

Admission Document

ADS Crude Carriers Plc



ADS CRUDE CARRIERS PLC

(Under conversion to a Public Limited Liability Company Organized under the Laws of Cyprus)

Admission to trading of ordinary shares at Merkur Market

This admission document (the "**Admission Document**") has been prepared by ADS Crude Carriers Plc (the "**Company**" or "**ADS Crude Carriers**") solely for use in connection with the admission to trading of the Company's 23,390,300 ordinary shares, each with a par value of USD 0.20 (the "**Shares**") on the Merkur Market (the "**Admission to Trading**").

The Company's Shares have been admitted for trading on the Merkur Market, and it is expected that the Shares will start trading on 28 August 2018 under the ticker symbol "ADSC-ME".

The Merkur Market is a multilateral trading facility operated by Oslo Børs ASA. The Merkur Market is subject to the rules in the Securities Trading Act and the Securities Trading Regulations that apply to such marketplaces. These rules apply to companies admitted to trading on the Merkur Market, as do the marketplace's own rules, which are less comprehensive than the rules and regulations that apply to companies listed on the Oslo Stock Exchange and Oslo Axess. The Merkur Market is not a regulated market and is therefore not subject to the Stock Exchange Act or to the Stock Exchange Regulations. Investors should take this into account when making investment decisions.

THIS ADMISSION DOCUMENT SERVES AS AN ADMISSION DOCUMENT ONLY, AS REQUIRED BY THE MERKUR MARKET ADMISSION RULES. THIS ADMISSION DOCUMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT HERETO.

No shares or other securities are being offered or sold in any jurisdiction pursuant to this Admission Document. Investing in the Shares involves a high degree of risk. See section 1 "Risk factors".

Merkur Advisor

Arctic Securities AS



28 August 2018

Important Notice

This Admission Document (the "**Admission Document**") has been prepared solely by the Company, only to provide information about the Group and its business and in relation to the admission to trading on the Merkur Market. This Admission Document has been prepared solely in the English language.

For definitions of terms used throughout this Admission Document, see Section 12 "Definitions and Glossary of Terms".

The Company has furnished the information in this Admission Document. This Admission Document has been prepared to comply with the Merkur Market Admission Rules. The Oslo Stock Exchange has reviewed and approved this Admission Document in accordance with the Merkur Market Admission Rules. The Oslo Stock Exchange has not controlled or approved the accuracy or completeness of the information included in this Admission Document, but has from the Merkur Advisor received a confirmation of the Admission Document having been controlled by the Merkur Advisor. The approval by the Oslo Stock Exchange only relates to the information included in accordance with pre-defined disclosure requirements. The Oslo Stock Exchange has not made any form of control or approval relating to corporate matters described, or referred to, in this Admission Document.

All inquiries relating to this Admission Document should be directed to the Company or the Merkur Advisor. No other person has been authorized to give any information, or make any representation, on behalf of the Company and/or the Merkur Advisor in connection with the Admission to Trading, if given or made, such other information or representation must not be relied upon as having been authorized by the Company and/or the Merkur Advisor.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. There may have been changes affecting the Company or its subsidiaries (together the "**Group**") subsequent to the date of this Admission Document. Any new material information and any material inaccuracy that might have an effect on the assessment of the Shares arising after the publication of this Admission Document and before the Admission to Trading will be published and announced promptly in accordance with the Merkur Market regulations. Neither the delivery of this Admission Document nor the completion of the Admission to Trading at any time after the date hereof will, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Admission Document is correct as of any time since its date.

The contents of this Admission Document shall not be construed as legal, business or tax advice. Each reader of this Admission Document should consult its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Admission Document, you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Admission Document may in certain jurisdictions be restricted by law. Persons in possession of this Admission Document are required to inform themselves about, and to observe, any such restrictions. No action has been taken or will be taken in any jurisdiction by The Company that would permit the possession or distribution of this Admission Document in any country or jurisdiction where specific action for that purpose is required.

The Shares may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Admission Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo District Court (*Nw.: Oslo tingrett*) as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Admission Document.

Investing in the Company's Shares involves risks. See Section 1 "Risk Factors" of this Admission Document.

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1 RISK FACTORS

1.1 Introduction

Investing in the Company involves inherent risks. Prospective investors should carefully consider, among other things, the risk factors set out in this Company presentation before making an investment decision.

The below risk factors are only a summary of all risks applicable to the Company and the Group. A prospective investor should carefully consider all the risks related to the Company and the Group, and should consult his or her own expert advisors as to the suitability of an investment in securities of the Company. An investment in securities of the Company entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. Against this background, an investor should thus make a careful assessment of the Company and its prospects before deciding to invest.

1.2 Risks associated with the Group's business and the industry in which it operates

Past performance

In considering historic performance of Arendals Dampskibsselskab AS ("ADS"), prospective investors should bear in mind that past performance of the Company's affiliates is not necessarily indicative of future results for the Company or the Group, and there can be no assurance the Group will achieve comparable results, that the returns generated by previous managed companies will equal or exceed those of the company.

Moreover, the principal terms governing the Company may be different from those related to previous companies. The Company's strategy and risk tolerance may be impacted by such differences. Investors should therefore not place undue reliance on prior investment information and should take the foregoing additional risks into account in reviewing such information.

Lack of operating history

Although ADS and its management have extensive experience in the shipping industry, the Company is a newly formed entity with no operating history upon which to evaluate the Company's likely performance.

Failure to secure future employment for the Group's vessels could materially and adversely affect the Group's results of operation, cash flow and financial condition

No assurance can be given as to whether future employment for the Vessels can be secured on terms, rates and with charterers, which are acceptable. Failure to secure such future employment for the Vessels could materially and adversely affect the Group's results of operation, cash flow and financial condition.

If the tanker industry, which historically has been cyclical and volatile, is depressed, the Group's future revenues, earnings and available cash flow may be adversely affected

Historically, the tanker industry has been highly cyclical, with volatility in profitability, charter rates and asset values resulting from changes in the supply of and demand for tanker capacity. Fluctuations in charter rates and tanker values result from changes in the supply of and demand for tanker capacity and changes in the supply of and demand for oil and oil products. These factors may adversely affect future rates payable and the amounts the Group will receive in respect of the Vessels. The Group's ability to re-charter its vessels on the expiration or termination of future spot and time charters and the charter rates payable under any renewal or replacement charters will depend upon, among other things, economic conditions in the tanker market and it cannot be guaranteed that any renewal or replacement charters the Group enters into will be sufficient to allow the Group to operate its vessels profitably.

The factors that influence demand for tanker capacity include:

- supply and demand for oil and oil products;
- global and regional economic and political conditions, including developments in international trade, national oil reserves policies, fluctuations in industrial and agricultural production and armed conflicts;
- regional availability of refining capacity;
- environmental and other legal and regulatory developments;
- the distance oil and oil products are to be moved by sea;
- changes in seaborne and other transportation patterns, including changes in the distances over which tanker cargoes are transported by sea;
- increases in the production of oil in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets the Group may serve, or the conversion of existing non-oil pipelines to oil pipelines in those markets;
- currency exchange rates;
- weather and acts of God and natural disasters;
- competition from alternative sources of energy and from other shipping companies and other modes of transport;
- international sanctions, embargoes, import and export restrictions, nationalizations, piracy and wars; and
- regulatory changes including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements by major oil companies.

The factors that influence the supply of tanker capacity include:

- current and expected purchase orders for tankers;
- the number of tanker newbuilding deliveries;
- any potential delays in the delivery of newbuilding vessels and/or cancellations of newbuilding orders;
- the scrapping rate of older tankers;
- technological advances in tanker design and capacity;
- tanker freight rates, which are affected by factors that may affect the rate of newbuilding, swapping and laying up of tankers;
- port and canal congestion;
- price of steel and vessel equipment;
- conversion of tankers to other uses or conversion of other vessels to tankers;
- the number of tankers that are out of service; and
- changes in environmental and other regulations that may limit the useful lives of tankers.

The factors affecting the supply and demand for tankers have been volatile and are outside of the Group's control, and the nature, timing and degree of changes in industry conditions are unpredictable, including those discussed above. Continued volatility may reduce demand for transportation of oil over longer distances and increase supply of tankers to carry that oil, which may have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

The operation of tankers involves certain unique operational risks

The operation of tankers will involve unique operational risks associated with the transportation of oil. An oil spill may cause significant environmental damage, and a catastrophic spill could exceed the insurance coverage available. Compared to other types of vessels, tankers are exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision, or other cause, due to the high flammability and high volume of the oil transported in tankers.

Further, the Vessels and their cargoes will be at risk of being damaged or lost because of events such as marine disasters, bad weather and other acts of God, business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, terrorism, piracy and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have

from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labour strikes and boycotts. These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to customer relationships and market disruptions, delay or rerouting.

Furthermore, a vessel may become actual or constructive total loss, or suffer a major casualty, which may have a material adverse effect on the Group's business, finance condition, results of operations and cash flow.

An over-supply of tanker capacity may lead to reductions in future charter rates, vessel values, and profitability

The market supply of tankers is affected by a number of factors such as demand for energy resources, oil, and petroleum products, as well as strong overall economic growth in parts of the world economy including Asia. If the capacity of new ships delivered exceeds the capacity of tankers being scrapped and lost, tanker capacity will increase. If the supply of tanker capacity increases and if the demand for tanker capacity does not increase correspondingly, charter rates could materially decline. A reduction in future charter rates and the value of the Group Vessels would have a material adverse effect on the Group's business, financial condition, results of operations and cash flows.

Future changes in the price of fuel, or bunkers, may adversely affect the Group's profits

Changes in the price of fuel may adversely affect the Group's future profitability. 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.

