorporation.

13.3 Legal constraints on the distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividend to the extent that the Company's net assets following the distribution covers (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The total nominal value of treasury shares which the Company has acquired for ownership or as security prior to the balance sheet date, as well as credit and security which, pursuant to Section 8–7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts. Dividend may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Divided can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-

Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 16 "*Taxation*".

13.4 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by check or transferred into their local bank account in their local currency, as exchanged from the NOK amount distributed through the VPS. Investors registered in the VPS with a foreign bank account will receive the dividend in local currency. Checks cannot be issued in all countries and the investors with residence in one of those countries, will receive a letter asking them to provide DNB Bank ASA, being the Company's VPS registrar, with their foreign bank details for receiving the dividend. If it is not practical in the sole opinion of DNB Bank ASA to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB Bank ASA. The exchange rate(s) that is applied will be DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

14 DESCRIPTION OF THE SHARES AND SHARE CAPITAL

The following is a summary of material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

14.1 Description of the Shares and share capital

As at the date of this Prospectus, the Company's share capital is NOK 179,300,000 divided into 35,860,000 Shares with each Share having a par value of NOK 5. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid. The Shares are registered in the VPS under ISIN NO 001 0778095.

The Company has one class of shares. Neither the Company nor any of its subsidiaries directly or indirectly owns Shares in the Company.

The Company's registrar is DNB Bank ASA, Registrars Department (Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo).

14.2 Stock exchange listing

The Company has on 20 April 2017 applied for admission to listing of its Shares on Oslo Axess. On 22 May 2017, the Board of Directors of Oslo Børs ASA resolved to grant admission of the Shares to be listed on Oslo Axess. Prior to the Listing, the Shares have been admitted to trading on Merkur Market, a multilateral trading facility operated by Oslo Børs ASA.

The Company currently expects commencement of trading in the Shares on Oslo Axess on or about 24 May 2017. The Company has not applied for admission to listing of the Shares on any other stock exchange or regulated market.

14.3 Share capital history

As of 24 August 2016 (being the date of incorporation of the Company) and 31 December 2016, the Company had a total number of 100 and 14,860,000 Shares, with each Share having a nominal value of NOK 300 and 5, respectively.

The table below shows the development in the Company's share capital for the period between 24 August 2016 and to the date of this Prospectus:

Date	Type of change	Capital increase / decrease (NOK)	Number of Shares issued	Total number of Shares	Par value (NOK)	New share capital (NOK)
24 August 2016	Incorporation		100	100	300	30,000
10 November 2016[1)]	Capital increase and share split	1,144,905	228,981	229,081	5	1,174,905
10 November 2016[2)]	Capital increase	73,125,095	14,625,019	14,860,000	5	74,300,000

7 February 2017[3)]	Capital increase	5,000,000	1,000,000	15,860,000	5	79,300,000
17 February 2017[4)]	Capital increase	100,000,000	20,000,000	35,860,000	5	179,300,000

1) Share capital increase against contribution in kind. In connection with Songa Maru AS' acquisition of the vessel Songa Maru, Songa Shipholding had a receivable on Songa Maru AS of USD 1,144,905, which was contributed to the Company at par value against consideration of Shares. The subscription price for the Shares was USD 5 per Share and 228,981 Shares were issued to Songa Shipholding.
2) Share capital increase against consideration in cash.
3) Share capital increase against consideration in cash.
4) Share capital increase against consideration in cash.

14.4 Ownership structure

As at the date of this Prospectus, the Company has approximately 750 shareholders. There is only one class of Shares and there are no differences in voting rights between the Shares.

With effect from listing of the Shares on Oslo Axess, shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.6 "*Disclosure obligations*" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

As of 15 May 2017 and to the best of the Company's knowledge, the following shareholders have holdings in excess of the statutory thresholds for disclosure requirements:

- Magnus Roth and related companies hold 4,871,400 Shares, equal to 13.58% of the total number of issued Shares in the Company
- Companies related to Arne Blystad hold 4,711,900 Shares, equal to 13.14 % of the total number of issued Shares in the Company

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. As described in Section 11.13 "*Corporate governance*", the Company applies the Corporate Governance Code which entails, amongst other things, equal treatment of shareholders and that more than half of the Board Members should be independent. Other than this, no particular measures have been implemented to ensure that such control is not abused.

