

Akastor ASA: Investment of USD 75.0 million in Odfjell Drilling Ltd.

Reference is made to the stock exchange announcement on 19 April by Akastor ASA, and the announcement today by Odfjell Drilling Ltd. (OSE ODL, "Odfjell") in which Odfjell announces that it has entered into an agreement with Samsung Heavy Industries to purchase the "Stena Midmax" rig. As part of the rig financing, an affiliate of Akastor ASA ("Akastor"), has today entered into a preference share investment agreement and a warrant investment agreement with Odfjell. The main terms for the investment are set out below.

In connection with this transaction, Akastor, together with Odfjell Drilling and Aker BP, will launch a strategic cooperation aiming to develop next generation drilling solutions.

"We see both financial and strategic value for Akastor in this transaction and are excited about our newly formed partnership with Odfjell Drilling. The investment in the preferred shares, including warrants, is a good example of how Akastor can leverage our industrial know-how and network to generate attractive financial investments that will benefit our portfolio companies," says Karl Erik Kjelstad, CEO of Akastor.

"We are very pleased with the cooperation we have had with Akastor to materialize this important project for Odfjell Drilling. The Midmax further strengthens Odfjell's strong position in the harsh environment segment and is an important strategic move for our company", says Simen Lieungh, CEO of Odfjell Drilling.

Main terms

Investment:	<i>USD 75.0 million perpetual preferred equity in Odfjell</i>
Commitment fee:	<i>USD 5.75 million</i>
Dividend:	<i>5.0% p.a. cash dividend and 5.0% p.a. payment-in-kind (PIK)</i>
Dividend step-up:	<i>8.0% p.a. cash dividend from year 7 and additional 1 percentage point p.a. to a maximum of 10% p.a.</i>
Redemption:	<i>Redeemable above par until year 6 and at par thereafter (call price 125% in year 2, 120% in year 3, 115% in year 4, 110% in year 5, 105% in year 6)</i>
Warrants:	<i>Warrants for 5,925,000 common shares in Odfjell in total, divided into 6 equal tranches</i> <ul style="list-style-type: none"><i>• Warrant tranches exercisable year 1 to year 6 subject to share price appreciation of 20.0% p.a. above issue price (with catch-up effect)</i>

- *After year 6, warrants not exercised in previous years give rights to subscription of shares in Odfjell depending on the share price in year 6*

Covenants: *Restrictions on payment of dividends or other distributions*

- *No distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution)*
- *No distributions after year 6*

Change of control covenant pertaining to restructurings and corporate transactions, Odfjell Partner's shareholding not to fall below 25%

Covenant breach: *Odfjell (in some instances) required to repay the entire preference capital with a premium not exceeding 15% and the warrants will become immediately exercisable*

Other rights: *Certain other events of default and an obligation to repay USD 10 million of the preference capital per rig sold, if Odfjell sells any of its rigs (except Deepsea Bergen)*

The issuance of the preference shares and the warrants is subject to the approval by a special general meeting of Odfjell, expected to be held in May 2018.

BAHR lawfirm has acted as legal advisor and Arctic Securities has acted as financial advisor in connection with the transaction.

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This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.