Regulatory measures such as climate change and greenhouse gas restrictions may adversely impact the Group's future operations and markets

Due to concern over the risk of climate change, a number of countries and the IMO have adopted regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. Adverse effects upon the oil and gas industry relating to climate change, including growing public concern about the environmental impact of climate change, may also adversely affect demand for the Group's future services. For example, increased regulation of greenhouse gases or other concerns relating to climate change may reduce the demand for oil and gas in the future or create greater incentives for use of alternative energy sources and demand for the services of the Group may be affected by its decision on whether to satisfy the IMO sulphur cap on marine fuels regulations by utilization of exhaust gas cleaning systems ("fuel scrubbers") rather than low sulphur or sulphur-free fuel. New regulatory measures, implementation of regulatory measures and market response to regulatory measures could have a material adverse impact on the Group's business, financial condition, results of operations and cash flows.

An increase in future operating costs would decrease future earnings

Under future charters of vessels, the Group may be responsible for vessel operating expenses. Future vessel operating expenses would include the costs of crew, lube oil, provisions, deck and engine stores, insurance and maintenance and repairs, which depend on a variety of factors, many of which are beyond the Group's control. Fluctuations in these costs may have a material adverse impact on the Group's business, financial condition, results of operations and cash flows.

If the Group is unable to operate its future vessels profitably, it may be unsuccessful in competing in the highly competitive international tanker market, which would negatively affect the Group's financial condition and the Group's ability to expand its business

The operation of tanker vessels and transportation of crude and petroleum products is extremely competitive. Competition arises primarily from other tanker owners, including major oil companies as well as independent tanker companies, many of whom will have substantially greater resources than the Group. Competition for the transportation of oil and oil products can be intense and depends on price, location, size, age, condition and the acceptability of the tanker and its operators to the charterers. Inability to compete effectively would have a material adverse impact on the Group's business, financial condition, results of operations and cash flows.

Risks related to insurance

Risks may arise for which the Group is not or not adequately insured. Any particular claim may not be paid by the Group's insurers or not paid in time and any claims covered by insurance would be subject to deductibles, the aggregate amount of which could be material. Any uninsured or underinsured loss could harm the Group's business and financial condition and have a material adverse effect on the Group's operations.

Furthermore, even if insurance coverage is adequate to cover the Group's losses, the Company may not be able to obtain a replacement ship in a timely manner in the event of a loss. If the Group fails to comply with applicable regulations, it may be subject to increased liability, which may adversely affect its insurance.

The Group's tax liabilities could increase due to operations in different countries with changing tax laws and regimes

Tax laws and regulations are highly complex and subject to interpretation. Consequently, the Group is subject to changing tax laws, treaties and regulations in and between countries in which it operates or will operate in the future. The Group's income tax expense is based upon its interpretation of the tax laws in effect at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, which is beyond the Group's control could result in a materially higher tax expense or a higher effective tax rate on the Group's earnings. The increasingly protectionist measures from governments around the world entails a risk for the Group as both tax rules and reporting requirements are constantly being developed and expanded. The Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates from time to time. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies or corporate structure; or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, its effective tax rate on its earnings could increase substantially and the Group's earnings and cash flows from operations could be materially adversely affected.

1.3 Financial risks

Foreign currency risk

US Dollar (USD) is the functional currency of the Group. The Group is exposed to foreign currency risk related to revenues and expenditures in other currencies than USD. Major fluctuations in the foreign currency market for USD compared to other currencies could have a negative impact on the Group.

Tax risks

Changes in taxation law or the interpretation of taxation law may affect the business, results of operations and financial condition of the Company. To the extent tax rules change, this could have both a prospective and retrospective impact on the Company both of which could be material. If any tax authority successfully challenges the Company operational structure, taxable pretence or similar circumstances, the Company effective tax rate could increase substantially and the Company's earnings and cash flows from operations could be materially adversely affected.

Interest Rate Risk

Any adverse changes in the LIBOR interest rates could affect the returns on the project.

1.4 Risks related to the Shares

There will only be a limited trading market for the Shares

Although the Shares in the Company are freely transferable, there is no presently existing market for the Shares and there can be no assurance that any such market will develop, will be liquid or will not be volatile, and investors must expect that it may be difficult to sell shares when, or at the price desired, in the secondary market.

The market price of the Shares may be volatile

The market price of the Shares could be subject to significant fluctuations in response to actual or anticipated variations in the Company's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Company operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Shares, as well as other factors.

Distributions

Distributions from the Company will not be predictable and will depend on the cash flow from the Vessels.

The Shares may not be a suitable investment for all investors

Each potential investor in the Shares must determine the suitability of that investment in light of its own circumstances.

The price of the Shares may fluctuate

The price of a single Share will fluctuate in accordance with the equity markets in general, the market view of the Company, and the liquidity of these Shares in the market.

There are certain risks connected to the shares being registered in the Norwegian Central Securities Depository (Nw. Verdipapirsentralen) ("VPS")

Under the laws of Cyprus, the Shares admitted to trading on Merkur Market are registered in the Company's shareholder register in the name of Nordea Bank AB (Publ) filial i Norge (the "**VPS Registrar**"), which holds the shares as a nominee on behalf of the beneficial owners. For the purpose of enabling trading of shares on the Merkur Market, the Company maintains a register in the VPS, where the beneficial ownership interests in the shares and transfer of such beneficial ownership interests are recorded.

The Company has entered into a registrar agreement with the VPS Registrar under which the VPS Registrar is appointed as registrar and nominee, in order to provide for the registration of each investor's beneficial ownership in the shares in the VPS on investors' individual VPS accounts.

In accordance with market practice in Norway and system requirements of the VPS, the beneficial ownership of investors is registered in the VPS under the name of a "share" and the beneficial ownership is listed and traded on the Merkur Market as "shares" in the Company. Investors who purchase Shares (although recorded as owners of the shares in the VPS) will have no direct rights against the Company.

Each VPS-registered share represents evidence of beneficial ownership of one of the shares for the purposes of Norwegian law, however such ownership would not necessarily be recognized by a Cyprus or other court. The VPS-registered shares are freely transferable with delivery and settlement through the VPS system. Investors must look solely to the VPS Registrar for the payment of dividends, for the exercise of voting rights attached to the Shares and for all other rights arising in respect of the Shares.

2 STATEMENT OF RESPONSIBILITY

2.1 Responsibility statement

The Board of Directors of ADS Crude Carriers Plc accepts responsibility for the information contained in this Admission Document. 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 Admission Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import of this Admission Document.

Arendal / Limassol, 27 August 2018

Bjørn Tore Larsen
Chairman of the Board

Trym Otto Sjølie
Director

Marios Demetriades
Director

Penelope Evangelidou
Director

Alkistis Dimitriou
Director

The Board of Directors of ADS Crude Carriers Plc

3 INFORMATION ABOUT THE GROUP

3.1 Corporate Information

The legal and commercial name of the Company is ADS Crude Carriers Plc. The Company was founded on 30 April 2018 as a private limited liability company incorporated under the laws of Cyprus and governed by the Companies Law, Chapter 113 of the statutes of the Republic of Cyprus (as amended from time to time) (the "**Companies Law**"). On 10 August 2018, the Company's sole shareholder (at that time) resolved to convert the company to a public limited company. The Company is registered with the Cyprus Registrar of Companies under the registration number 383277.

The Company's registered office at 22 Amathountos, OSM HOUSE, 4532 Agios Tychonas, Limassol, Cyprus, with telephone number +357 25335501.

3.2 History

The Company was founded on 30 April 2018 by ADS Shipping Ltd. The table below sets out the main events in the Company's history since its incorporation.

Date	Year	Main Events
30 April	2018	Incorporation of the Company
17 July	2018	Incorporation of subsidiaries
20 July	2018	Delivery of Front Page
10 August	2018	Completion of private placement with gross proceeds of approximately USD 58 million (the " Private Placement ")
10 August	2018	Resolution to convert the Company to a public limited company
14 August	2018	Delivery of ADS Stratus
10 September	2018	Scheduled delivery of Front Serenade (to be renamed ADS Serenade)

3.3 Principal Activities

The business of the Company is to own, charter out and operate tanker vessels. The Company will at the time of the Admission to Trading and through its indirect, wholly owned subsidiaries, own two Very Large Crude Carriers (VLCCs) and is awaiting delivery of a third vessel scheduled for delivery on 10 September 2018 (the "**Vessels**").

The Vessels are built at first class Japanese yards. The Vessels are "sister vessels", thereby contributing to operating efficiency. Among the factors that are believed to separate the Company from other owners of comparable vessels is its focus on "future proof" vessels that comply to ECO standards, with the option to retrofit scrubbers as the main feature. The Vessels have favourable docking schedules ahead of new regulations, and funding is secured for scrubber instalments.

The implementation scheme for ballast water management (BWM) requires compliance with the Ballast Water Management Convention standard at the first or second IOPP renewal survey after September 2019. This will allow existing vessels to continue operating without a retrofitted ballast water treatment system until as late as 2024. The vessels have extension in place until the next renewal of IOPP certificate. Generally, the vessels meet the standards required for future operations, including CAP 1.

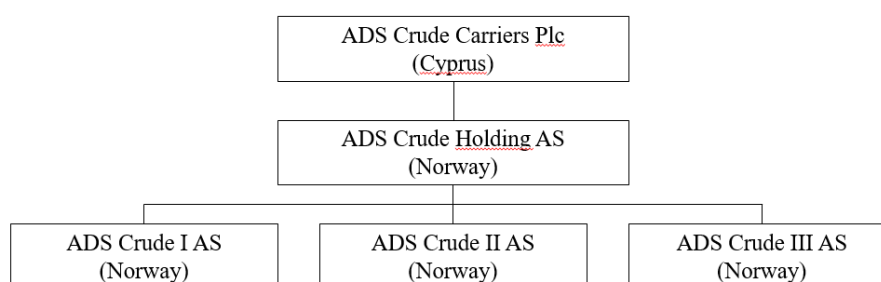
The Company and its founders strongly believe that new maritime regulations, in particular the IMO 2020 Sulphur Cap regulations, will have a strong impact on the maritime industry and will favour the companies that are equipped to meet these regulations.

The Company's fleet will be subject to a mix of contract and spot charters, thereby having a combination of secured earnings and market exposure. Of the three vessels, two are on spot while one is on a charter as a storage vessel to early 2019.