The Shares have not been subject to any public takeover bids.

14.5 Authorisation to increase the share capital and to issue Shares

At the ordinary general meeting of the Company on 18 April 2017, the Board of Directors was granted an authorisation to increase the share capital by up to NOK 89,650,000, corresponding to 50% of the Company's current share capital to be used to raise capital to acquire additional vessels and/or finance vessels against consideration in Shares. The authorisation is valid until the annual general meeting in 2018. The preferential rights of the existing shareholders to subscribe to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.

14.6 Rights to subscribe or acquire shares

Other than as described in Section 14.7 "*Warrants*", neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or the subsidiaries.

14.7 Warrants

Herman Billung, Per Kristian Aamlid and Arne Blystad, through companies controlled by them (Billung Bulk AS, PK Shipping AS, Songa Shipholding respectively), have been granted warrants (*Nw.: frittstående tegningsretter*) to subscribe for additional Shares in the Company. Such warrants will entitle the holder to subscribe for new shares at a Subscription Price as set out below. One warrant gives the right to subscribe for one Share. The warrants may only be exercised if the price of the Shares of Songa Bulk is above the relevant Exercise Level. The warrants are registered in the VPS. The table below provides an overview of terms for all warrants issued by the Company as of the date of this Prospectus.

Holder	No. of Warrants	Subscription Price	Exercise Level	Expiry
Songa Shipholding				
Songa Shipholding	164 531	NOK 40.89	NOK 51.11	4.11.2021
Songa Shipholding	164 531	NOK 40.89	NOK 61.34	4.11.2021
Songa Shipholding	164 532	NOK 40.89	NOK 71.56	4.11.2021
Songa Shipholding	48 750	NOK 42.00	NOK 52.50	17.2.2022
Songa Shipholding	48 750	NOK 42.00	NOK 63.00	17.2.2022
Songa Shipholding	48 750	NOK 42.00	NOK 73.50	17.2.2022
Songa Shipholding	11 250	NOK 41.63	NOK 52.04	17.2.2022
Songa Shipholding	11 250	NOK 41.63	NOK 62.45	17.2.2022
Songa Shipholding	11 250	NOK 41.63	NOK 72.86	17.2.2022
Total for Songa Shipholding	**673 594**			
Billung Bulk AS				
Billung Bulk AS	164 531	NOK 40.89	NOK 51.11	4.11.2021
Billung Bulk AS	164 531	NOK 40.89	NOK 61.34	4.11.2021
Billung Bulk AS	164 532	NOK 40.89	NOK 71.56	4.11.2021
Billung Bulk AS	48 750	NOK 42.00	NOK 52.50	17.2.2022
Billung Bulk AS	48 750	NOK 42.00	NOK 63.00	17.2.2022
Billung Bulk AS	48 750	NOK 42.00	NOK 73.50	17.2.2022
Billung Bulk AS	11 250	NOK 41.63	NOK 52.04	17.2.2022
Billung Bulk AS	11 250	NOK 41.63	NOK 62.45	17.2.2022
Billung Bulk AS	11 250	NOK 41.63	NOK 72.86	17.2.2022
Total for Billung Bulk AS	**673 594**			
PK Shipping AS				
PK Shipping AS	36 563	NOK 40.89	NOK 51.11	4.11.2021
PK Shipping AS	36 563	NOK 40.89	NOK 61.34	4.11.2021
PK Shipping AS	36 562	NOK 40.89	NOK 71.56	4.11.2021
PK Shipping AS	10 833	NOK 42.00	NOK 52.50	17.2.2022
PK Shipping AS	10 833	NOK 42.00	NOK 63.00	17.2.2022
PK Shipping AS	10 834	NOK 42.00	NOK 73.50	17.2.2022
PK Shipping AS	2 500	NOK 41.63	NOK 52.04	17.2.2022
PK Shipping AS	2 500	NOK 41.63	NOK 62.45	17.2.2022
PK Shipping AS	2 500	NOK 41.63	NOK 72.86	17.2.2022
Total for PK Shipping AS	**149 688**			
Total Warants	**1 496 876**			

In order to exercise the warrants, the share price must have been above the Exercise Level for at least 10 consecutive trading days calculated on VWAP-basis with a minimum trading volume of USD 1 million (cumulative during period). The Subscription Price and Exercise Level are subject to customary adjustments in case of split, reverse splits, merger or similar.