The Company believes that its combination of a fleet with high technical standard, compliance with new environmental regulations, strong market presence through leading operator Frontline, and other factors will make it a preferred provider of competitive tanker vessel services to quality charterers.

3.4 Organizational structure

Below is an organisational chart of the Group.






Below is an overview of the companies within the Group.

Company Name	Registered office	Function	Interest held
ADS Crude Carriers Plc	Cyprus	Parent company	
ADS Crude Holding AS	Norway	Holdco / lender	100%
ADS Crude I AS	Norway	Vessel owning SPV	100%
ADS Crude II AS	Norway	Vessel owning SPV	100%
ADS Crude III AS	Norway	Vessel owning SPV	100%

3.5 Fleet list

The Group's fleet currently consists of three vessels (third Vessel scheduled for delivery on 10 September 2018). Specifications of each of the Vessels are included below.

Vessel	Vessel specifications	
Front Page (to be renamed ADS Eagle) 	Vessel name	Front Page
	Type	VLCC
	Yard	Hitachi Zosen Corporation, Japan
	Built	2002
	Delivery to ADS Crude I AS	20 July 2018
	DTW	299.164 MT
	LOA	329,99 m
Front Serenade (to be renamed ADS Serenade) 	Vessel name	Front Serenade
	Type	VLCC
	Yard	Hitachi Zosen Corporation, Japan
	Built	2002
	Delivery to ADS Crude III AS	Scheduled 10 September 2018
	DTW	299.152 MT
	LOA	329,99 m
ADS Stratus 	Vessel name	ADS Stratus
	Type	VLCC
	Yard	Hitachi Zosen Corporation, Japan
	Built	2002
	Delivery to ADS Crude II AS	14 August 2018
	DTW	299.157 MT
	LOA	329,99 m

3.6 Vessel acquisition agreements

On 12 July 2018, the Company entered into three memorandums of agreement for the acquisition of three Japanese built VLCC tankers from Ship Finance International Limited. The purchase price for each of the Vessels was USD 22.5 million in cash consideration. The acquisitions were financed using proceeds from the Private Placement and the loan facility as further described in Section 7.4 below.

Vessel Name (<i>after renaming</i>)	Delivery
ADS Eagle	20 July 2018
ADS Stratus	14 August 2018
ADS Serenade	Expected 10 September 2018

For further information about the Vessel acquisition agreements, please see Section 6.1 below.

3.7 Operations of the Group

The administrative and corporate management of the Group and its Vessels, including accounting and treasury functions, is performed by Arendals Dampskibsselskab AS (ADS) under the terms of an administrative

management agreement entered into between ADS, the Company and its subsidiaries. The management fee payable to ADS is USD 100 per Vessel per day, subject to annual adjustments in accordance with relevant index and in the manager's reasonable discretion. The initial term of the agreement is until 31 December 2022, and the agreement will thereafter automatically be extended for successive 12 months periods. The agreement may be terminated by either party at the end of the then applicable period by notice given to the other party not less than 365 days prior to the end of such period.

The Commercial management of the Vessels will be undertaken by leading tanker operator Frontline Ltd. Frontline Ltd. has been the commercial manager for the Vessels prior to the Vessel acquisitions.

Technical management of the Vessels will be provided by OSM Maritime Group. Bjørn Tore Larsen is a member to the Board of Directors and is also the main shareholder of ADS and the founder of OSM Maritime Group. Thome Ship Management will provide technical management for Front Page until the current C/P as storage vessel has been completed. Thereafter OSM Maritime Group will provide the Technical Management also for this vessel.

The vessel Front Page is currently under a charterparty as FSO outside the coast of Nigeria. The term of the agreement is from early August 2018 and for a period of 150 – 210 days. The rate is USD 26,000 per day.

ADS Stratus is currently offered for trading in the spot market and Front Serenade (to be renamed ADS Serenade) will be traded in the spot market as from the expected time of delivery on 10 September 2018.

3.8 Norwegian tonnage tax regime

The Company is incorporated in and tax resident in Cyprus. The Company is subject to corporate tax on its profits in accordance with the Income Tax Laws and Regulations of Cyprus. Net taxable profits are taxed at the corporate income tax rate, currently 12.5%.

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 and certain special rules in the tonnage tax regime. Instead of tax on qualifying shipping income, a tonnage tax based on the net tonnage of the vessel(s) is paid. Norwegian subsidiaries that do not qualify for the Norwegian tonnage tax regime, will be taxed on their net profit according to the general tax rules, with a tax rate currently of 23%.

3.9 Business-critical agreements, patents etc.

The Company has entered into a MoA for the purchase of the remaining VLCC Front Serenade (to be renamed ADS Serenade). The agreed price for the vessel is MUS\$ 22.5. The planned delivery date is 10 September 2018.

Other than the above MoA, the Company does not have any other business-critical agreements, patents or other registered intellectual property.

4 MARKET AND INDUSTRY OVERVIEW

This section provides an overview of the tanker shipping market in which the company operates. Information concerning future market developments, the shipping markets in general, competition, industry trends and similar information, is based on data compiled by professional analysts, consultants and other shipping market professionals. Arctic Securities has provided statistical information and data, and information is sourced from Arctic Securities' databases and other professional industry sources.

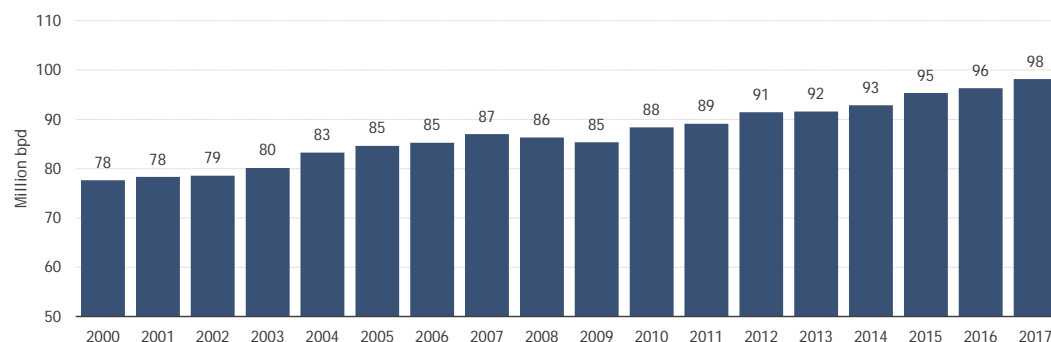
4.1 Oil Tanker Demand

The tanker shipping market concerns shipping of crude oil, oil products and chemicals in bulk quantities and (i.e. large amounts stowed in a single hold) and is generally referred to as liquid bulk shipping. Crude oil is the largest of the liquid bulks and is transported on the largest ships in the tanker segment. While other liquid bulk cargoes such as chemical liquids, oil product and liquefied gases have special requirements such as refrigeration or pressurized tanks, transportation of crude oil has few special technical transportation requirements.

Demand for seaborne crude oil transportation consists of three main elements; the volume of crude oil to be moved, the transportation distances and the productivity of the ships. Furthermore, these variables are functions of, among others, oil consumption and oil production, the location of oil production and refinery capacity, inventory levels, oil and product prices, vessel speed and load factors, global economic growth, trade dynamics, geographical distribution of importers and exporters, global commodity imbalances, industrial development, technological shifts and transport costs. Global economic growth is commonly measured by developments in gross domestic product (GDP) on a national or aggregated level. This measure mirrors the state of the economy and hence could reflect demand for seaborne transport on a regional or global level. Moreover, trade characteristics and geographical imbalances play key roles in determining demand for oil transportation since the variables impact the average haul on an aggregated basis. For instance, long-haul shipments demand a greater number of vessels for equal cargo volumes than short-haul shipments. Industrial development and technological developments such as a shift in sources of power generation could affect trade dynamics and commodity balances and imbalances. The cost of transport could also be influential for shipping demand. While low shipping costs or trade arbitrages could boost demand for vessels, the opposite could lead to higher freight costs and hence may have the opposite effect on demand.

In 2017, total oil consumption reached 98mbpd after increasing 1.5% from 2016. After global oil demand declined following the global economic downturn in 2008, demand has increased gradually every year since 2010. Lower prices for crude oil have boosted consumption further in 2015-'17, which has led to increased seaborne trade of crude oil and oil products. However, crude tankers have not been reaping the full benefit of the strong oil demand since early 2017 because high inventory levels and rising crude prices induced inventory drawdowns. This effectively means that seaborne crude oil has been substituted by crude inventories, which in turn has affected tanker demand negatively.

World oil consumption



Source: IEA, Arctic Securities Research

Total seaborne crude oil trade increased by 3.0% to 36.1mbpd in 2017. The average growth in seaborne crude oil trade in the period 2010-2017 is 3.6%, which compares to 1.5% for global oil consumption. Thus, seaborne crude trade has grown at a faster pace. Furthermore, when accounting for trade distances, the annual growth in ton-mile demand was 5.0% in 2017. The average ton-mile demand growth in the period 2010-2017 is 1.5%. The last three years have benefitted from increased trade distances, which is due to the ramp-up in Asian imports, particularly China, as well as exports from the US.

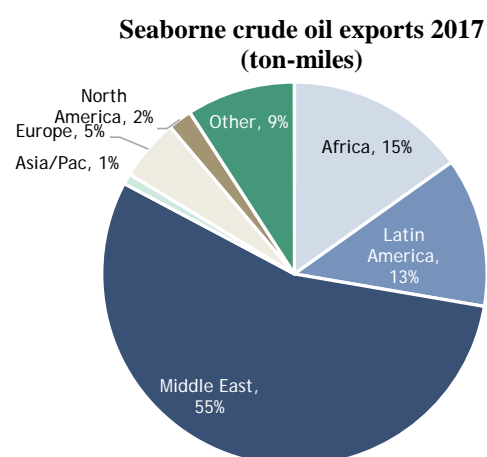
Development in seaborne crude oil trade

Seaborne imports		2010	2011	2012	2013	2014	2015	2016	2017
China	<i>Mbpd</i>	4.2	4.4	4.6	4.8	5.3	5.7	6.4	7.0
US	"	7.2	6.7	6.1	5.1	4.5	4.2	4.6	4.5
Japan	"	4.3	4.2	4.3	4.2	4.0	3.9	3.9	3.8
South Korea	"	2.4	2.5	2.6	2.5	2.5	2.8	2.9	3.1
EU28	"	10.3	9.9	10.8	10.0	9.9	10.4	10.5	10.9
Taiwan	"	0.9	0.8	0.9	0.8	0.9	0.8	0.9	0.9
India	"	3.3	3.4	3.7	3.8	3.8	3.9	4.3	4.4
Other	"	2.3	2.0	2.2	2.1	1.9	1.9	1.6	1.6
Total	"	34.9	33.9	35.1	33.4	32.8	33.7	35.0	36.1
y-o-y growth	"		-1.0	1.2	-1.7	-0.6	0.9	1.3	1.1
Total tons	<i>mt</i>	1,784	1,730	1,796	1,703	1,672	1,716	1,787	1,841
Average distance	<i>Miles</i>	5,087	5,113	5,150	5,201	5,317	5,316	5,360	5,464
Ton-miles		9,075	8,846	9,249	8,858	8,890	9,123	9,579	10,058
y-o-y growth			-2.5%	4.6%	-4.2%	0.4%	2.6%	5.0%	5.0%

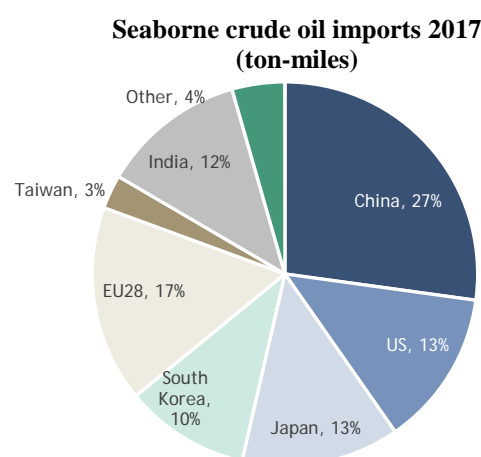
Source: EIA, Bloomberg, Eurostat, Arctic Securities Research

EU accounts for nearly a third of the seaborne crude oil imports with its 10.9mbpd of crude imported in 2017. Imports to the EU fell from 2012 to 2014, but has rebounded and increased in 2015-2017. China accounts for 7.0mbpd of crude oil imports, which compares to the 4.2mbpd imported in 2010. This reflects an annual average growth in seaborne crude imports to China of 7.7% in 2010-2017.

In terms of ton-miles, the Middle East accounted for 55% of crude exports in 2017. Exports from Africa, Latin America, North America, Europe and Asia/Pac made up 15%, 13%, 5%, 2% and 1% of the exporting ton-miles, respectively. For importers, China accounted for 27% of the importing ton-miles in 2017, while the shares to EU, US, Japan, India, South Korea and Taiwan were 17%, 13%, 13%, 12%, 10% and 3%, respectively.



Source: EIA, Bloomberg, Eurostat, Arctic Securities Research



Source: EIA, Bloomberg, Eurostat, Arctic Securities Research

4.2 Fleet and supply

The crude tanker fleet consists of ships of various sizes with different characteristics. The largest ships carry weights of more than 100,000 deadweight tons (dwt). The crude tanker merchant fleet normally refers to vessels larger than 10,000 dwt, and the crude tanker fleet stood at 381m dwt at year-end 2017, up 5.5% from year-end 2016. Total deliveries in 2017 totalled 26.5m dwt, which is the largest amount of delivered tonnage since 2011. Scrapping reached 6.6m dwt in 2016, above the annual 2010-2016 average of 6.0m dwt.

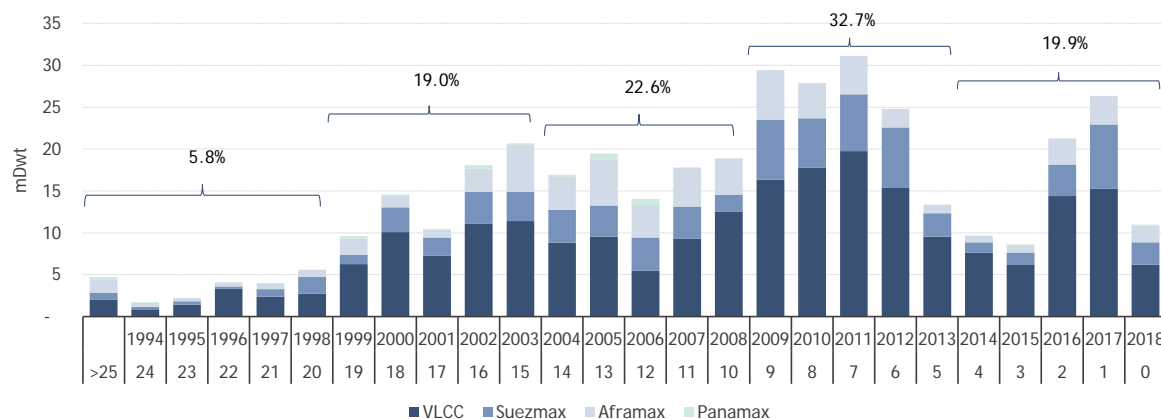
Crude tanker fleet overview

Crude tanker fleet (mDwt)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Share
VLCC	91	91	90	91	99	108	114	123	134	148	162	178	190	193	198	203	217	229	60%
Suezmax	30	29	30	32	34	38	42	46	47	53	57	63	68	69	69	71	74	80	21%
Aframax	33	33	34	36	38	42	45	49	52	57	60	62	62	62	61	62	64	66	17%
Panamax	6	5	6	5	5	6	6	6	6	6	5	5	5	5	4	4	4	4	1%
Handy	4	4	4	3	3	2	2	2	2	2	1	1	1	1	1	1	1	1	0%
Total	164	162	163	168	179	196	209	225	242	266	286	309	325	329	333	340	361	381	100%
Fleet growth	1.2%	-1.3%	0.8%	2.7%	6.7%	9.6%	6.5%	7.9%	7.1%	9.9%	7.5%	8.2%	5.3%	1.3%	1.1%	2.2%	6.0%	5.5%	

Source: Worldyards Statistics, Arctic Securities Research

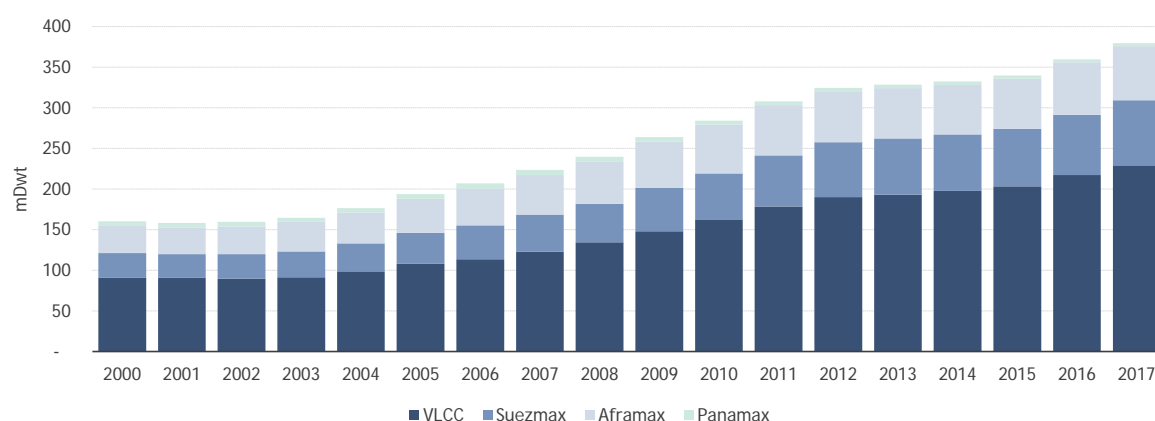
The fleet is divided into four main categories: VLCC, Suezmax, Aframax and Panamax/Handy vessels. These differ in size, capacity, average haul and other technical characteristics. The VLCC fleet stood at 229m dwt at year-end 2017, which translates to 60% of the total crude tanker fleet in terms of deadweight. Suezmaxes comprise 80m dwt and accounts for 21% of the fleet. The average age of the total fleet is 9.9 years. An overview of the crude tanker fleet and current age profile are illustrated in the charts below. The following subsections provide descriptions of the different vessel types, their fleet development and order book.

Crude tanker age profile



Source: Worldyards Statistics, Arctic Securities Research

Crude tanker fleet development



Source: Worldyards Statistics, Arctic Securities Research

4.2.1 VLCC

VLCC tankers (Very Large Crude Carriers) are defined as vessels larger than 200,000 dwt. The typical VLCC is 200-320,000 dwt, but the largest tankers, which are commonly referred to as ULCCs (Ultra Large Crude Carriers) are up to 500,000 dwt. The vessels are primarily used for long-haul crude transportation from the Arabian Gulf to countries in Europe, Asia and North America. The VLCC fleet grew 5.0% to 229m dwt in 2017. Additions to fleet were 15m dwt during the year, which is above the annual average of 13m dwt in 2010-2016. 3m dwt of VLCCs were scrapped in 2017, which compares to the annual average scrapping of 3m dwt in 2010-2016. From the start of 2000 to end-2017, the VLCC fleet grew from 89m dwt, corresponding to an average annual fleet growth of 5.4%. The table below provides an overview of the total VLCC fleet development.