Billung Bulk AS and PK Shipping AS may not transfer their warrants. Billung Bulk AS and PK Shipping AS may not exercise their warrants in the event that Herman Billung or Per Kristian Amlid respectively have resigned from the Company or been dismissed with immediate effect (*Nw.: avskjedigelse*) at the time of exercise.

14.8 Shareholder rights

The Company has one class of Shares in issue and, in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Sections 14.9 "*Summary of the Company's Articles of Association*" and 14.10 "*Certain aspects of Norwegian corporate law*".

14.9 Summary of the Company's Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

14.9.1 Objective of the Company

The business of the Company is investments (directly or indirectly) in dry bulk, operation of dry-bulk ships and other activities related thereto.

14.9.2 Registered office

The Company shall have its business offices in the municipality of Oslo.

14.9.3 Share capital and par value

The Company's share capital is NOK 179,300,000 divided into 35,860,000 Shares, each Share with a par value of NOK 5. The Shares are registered with the Norwegian Central Securities Depository (VPS).

14.9.4 Board of Directors

The Company's Board of Directors shall consist of a maximum of 6 Board Members elected by the general meeting.

14.9.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

14.9.6 General meetings

The annual general meeting shall address and decide approval of the annual accounts and the board's statement, including distribution of dividends; election of board members and auditor (if these are to be elected) and any other business which by law or the Articles of Association is required to be dealt with by the general meeting.

Shareholders that wish to attend a general meeting shall notify the Company prior to a deadline, to be set out in the notice. The deadline cannot expire earlier than two business days before the general meeting. If a shareholder has not provided notice within the deadline, attendance may be denied.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the Company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exception is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

14.9.7 Term – liquidation

The term of the Company is maximum ten years, such that the Company shall be liquidated within 4 November 2026.

14.10 Certain aspects of Norwegian corporate law

14.10.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. Although Norwegian law does not require the Company to send proxy forms to its shareholders for general meetings, the Company plans to include a proxy form with notices of general meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration. The Company's Articles of Association do, however, include a provision requiring shareholders to pre-register in order to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a fourteen days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

14.10.2 Voting rights – amendments to the Articles of Association

Each of the Company's Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such nominee account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

14.10.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

14.10.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

14.10.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting of the Company's shareholders cannot be granted for a period exceeding 18 months.

14.10.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the company's website, at least one month prior to the general meeting to pass upon the matter.

14.10.7 Liability of board members

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Company's board members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Company's board members from liability or not to pursue claims against the Company's board members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

14.10.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the board members against certain liabilities that they may incur in their capacity as such.

14.10.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

14.11 Shareholders' agreement

There are no shareholders' agreements related to the Shares.

15 SECURITIES TRADING IN NORWAY

15.1 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

SIX x-clear Ltd has a license from the Norwegian Ministry of Finance to act as a central counterparty and provide clearing services in Norway, and has since 2010 (until 2014 through the subsidiary Oslo Clearing ASA) offered clearing and counterparty services for equity trading on Oslo Børs.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.2 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

15.3 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.4 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

15.5 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

15.6 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an

obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.7 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

15.8 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition

becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.9 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

15.10 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit

reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

16 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

16.1 Norwegian taxation

16.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 29.76% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.24 which are then included as ordinary income taxable at a flat rate of 24%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 29.76%).