VLCC fleet overview (mdwt)

VLCC	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fleet - Primo	89	91	91	90	91	99	108	114	123	134	148	162	178	190	193	198	203	217
Actual deliveries	10	7	11	11	9	10	6	9	12	16	18	20	15	10	8	6	14	15
Forecasted deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual scrapping	(8)	(7)	(12)	(10)	(1)	(0)	-	-	(1)	(3)	(4)	(3)	(4)	(7)	(3)	(1)	(1)	(3)
Forecasted scrapping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delivery of new orders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Ultimo	91	91	90	91	99	108	114	123	134	148	162	178	190	193	198	203	217	229
Fleet growth	2.0%	-0.2%	-1.2%	1.6%	8.2%	9.4%	5.1%	8.2%	9.3%	10.3%	9.3%	10.2%	6.5%	1.6%	2.4%	2.9%	6.8%	5.5%

Source: Worldyards Statistics, Arctic Securities Research

4.2.2 Suezmax

Suezmaxes are vessels with cargo capacity of 120-200,000 dwt. The typical size is about 160,000 dwt and the vessels have a beam of about 50m. The vessels are the largest type of ships that meet the Suez Canal restrictions and are capable of transiting the canal in laden condition. The Suezmax fleet grew 8.0% to 80m dwt in 2017. Additions to fleet were 8m dwt during the year, which is above the annual average of 4m dwt in 2010-2016. 2m dwt of Suezmaxes were scrapped in 2017, which compares to the annual average scrapping of 1m dwt in 2010-2016. From the start of 2000 to end-2017, the Suezmax fleet grew from 29m dwt, corresponding to an average annual fleet growth of 5.9%. The table below provides an overview of the total Suezmax fleet development.

Suezmax fleet overview (mdwt)

Suezmax	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fleet - Primo	29	30	29	30	32	34	38	42	46	47	53	57	63	68	69	69	71	74
Actual deliveries	3	2	4	3	4	4	4	4	2	7	6	7	7	3	1	1	4	8
Forecasted deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual scrapping	(2)	(3)	(3)	(2)	(1)	(0)	-	(0)	(0)	(1)	(2)	(1)	(3)	(1)	(1)	(0)	(0)	(2)
Forecasted scrapping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delivery of new orders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Ultimo	30	29	30	32	34	38	42	46	47	53	57	63	68	69	69	71	74	80
Fleet growth	2.2%	-3.3%	4.3%	5.6%	8.4%	10.0%	10.4%	8.8%	3.9%	12.8%	7.5%	9.8%	7.2%	2.8%	0.1%	1.8%	5.1%	8.0%

Source: Worldyards Statistics, Arctic Securities Research

4.2.3 Aframax (mdwt)

Aframaxes are medium-sized crude tankers with cargo capacity of 80-120,000 dwt. Due to their size, Aframaxes can serve most crude ports of the world and trades at medium to short haul trading routes. The Aframax fleet grew 3.1% to 66m dwt in 2017. Additions to fleet were 3m dwt during the year, which is above the annual average of 2m dwt in 2010-2016. 1m dwt of Aframaxes was scrapped in 2017, which compares to the annual average scrapping of 1m dwt in 2010-2016. From the start of 2000 to end-2017, the Aframax fleet grew from 34m dwt, corresponding to an average annual fleet growth of 3.9%. The table below provides an overview of the total Aframax fleet development.

Aframax fleet overview

Aframax	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fleet - Primo	34	33	33	34	36	38	42	45	49	52	57	60	62	62	62	61	62	64
Actual deliveries	1	1	3	6	4	5	4	5	4	6	4	5	2	1	1	1	3	3
Forecasted deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual scrapping	(2)	(1)	(2)	(3)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(3)	(2)	(1)	(1)	(0)	(0)	(1)
Forecasted scrapping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delivery of new orders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Ultimo	33	33	34	36	38	42	45	49	52	57	60	62	62	62	61	62	64	66
Fleet growth	-1.6%	-1.5%	3.6%	6.5%	4.4%	11.0%	6.7%	8.4%	6.5%	9.3%	5.4%	3.3%	0.6%	-0.7%	-1.1%	1.2%	4.3%	3.1%

Source: Worldyards Statistics, Arctic Securities Research

4.2.4 Panamax/Handy

Panamax and Handysize tankers refer to vessels of 65-80,000 dwt and 10-65,000 dwt. Panamaxes are terms for the size limits for passing through the Panamax Canal. Handysize is a term for smaller oil tankers with carrying capacity of less than 65,000 dwt. The Panamax and Handysize vessels can access smaller ports and typically trades inter-regionally on shorter trading routes. The Panamax/Handy fleet grew 1.1% to 5m dwt in 2017. Additions to fleet were 0.2m dwt during the year, which is above the annual average of 0.1m dwt in 2010-2016. 0.1m dwt of Panamaxes/Handys was scrapped in 2017, which compares to the annual average scrapping of 0.2m dwt in 2010-2016. From the start of 2000 to end-2017, the fleet has declined from 9.8m dwt, corresponding to an average annual fleet growth of -3.9%. The table below provides an overview of the fleet development.

Panamax/Handy fleet overview

Panamax / Handy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fleet - Primo	9.8	9.8	9.4	9.3	8.3	7.9	8.2	8.7	8.4	8.1	7.5	6.6	6.0	5.8	5.5	5.1	4.6	4.9
Actual deliveries	0.3	0.1	0.4	0.3	0.3	1.0	0.9	0.0	-	-	-	-	-	-	-	0.1	0.3	0.2
Forecasted deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual scrapping	(0.3)	(0.5)	(0.5)	(1.2)	(0.7)	(0.7)	(0.4)	(0.3)	(0.3)	(0.6)	(0.9)	(0.5)	(0.2)	(0.3)	(0.4)	(0.5)	-	(0.1)
Forecasted scrapping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delivery of new orders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Ultimo	9.8	9.4	9.3	8.3	7.9	8.2	8.7	8.4	8.1	7.5	6.6	6.0	5.8	5.5	5.1	4.6	4.9	4.9
Fleet growth	0.7%	-4.4%	-0.8%	-10%	-5.6%	4.2%	5.8%	-3.6%	-3.2%	-7.5%	-12%	-8.1%	-3.2%	-5.7%	-7.2%	-9.1%	5.4%	1.1%

Source: Worldyards Statistics, Arctic Securities Research

4.2.5 Order book

The supply of tankers is determined by the number of vessels in the fleet, their respective cargo capacity and the vessel efficiency characteristics determining the amount of cargo that can be supplied during a certain period of time (i.e. supply in terms of ton-miles). The fleet development is mainly determined by deliveries of new ships and demolition of older tonnage. Moreover, there is a lag between ordering and delivery of newbuildings, and hence the order book should be evaluated when determining the future supply of new tonnage. Total crude tanker order book currently stands at 47m dwt, which is 12.2% of the total fleet. In 2000-2017, the order book has averaged 22.7% of total fleet, and hence current value is lower than historical levels. The historical order book development in terms of dwt and percentage of fleet is presented in the table below.

Crude tanker order book

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018*
Crude tanker fleet	220	226	219	222	227	236	251	261	271	276	292	300	321	336	341	341	348	369	382
Crude tanker orderbook	31	42	47	39	50	55	49	93	98	120	98	96	67	42	38	42	71	55	47
Orderbook as % of fleet	13.9%	18.7%	21.3%	17.5%	21.8%	23.1%	19.6%	35.6%	36.1%	43.6%	33.5%	31.9%	20.8%	12.5%	11.0%	12.2%	20.5%	14.9%	12.2%

*As of July/18

Source: Worldyards Statistics

4.3 Charter contracts

There are several types of charter agreements. The key elements separating them are duration and how the risk is allocated between charterer and shipowner. The four main types of contracts are voyage charter, contract of affreightment, time charter and bare boat charter. Each are explained in the following subsections.

4.3.1 Bare boat charter

In a bare boat charter agreement, the shipowner provides the charterer with a vessel for a fixed period of time. The agreement is similar to a lease, where the charterer pays voyage and operational costs. The charterer also provides all necessary services such as crewing and takes on the operational risk of the vessel. The bare boat charter agreement typically stretches over several years and the charterer is obliged to pay the hire regardless of whether the vessel is in service or not. The charterer is hence exposed to market risk, while the key risk for the shipowner is counterparty risk.

4.3.2 Time charter

In a time charter agreement the charterer pays an agreed day rate over a certain period of time. The charterer obtains operational control of the vessel and is obliged to pay the voyage costs, which primarily includes port and fuel costs. The shipowner has the operational responsibility for the vessel and hence takes the operational risk. The time charter contract normally has a shorter duration than the bare boat charter, and hence the shipowner is left with somewhat higher market risk exposure. Generally, a time charter's duration stretches from a week and up to several years.

4.3.3 Voyage charter

A voyage charter is an agreement where the shipowner transports a single load of cargo from port A to port B. The parties agree on the type of commodity, quantity, loading and discharge ports, rate and date of loading and discharging, and on the freight costs. A voyage charter is normally quoted in terms of price per transported quantity. The owner takes the operational responsibility of the vessel and pays the voyage cost. Since the voyage charter is a contract concerning a single voyage, the duration normally is shorter than the two contract mentioned above and hence the shipowner is exposed to market risk in greater scale than in a time charter or bare boat charter contract.

4.3.4 Contract of affreightment (COA)

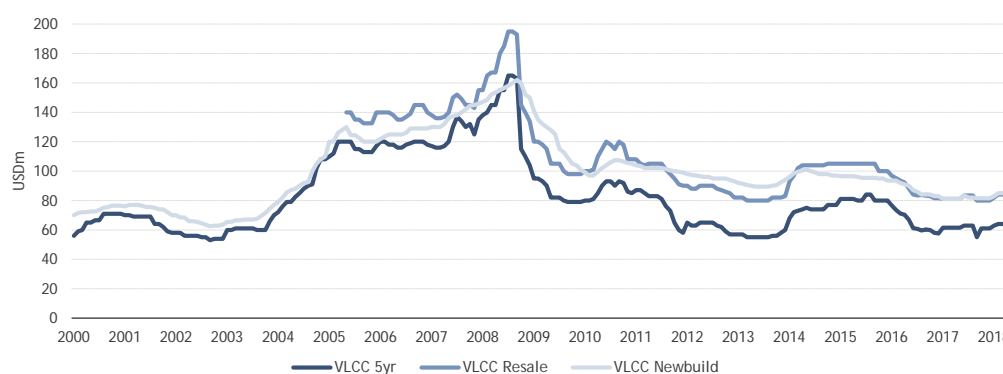
The contract of affreightment is similar to the voyage charter, but is somewhat more complex. The contract involves transport of several loads of cargo for a cost per unit of quantity, and the shipowner pays both operating and voyage costs. The parties agree on the cargo type, volume and ports for discharge and loading, and the shipments are normally transported at regular intervals between fixed ports. The COA provides shipowner and charterer with similar set of rights and obligations as the voyage charter, but the shipowner is left with less market risk exposure since the contract duration is smaller than for a single voyage charter.

4.4 Asset values

The shipping market has an established sale and purchase market. Asset assessments are typically made by shipbrokers on a regular basis for newbuilding and resale vessels, and for five, ten and 15 year old tonnage. Ultimately, vessel prices are determined by the supply and demand for ships, and ship prices have historically been heavily correlated to freight rates. Moreover, supply and demand for ships may be influenced by several factors such as exchange rates, production costs, interest rates and the track record of the yard of construction.

Ship values play a vital economic role in the shipping industry. It gives investors and shipowners the opportunity to buy and sell ships. The fact that a ship can change owner relatively swift in the second-hand market, while it takes years to build a new ship, makes it possible to draw some inferences about the market expectations by inspecting the second-hand price relative to the newbuilding price. For instance, when freight rates are soaring, second-hand or resale prices may actually be higher than newbuilding prices, implying that freight rates justify the relatively shorter life expectancy of a second-hand ship. In periods of healthy earnings, prices tend to be on or above the newbuilding parity line, which is the linear line ship values would follow if they were linearly depreciated. The opposite normally occurs when earnings are weak. The following charts illustrate the development in newbuilding and second-hand prices for VLCC, Suezmax and Aframax tankers.

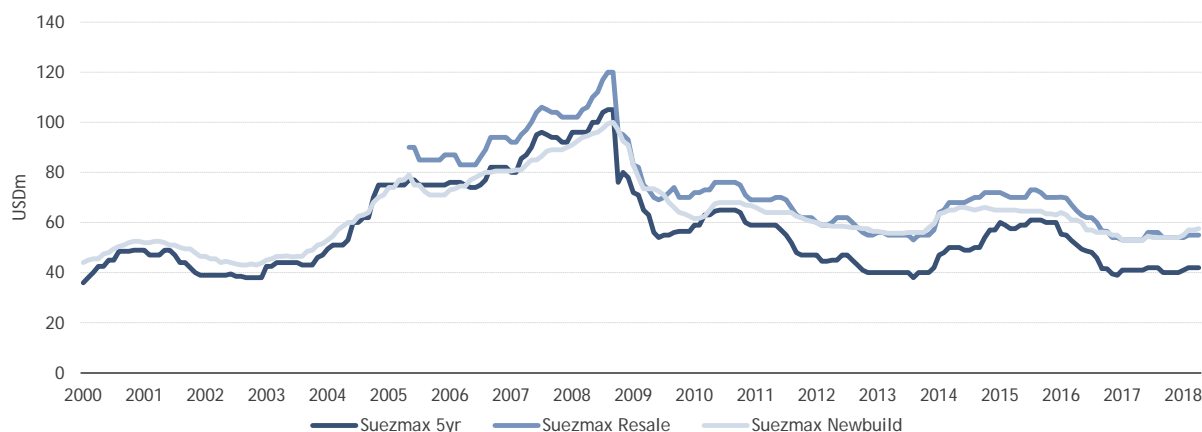
Historical VLCC values



Source: Arctic Securities Research

Current vessel values are below the 20-year average for all crude tanker vessels. A VLCC newbuilding is currently priced at USD 88m, while values for resale and five-year-old tonnage are USD 85m and USD 65m. This compares to the 20-year average newbuilding, resale and 5yr values of USD 97.1m, USD 109.9m and USD 80m, respectively.

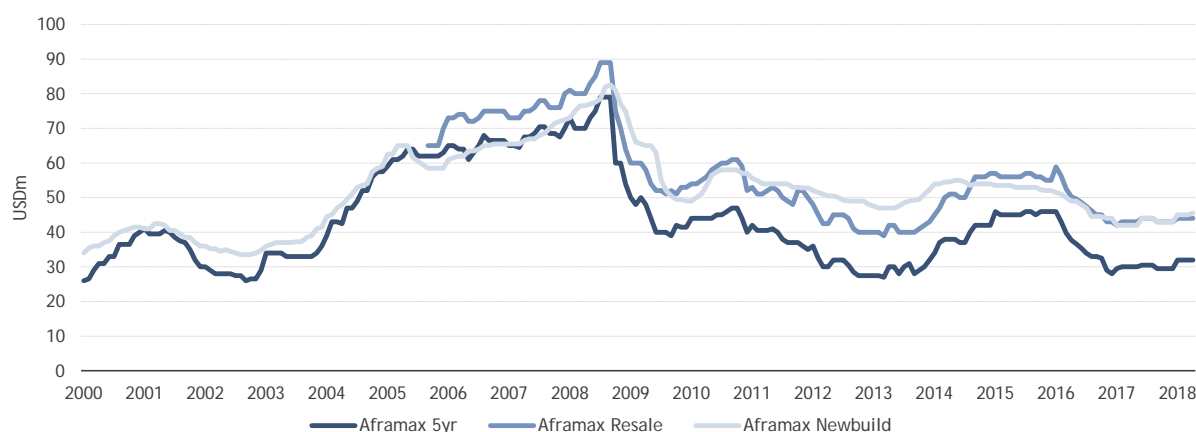
Historical Suezmax values



Source: Arctic Securities Research

Suezmax values currently stand at USD 60.0m, USD 55.0m and USD 42.0m for newbuilding, resale and five-year-old vessels, respectively. This compares to the 20-year average newbuilding, resale and 5yr values of USD 61.8m, USD 73.2m and USD 55.2m, respectively.

Historical Aframax values



Source: Arctic Securities Research

Aframax values currently stand at USD 47.0m, USD 44.0m and USD 32.0m for newbuilding, resale and five-year-old vessels, respectively. This compares to the 20-year average newbuilding, resale and 5yr values of USD 50.5m, USD 56.2m and USD 41.9m, respectively.

4.5 Regulations

Shipping market participants are bounded by numerous national, regional and global regulations. The International maritime organization (IMO) is the UN's specialized agency with responsibility for the prevention of marine pollution and the security and safety of shipping. Moreover, the IMO is an international standard-setting authority with main role of creating a fair, effective and globally adopted regulatory framework for the

shipping industry. The key IMO conventions are the International Convention for the Safety of Life at Sea (SOLAS), International Convention for the Prevention of Pollution from Ships (MARPOL) and International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW). Two important IMO conventions were determined in 2016: The International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) and Global Sulphur Cap 2020.

4.5.1 The Ballast Water Management convention

The BWM convention will require all ships in international trade to manage their ballast water and sediments to certain standards and will enter into force on 8 September 2019. Ships utilize ballast water in order to secure stability and structural integrity. The water can contain numerous microbes, algae and animal species, which are carried across the world's oceans and released into new ecosystems. Untreated ballast water could potentially cause severe damage to the maritime ecosystem and introduce invasive aquatic species, which are challenges that the IMO has addressed since the 1980s. Guidelines were first adopted in 1991, which furthermore led to the Ballast Water Management Convention in 2004. Under the new BWM convention all ships including submersibles, floating craft, floating platforms, FSUs and FPSOs in international traffic are required to implement a ballast water and sediments management plan. The ships will have to carry a ballast water record book and carry out management according to procedures of a given standard. Once the BWM convention has entered into force all ships are required to manage their ballast water on every voyage by using an approved ballast water treatment system. In general, ships will need to be in compliance with the BWM convention by first International Oil Pollution Prevention (IOPP) renewal survey after the convention implementation date. This certificate is renewed every five years. Shipowners face an implementation cost of approximately USD 0.5-2m for implementing the treatment system, depending on the size, type and design of the vessel.

4.5.2 Global Sulphur Cap 2020

On 27 October 2016, the IMO agreed on a global fuel sulphur limit of 0.5%, which will enter into force on 1 January 2020. The date was adopted in 2008 and it was agreed that a review should be undertaken by 2018 in order to assess whether sufficient fuel would be available by 2020. The review was performed in 2016 and concluded that sufficient fuel oil requirements would be available and hence the date was set in accordance with the 2008 agreement. Under the new global limit, ships will have to use fuel with a maximum sulphur content of 50%, which is significantly less than the current level of 3.5%. Ships can meet the limit by either using low-sulphur compliant fuel or implementing cleaning exhaust systems. In the latter case, the system must be approved by the flag state of the vessel.

5 ORGANISATION, BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

5.1 General

The Company is a public limited liability company incorporated under the laws of Cyprus.

The Company has applied for admission for trading of its shares on the Merkur Market. The Company's shares are currently not listed on any other trading facilities.

5.2 Board of Directors

5.2.1 Overview

Pursuant to the Articles, the board of directors of the Company shall consist of at least two directors. Directors serve for periods of one year at a time and are elected or re-elected at the annual general meeting unless an extraordinary general meeting is called to elect new directors.

The Company's business address at 22 Amathountos, OSM HOUSE, 4532 Agios Tychonas, Limassol, Cyprus, serves as c/o addresses for the members of the Board of Directors in relation to their directorships of the Company.

5.2.2 Board of Directors of the Company

The table below sets out the names of the current members of the Board of Directors of the Company.

Name	Position	Served since	Term expires
Mr. Bjørn Tore Larsen	Chairman	August 2018	Next AGM
Mr. Trym Otto Sjølie	Director	August 2018	Next AGM
Mr. Marios Demetriades	Director	August 2018	Next AGM
Ms. Penelope Evangelidou	Director	June 2018	Next AGM
Ms. Alkistis Dimitriou	Director	August 2018	Next AGM

Bjørn Tore Larsen

Bjørn Tore Larsen is the largest indirect shareholder in ADS and ADS Shipping Ltd. and is also one of the founders of OSM Maritime Group. He served as Chief Executive Officer of OSM Maritime Group until 2013. He now serves as Executive Chairman of OSM Maritime Group and as Chairman of OSM Aviation. Mr. Bjørn Tore Larsen indirectly controls 5.22% of the shares in the Company.