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months maturity increased by 0.5%. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.72% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 24%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "*Taxation of dividends – Norwegian Personal Shareholders*" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

16.1.2 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 29.76%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.24 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 24%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 29.76%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.1.1 "*Taxation of dividends — Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

16.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

16.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

17 ADDITIONAL INFORMATION

17.1 Auditor and advisors

The Company's independent auditor is PricewaterhouseCoopers AS ("**PWC**") with registration number 987 009 713, and business address at Dronning Eufemias gate 8, N-0191 Oslo, Norway. PWC is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*). PWC was elected as the Company's independent auditor at the Company's annual general meeting on 18 April 2017.

The historical financial information of the Company for the period from the date of incorporation (24 August 2016) to 31 December 2016 was audited by BHL DA ("**BHL**") with registration number 992 768 061, and business address at Elias Smiths vei 24, N-1337 Sandvika, Bærum, Norway. BHL is a member of the Norwegian Institute of Public Accountants (*Nw.: Den Norske Revisorforening*).

Clarksons Platou Securities AS (Munkedamsveien 62C, N-0270 Oslo, Norway) and Fearnley Securities AS (Grev Wedels Plass 9, N-0107 Oslo, Norway) are acting as Managers for the Listing.

Wikborg Rein Advokatfirma AS (Kronprinsesse Märthas pl. 1, N-0160 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

17.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Haakon VII's gate 1, 0161 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company’s request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

17.3 Incorporation by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross-reference list set out in the table below. Except as provided in this Section, no information is incorporated by reference in this Prospectus.

The Company incorporates by reference the Company's audited consolidated financial statements as at and for the period from the date of incorporation (24 August 2016) to 31 December 2016 as well as certain other documents specified below.

Section in Prospectus	Disclosure requirements of the Prospectus	Reference document and link	Page (P) in reference document
Section 8, 9, 10	Audited historical financial information (Annex I, Item 20.1)	Songa Bulk ASA – Annual report 2016 https://www.songabulk.no/media-center/	6 – income statement 7 – balance sheet 8 – cash flow statement
Section 8, 9, 10	Audit report (Annex I, Item 20.4.1)	https://www.songabulk.no/media-center/	
Section 8, 9, 10	Accounting policies (Annex I, Item 20.1)	Songa Bulk ASA – Annual report 2016 https://www.songabulk.no/media-center/	9

18 DEFINITIONS AND GLOSSARY OF TERMS

In the Prospectus, the following defined terms have the following meanings:

Articles of Association:	The Company's articles of association
Audit Committee:	The Company's audit committee
Annual Financial Statements:	The Group's audited consolidated financial statements for the period from the date of incorporation of the Company (24 August 2016) to 31 December 2016
BHL:	BHL DA, the Company's previous independent auditor with registration number 992 768 061
Board Members:	Members of the Board of Directors of the Company
Board of Directors:	The Board of Directors of the Company
Capesize:	Generally used as a term to describe vessels above 80,000 dwt carrying capacity. These vessels mainly carry iron ore and coal, and rely on port facilities for the loading and discharging of their cargo.
CEO:	Chief executive officer of the Company
CET:	Central European Time
Company or Songa Bulk	Songa Bulk ASA, with business registration number 917 811 288
Corporate Governance Code:	The Norwegian Code of Practice for Corporate Governance published on 30 October 2014 by the Norwegian Corporate Governance Board
Directors or Board Members:	The members of the Board of Directors
Dwt.:	Dead weight tons
EEA:	The European Economic Area
EU:	The European Union
EU Prospectus Directive:	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State
EUR, Euro or €:	The lawful common currency of the EU member state who have adopted the Euro as their sole national currency (the Euro area)
Forward-looking statements:	Statements made that are not historic and thereby predictive as defined in Section 4.3 of this Prospectus. Such statements are identified by forward-looking terms such as "aim", "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will" and "could" or similar words or phrases
GDP:	Gross domestic product
General Meeting:	The Company's general meeting of shareholders
Group:	The Company and its consolidated subsidiaries
Handysize:	Denotes vessels up to approximately 50,000 dwt, being used primarily for minor bulks and shorter hauls. These vessels generally have cranes and cargo gear.
IASB:	The International Accounting Standards Board
IFRIC Interpretations:	Interpretations of the IFRS made by the IFRS Interpretations Committee
IFRS:	International Financial Reporting Standards
ISIN:	International Securities Identification Number
Kamsarmax:	Denotes vessels to meet the specified requirements making it the largest vessel that can enter the world's largest Bauxite port, Port Kamsar in the Republic of Guinea. Generally larger than 80,000 dwt, these vessels are often considered a sub-set of the "Panamax" family which would fall under Post-Panamax size. Most Kamsarmax bulk carriers are likely primarily devoted to the bauxite trade, there are those Kamsarmax vessels out there that will carry mostly agricultural products, coal, cement, iron ore or fertilizers.
Listing:	The listing of the Shares on Oslo Axess
LOA:	Length overall
Management:	The senior management team of the Company
Managers:	Clarksons Platou Securities AS and Fearnley Securities AS
Merkur Market:	A multilateral trading facility operated by Oslo Børs ASA
NOK:	Norwegian Kroner, the lawful currency of the Kingdom of Norway