Trym Otto Sjølie

Trym Otto Sjølie is the Chief Operating Officer of Ship Finance International Limited. Mr. Sjølie has a background spanning 25 years in the shipping industry in diverse capacities, ranging from asset management, technical and operational management, chartering and engineering. Prior to joining Ship Finance International Limited, Mr. Sjølie served as the Managing Director of a shipping fund with a diverse fleet of vessels across multiple asset classes. He previously worked for Høegh Autoliners, a leading international car carrier operator, from 1998 to 2010. Mr. Sjølie holds a Master of Science degree in Marine engineering and Naval Architecture from the Norwegian University of Science and Technology (NTNU) and a Master of Management Degree from BI Norwegian Business School.

Marios Demetriades

Mr Marios Demetriades held the position of Minister of Transport, Communications and Works of Cyprus from 2014 to 2018. Prior to this he held managerial positions with Piraeus Bank (Cyprus) for six years and Laiki Bank Group for approximately ten years. He studied Business, Finance and Economics in the United Kingdom (1990-93 University of East Anglia). He is a member of the CFA Institute (Chartered Financial Analyst) since 2000. He is also a member of the Institute of Chartered Accountants in England and Wales (Chartered Accountant) and the Institute of Certified Public Accountants of Cyprus (ICPAC) since 1996. His previous experience include three years with BDO Stoy Hayward in London as a trainee Chartered Accountant (1993- 1996) and two years with Ernst & Young in Cyprus. Marios Demetriades is a Cypriot citizen and resides in Cyprus.

Penelope Evangelidou

Ms. Penelope Evangelidou studied Intro Microcomputers at the University of Winnipeg, Manitoba, Canada and has worked in various secretarial positions in the Louis Cruise Lines, in the office of the Cyprus Embassy in Sofia. Since 2007, Ms. Penelope Evangelidou has been employed by the law firm of Chrysses Demetriades &Co LLC in Cyprus.

Alkistis Dimitriou

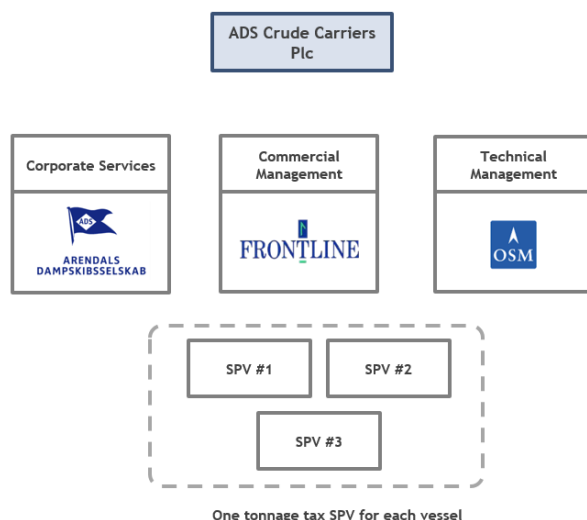
Ms. Alkistis Dimitriou studied Psychology at the Middlesex University, London and Special Education at the European University of Cyprus and has also obtain a certificate on Level 1, 2 and 3 on Bookkeeping. Ms. Alkistis Dimitriou has in the past worked as junior assistance as the clients account department of Total Serve Management Ltd of Cyprus; as secretary in MMCA AUDIT LTD, Limassol (Cyprus); as junior accountant in TOP PRO AUDIT & TAX LTD, Limassol (Cyprus). Since 2017, Ms. Alkistis Dimitriou has been employed by the law firm of Chrysses Demetriades &Co LLC in Cyprus as an administrator.

There are discussions to appoint additional shareholder representatives on the Board of Directors.

5.2.3 Board of Directors independence

Mr. Bjørn Tore Larsen indirectly controls ADS Shipping Ltd., ADS and the OSM Maritime Group and is the founder and Executive Chairman OSM Maritime Group, and is therefore linked both to one of the Company's largest shareholders and the provider of management and technical and crewing services to the Group. Trym Otto Sjølie is COO of Ship Finance International Limited, a company associated with the seller of the Vessels and the Company's largest shareholder. The remaining directors are considered as independent from the Company's largest shareholders, the Company's material business contracts and the executive management. The Company's executive management is not directly represented on the Board of Directors, but Mr. Bjørn Tore Larsen controls ADS, the provider of management and corporate services as further described below. There are no family relationships between any of the persons listed above.

5.3 Executive management and employees



The Company has no direct employees.

Terje Bodin Larsen will be CEO of the Company. He is not employed by the Company, but engaged as a consultant through ADS. Terje Bodin Larsen, has been employed in ADS since 2008. Prior to joining ADS he held the position as managing director of DSI Norway AS, part of New York base DeWitt Stern Group. Terje Bodin Larsen is the indirect owner of 0.98% of the shares in the Company.

As described in section 3.7 above, the Company has entered into a management service agreement with ADS under which ADS will provide all management and corporate services to the Company. ADS is a private Norwegian shipping company founded in 1857. Today ADS manages shipping and offshore projects and investments on behalf of its shareholders and third parties. The key personnel will execute the management and corporate services to the Company, in addition to the CEO are:

- The CFO of ADS, Mr. Dagfinn Andersen. Dagfinn Andersen has more than 36 years working experience from different positions within IT and finance.
- Arild Bårdsen, currently holding the position of Finance Manager within ADS. Arild Bårdsen has extensive working experience within general management, finance and IT from the manufacturing- and process industry as well as Oil & Gas and IT, including a listed company.

The Company's fleet is under commercial management by Frontline Ltd. Technical management services are provided by OSM Maritime Group and intermediate by Thome Ship Management for Front Page (to be renamed ADS Eagle) under the current charter party.

Companies related to Frontline, ADS and OSM are investors in the Company. All agreements and fees are negotiated by the Company at market level.

Please also see section 3.7

5.4 Service contracts to the Board of Directors and the members of the executive management

There are no service contracts between the Company or its subsidiaries and members of the board or management for benefits upon termination of employment. .

5.5 Board of Director's and management's shareholdings and options

Name	Position	Options	Shares
Mr. Bjørn Tore Larsen	Chairman	-	5.22% indirect shareholding
Mr. Trym Otto Sjølie	Director	-	-
Mr. Marios Demetriades	Director	-	-
Ms. Penelope Evangelidou	Director	-	-
Ms. Alkistis Dimitriou	Director	-	-
Mr. Terje Bodin Larsen	CEO	-	0.98% indirect shareholding

5.6 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of its Directors or to any employees of the Corporate Manager of the Group.

5.7 Employees

As at the date of this Admission Document, the Company has no direct employees. Please refer to section 5.3 above for a description of the management service agreement entered into with ADS.

5.8 Corporate governance requirements

The Board has a responsibility to ensure that the Company has good corporate governance.

As the company is not listed on any regulated market, no mandatory corporate governance code applies. The trading of the Company's shares on Merkur Market does not provide specific requirements in terms of corporate governance code, such as the Norwegian Code of Practice. However, the Company intends to maintain a high level of corporate governance standards and will consider the implications of the Norwegian Code of Practice going forward.

5.9 Conflicts of interests etc.

Except from the below, during the last five years preceding the date of this Admission Document, no member of the Board of Directors or the executive management has (i) any convictions in relation to indictable offences or convictions in relation to fraudulent offences; (ii) received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a Corporation or from acting in the management or conduct of the affairs of any Corporation; or (iii) been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a Sponsor, director or senior manager of a Corporation.

Trym Sjølie was hired as interim general manager for GS Skipsholding I AS that filed for liquidation on 7 May 2015. No sanctions were imposed.

6 MATERIAL CONTRACTS AND RELATED PARTY TRANSACTIONS

6.1 Material contracts

On 17 July 2018 the Company through its wholly owned subsidiary ADS Crude I took delivery of the VLCC Front Page, built in 2002 at Hitachi Zosen (Japan), at a purchase price of USD 22.5 million, from an associated company of Ship Finance Ltd. The purchase price was settled by cash consideration and shares. After completion of a running C/P as FSO, the vessel will be renamed ADS Eagle.

On 14 August 2018 the Company, through its wholly owned subsidiary ADS Crude II AS, took delivery of the VLCC ADS Stratus, built in 2002 at Hitachi Zosen (Japan) at a purchase price of USD 22.5 million, from an associated company of Ship Finance Ltd. The purchase price was settled by cash consideration.

The Company has entered into an agreement to acquire the VLCC Front Serenade, built in 2002 at Hitachi Zosen (Japan), to be renamed ADS Serenade, at a purchase price of USD 22.5 million, from an associated company of Ship Finance Ltd. The wholly owned subsidiary of the Company, ADS Crude III will take delivery of the ADS Serenade. Closing of the transaction is expected to take place on or about 10 September 2018. The purchase price will be settled by cash consideration.

6.2 Related party agreements

The Company has entered into an administrative services agreement with ADS as further described in section 3.7 above. For the delivery of technical and crewing services, the Company has entered into a technical services agreement with OSM as further described in section 3.7 above. The agreements are entered into on arm's length terms.

6.3 Legal and regulatory proceedings

The Group is not, 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 its financial position or profitability. The Company is not aware of any such proceedings which are pending or threatened.

7 FINANCIAL INFORMATION

7.1 Financial Statements

7.1.1 Application of critical accounting policies, estimates and judgments

The Company will prepare its financial statements in accordance with IFRS, which requires it to make estimates in the application of its accounting policies based on the Company's best assumptions, judgments and opinions. On a regular basis, the management intends to review the accounting policies, assumptions, estimates and judgments to ensure that the financial information of the Company is presented fairly and in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could differ from the Company's assumptions and estimates, and such differences could be material. Accounting estimates and assumptions discussed in this section are those that are considered by the Company to be the most critical to an understanding of the Company's financial Statements because they inherently involve significant judgments and uncertainties.

7.1.2 Opening balance sheet

The table below sets out the audited consolidated balance sheet for the Company as per 20 July 2018. The balance sheet has been audited by RSM Norge AS.