Nomination Committee:	The nomination committee of the Company
Non-Norwegian Corporate Shareholder:	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
Non-Norwegian Personal Shareholder:	Shareholders who are individuals not resident in Norway for tax purposes
Norwegian Corporate Shareholder:	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
Norwegian FSA:	The Norwegian Financial Supervisory Authority (*Nw.: Finanstilsynet*)
Norwegian Institute of Public Accountants:	The professional body for public accountants licensed by the Norwegian FSA to practice as statutory auditors in Norway (*Nw.: Den Norske Revisorforening*)
Norwegian Personal Shareholder:	Shareholders who are individuals resident in Norway for tax purposes
Norwegian Public Limited Companies Act:	The Norwegian Public Limited Companies Act of 13 June 1997 No. 45 (*Nw.: "allmennaksjeloven"*)
Norwegian Securities Trading Act:	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (*Nw.: verdipapirhandelloven*)
OECD:	The Organisation for Economic Co-operation and Development
OPEC:	The Organisation of Petroleum Exporting Countries
Oslo Stock Exchange:	Oslo Børs ASA, or, as the context may require, Oslo Axess, a Norwegian regulated market place operated by Oslo Børs ASA
Panamax:	Denotes the largest vessel size that can pass fully laden through the Panama canal, i.e. vessels up to approximately 80,000 dwt. These vessels carry a mix of all major and some minor bulks, and generally rely on port facilities for loading and discharging.
Prospectus:	This prospectus dated 23 May 2017
PWC:	PricewaterhouseCoopers AS, the Company's independent auditor with registration number 987 009 713.
Safety of Life at Sea Convention:	An international maritime treaty typically referred to as SOLAS, which requires signatory flag states to ensure that ships flagged by them comply with minimum safety standards in construction, equipment and operation. The current version of the SOLAS Convention is the 1974 version, which came into force on 25 May 1980
Share(s):	Shares in the share capital of the Company, each with a par value of NOK 5, or any one of them
Shipping Intelligence Network database:	Owned by Clarksons Platou Research, a database accessible for payable clients of the Clarksons group only
Songa Shipholding:	Songa Shipholding AS, previously named Blystad Shipholding AS
SPV:	Special Purpose Vehicle
Supramax:	Denotes vessels between approximately 50,000 and 60,000 dwt, being flexible vessels that carry all major and minor bulks, and typically having cargo gear to allow for loading and discharging independent of port facilities.
TC:	Time Charter
UK:	The United Kingdom
Ultramax:	Denotes vessels between approximately 40,000 dwt to 66,000 dwt. designed to carry bulk cargoes including coal, iron ore, grain and cement.
UN:	The United Nations
U.S. or United States:	The United States of America
U.S. Securities Act:	The U.S. Securities Act of 1933, as amended
USD, U.S. dollars, U.S.$ or $:	United States Dollars, the lawful currency in the United States
VPS:	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*)
VPS account:	An account with VPS for the registration of holdings of securities

APPENDIX A:

ARTICLES OF ASSOCIATION OF SONGA BULK ASA

English office translation.
In case of discrepancy, the
Norwegian version shall prevail.

Articles of Association
for
Songa Bulk ASA
(Org.no 917 811 288)
(as per 18 April 2017)

§ 1 Firma

Selskapets foretaksnavn er Songa Bulk ASA. Selskapet er et allmennaksjeselskap.

§ 2 Forretningskommune

Selskapet skal ha sitt forretningskontor i Oslo kommune.

§ 3 Selskapets virksomhet

Selskapets virksomhet er investeringer (direkte eller indirekte) innen tørrbulk, drift av tørrbulkskip samt annen virksomhet som står i forbindelse med dette.

§ 4 Aksjekapital og aksjer

Selskapets aksjekapital er NOK 179.300.000 fordelt på NOK 35.860.000 aksjer hver pålydende NOK 5. Selskapets aksjer skal være registrert i Verdipapirsentralen ASA (VPS).

§ 5 Styre og signatur

Selskapets styre skal ha inntil seks (6) styremedlemmer som velges av generalforsamlingen.

Selskapets firma tegnes av styrets leder alene, to styremedlemmer i fellesskap eller daglig leder alene.

§ 6 Generalforsamlingen – innkalling

På den ordinære generalforsamling skal følgende saker behandles og avgjøres:

1. Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte;
2. Valg av styremedlemmer og revisor (derom disse er på valg);
3. Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

§ 1 Company name

The Company's business name is Songa Bulk ASA. The company is a public limited liability company.

§ 2 Municipality

The company shall have its business offices in the municipality of Oslo.

§ 3 The Company of the business

The business of the company is investments (directly or indirectly) in dry bulk, operation of dry-bulk ships and other activities related thereto.

§ 4 Share capital and shares

The share capital of the company is NOK 179,300,000 divided into 35,860,000 shares each with a face value of NOK 5. The Company's shares shall be registered in the Norwegian Central Securities Depository ASA (VPS).

§ 5 Board and signatory powers

The board of the company shall consist of up to six (6) board members elected by the general meeting.

The signatory powers are held by the chairman of the board separately, by two board members jointly or by the general manager separately.

§ 6 General meeting – summons

The annual general meeting shall address and decide:

1. Approval of the annual accounts and the board's statement, including distribution of dividends;
2. Election of board members and auditor (if these are to be elected);
3. Any other business which by law or the Articles of Association is required

to be dealt with by the general meeting.

Aksjonærer som ønsker å delta på generalforsamling skal gi selskapet melding om dette innen en frist som settes i innkallingen, som ikke kan være tidligere enn to virkedager før generalforsamlingen. Dersom slik melding ikke er gitt kan selskapet nekte aksjonæren å delta.

Shareholders that wish to attend a general meeting shall notify the company prior to a deadline, to be set out in the notice. The deadline cannot expire earlier than two business days before the general meeting. If a shareholder has not provided notice within the may attendance be denied.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internettsider, gjelder ikke allmennaksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

When documents regarding matters which are to be dealt with at the general meeting have been made available on the internet site of the company, the requirements in the Norwegian Public Limited Liability Companies Act which state that these documents shall be sent to the shareholders, shall not apply. This exemption is also applicable with regards to documents which according to statutory law shall be included in or attached to the notice of the general meeting.

§ 7 Elektronisk kommunikasjon

Selskapet kan bruke elektronisk kommunikasjon når det skal gi meldinger, varsler, informasjon, dokumenter, underretninger ol. til aksjonærene etter allmennaksjeloven.

§ 7 Electronic communication

The Company may use electronic communication to provide messages, notices, information, documents etc. pursuant to the Norwegian Public Limited Liability Companies Act to the shareholders.

§ 8 Levetid – oppløsning

Selskapet skal ha en levetid på inntil ti (10) år slik at selskapet skal oppløses senest innen 4. november 2026.

§ 8 Term – liquidation

The term of the Company is maximum ten (10) years, such that the Company shall the liquidated within 4 November 2026.

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