Consolidated Opening Balance - Merkur Listing Application

at 20 July 2018

Figures in USD 1000

	Note	20 July 2018
ASSETS		
<i>Non-current assets</i>		
Vessels - MOA of vessels	3	67 927
Total non-current assets		67 927
<i>Current assets</i>		
Bunkers, lub oil and other stores	4	4 680
Prepayments to suppliers		349
Cash and cash equivalents	5	40 028
Total current assets		45 056
TOTAL ASSETS		112 983

	Note	20 July 2018
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	6	4 678
Other paid in equity and reserves	6	51 149
Retained earnings	6	(191)
Total equity		55 636
<i>Non-current liabilities</i>		
Interest bearing loans and borrowings	7	29 700
Total non-current liabilities		29 700
<i>Current liabilities</i>		
Trade payables		289
Other short-term liabilities	8	27 358
Total current liabilities		27 647
Total liabilities		57 347
TOTAL EQUITY AND LIABILITIES		112 983

7.2 Significant change in the Group's financial or trading position

In the period after the balance sett day of 20 July 2018 and up to the date of this Admission Document, the Group has not completed any significant transactions except for the delivery of Front Page (to be renamed ADS Eagle) and ADS Stratus, nor has any significant change to market and financial condition occurred.

7.3 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 Admission Document.

7.4 Borrowings

On 17 July 2018, ADS Crude Holding AS (as "**Borrower**") together with the Company, ADS Crude 1 AS, ADS Crude II AS and ADS Crude III AS (as "**Guarantors**") entered into a USD 30 million senior secured loan agreement (the "**Loan Agreement**") with Sterna Finance Ltd. (a company associated with Ship Finance International Ltd., the "**Lender**"). The loan is subject to an interest rate equal to the aggregate of LIBOR for successive three month periods plus a margin of 4.50% per annum. The interest shall be calculated and paid on a quarterly basis in arrears.

The security granted under the Loan Agreement includes (i) an unconditional, on-demand guarantee by each of the Guarantors, (ii) first priority mortgages over each Vessel, (iii) first priority pledge of all the Borrower's shares in each of the SPVs and the Company's shares in the Borrower, (iv) first priority assignment by each SPV of the earnings and insurances related to its Vessel, (v) factoring agreements in respect of each SPV's trade receivables (vi) assignment of intra-group debt and (vii) account pledges.

The loan may be withdrawn in three tranches, one per Vessel and each in the amount of USD 10 million.

The loan shall be repaid in full latest on 31 December 2022. The loan may be repaid earlier in whole or in part, provided always that pre-payment shall be made in amounts of minimum USD 1,500,000. Sale of a Vessel is permitted provided prepayment of the relevant tranche, or (if higher) a proportional part of the outstanding loan similar to the proportional market value of the vessel to be sold.

At drawdown of the relevant tranche, the Company shall pay 1% upfront fee. Further, the Company shall pay a commitment fee of 1% per annum of the undrawn part of the loan for the period from 17 July to the relevant drawdown date.

The Loan Agreement contains customary covenants, which, amongst other things, includes a negative pledge on the Borrower and its subsidiaries (the Group).

With regard to dividend payment, the Company may only pay dividend to its shareholders if no default has occurred or would occur immediately after the payment and the Vessel LTV ratio immediately after such payment of dividend does not exceed 50%.

Further, the Company shall ensure that 50% of any dividend payment exceeding (in aggregate for the relevant period) USD 2,000,000 in any financial quarter, USD 4,000,000 in any financial half-year, or USD 8,000,000 in any financial year shall be applied towards repayment of the Loan until the loan amount for each of the three Vessels has been reduced to USD 8,000,000 (from USD 10,000,000).

The Loan Agreement includes the following financial covenants:

- The Group shall at all times maintain liquidity in an amount of no less than 10% of the financial indebtedness of the Group;
- the Group shall at all times ensure that the Vessel LTV Ratio does not exceed 70%; and
- the Group shall maintain a positive working capital.

The Loan Agreement also contains certain customary events of default, which, if triggered will require the Borrower to repay the loan. Such events of defaults includes inter alia, non-payment and insolvency proceedings. Furthermore, the Loan Agreement also contains a change of control provision, which triggers repayment of the loan if (i) ADS Shipping Ltd. ceases to own at least 2,015,900 shares in the Company, (ii) the Borrower ceases to be 100% directly owned and controlled by the Company or (iii) any SPV ceases to be 100% directly owned and controlled by the Borrower.

7.5 Dividend policy

It is the intention of the Company to distribute dividend quarterly and to arrange for full dividend payout to its shareholders reflective of the values generated in the Company. Timing and amount of dividends paid to the Company's shareholders is at the discretion of the Board of Directors, who will also take into account the legal restrictions for such distributions.

The Loan Agreement includes certain restrictions on payment of dividend as further described in section 7.4 above.

For a description of certain taxation issues with respect to dividends, see Section 10 below.

8 CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL AND SHAREHOLDER MATTERS

The following is a summary of certain material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Articles of Association, and applicable Cyprus law in effect as of the date of this Admission Document.

8.1 The Shares

The authorised and issued share capital of the Company at the date of this Admission Document is USD 4,678,060 divided into 23,390,300 Ordinary Shares of nominal value USD 0.20 each. The Shares are fully paid-up.

The beneficial interests in the Shares are registered in VPS with ISIN CY0108052115, except for six Shares held by Cypriot nominees as further described in Section 8.8 below. The Company's VPS account operator is Nordea Bank AB (Publ), filial i Norge, with registered address at Essendropsgate 7, N-0368 Oslo, Norway.

Please see section 9 for further description of the Company's shares.

8.2 Shareholder rights

The Company has one class of shares. All the Shares rank in parity with one another. In accordance with the Articles, all Shares carry one vote and are otherwise equal in all respects.

8.3 Authorisation to issue additional shares

Pursuant to the Articles and subject to section 60B of the Companies law, any unissued shares as well as any shares and other securities to be created are at the disposal of the Board of Directors which has the right to issue or generally dispose of the same to such persons, at such times and under such terms, conditions and restrictions which it deems to be most beneficial to the Company. Pursuant to the Companies Law the Company may increase its share capital through the passing of an ordinary resolution. Furthermore, subject to the provisions of Cyprus Companies Law and the Articles, the Company is allowed to acquire its own shares. One of the conditions under the Companies Law is that that the Company through a special resolution authorises the board of directors to proceed with the acquisition of its own shares.

8.4 Own shares

As at the date of this Admission Document, the Company does not hold any treasury Shares.

8.5 Rights to subscribe or acquire shares

Neither the Companies Law nor the Articles provide any restriction/limitation in relation to right of any person to subscribe or acquire shares in the Company.

8.6 Warrants and Options

The Company has not issued any warrants, options and/or other subscription rights.

8.7 Share capital history

The development of the Company's share capital since its incorporation is set forth in the table below:

Date	Event	Capital increase /decrease	Par value	Share price	Share capital	New shares issued	Total no. of Shares
------	-------	----------------------------	-----------	-------------	---------------	-------------------	---------------------

30 April 2018	Incorporation	EUR 1,000	EUR 1.00	-	EUR 1,000	1,000	1,000
10 August 2018	Conversion and Share split*	USD 1,172	USD 0.20	-	USD 1,172		5,860
10 August 2018	Private Placement	USD 4,676,888	USD 0.20		USD 4,678,060	23,384,440	23,390,300

*Conversion of nominal value of shares from EUR to USD and share split 1:5

8.8 Ownership Structure

As of 24 August 2018, the Company had a total of 68 registered shareholders in the VPS. Six of the Company's issued ordinary Shares are not registered in VPS. This is due to Cyprus legislative provisions, relating to public companies. The six shares not registered in VPS are held by six legal persons and are all registered in the register of members of the Company. As described below in section 9.3, the Shares are registered in the name of the VPS Registrar in the register of members of the Company in accordance with the laws of the Republic of Cyprus, and the beneficial shareholders will hold beneficial interests in those shares. The beneficial shareholders must look to the VPS Registrar to vote for their shares. Dividends in cash will be forwarded directly to the beneficial shareholders of the Company to the bank accounts registered on the VPS account of such shareholder.

The table below shows the 20 largest shareholders in the Company as registered in the VPS on 24 August 2018. There are no special voting arrangements in place for the major shareholders.

Investor name	Shares	Shares %
Ship Finance International Limited	4,031,800	17.24%
Arctic Securities AS*	2,215,772	9.47%
Meteva AS	2,114,956	9.04%
ADS Shipping Limited	2,021,754	8.64%
Morgan Stanley & Co. Int. Plc.	1,209,540	5.17%
Hortulan AS	1,000,000	4.28%
Verdipapirfondet DNB SMB	1,000,000	4.28%
First Generator	806,360	3.45%
Norda ASA	806,360	3.45%
Tvenge	500,000	2.14%
Jacob Hatteland Holding AS	500,000	2.14%
J.P. Morgan Securities LLC	500,000	2.14%
DNB Navigator (II)	500,000	2.14%
Shiphold LTD	403,180	1.72%
SKIPS AS TUDOR	403,180	1.72%
Fjelltunveien Invest AS	400,000	1.71%
Bernt Holding AS	300,000	1.28%
GJESTY AS	250,000	1.07%
Herfo Finans AS	250,000	1.07%
Adriago Small and Midcap L/S	250,000	1.07%
Total top 20 investors	19,462,902	83.21%
Total all shares**	23,390,294	100.00%

* 1,703,565 shares currently held by Arctic Securities AS are shares that are pending distribution to subscribers in the Private Placement

** As described above, six shares are directly held by nominee shareholders in Cyprus. Such shares are not registered in the VPS.

8.9 Takeover

The Company has not received any takeover bids during the last or current financial year.

8.10 Change of control

As of the date of this Admission Document, to the knowledge of the Company, there are no arrangements or agreements, which may at a subsequent date result in a change of control in the Company.

8.11 Lock-Up

Until the Final Repayment Date of the Loan referred to in section 7.4, being the earlier of (i) 4.5 years from the date of the first Drawdown Date of 19 July 2018 (19 January 2023) and (ii) 31 December 2022, ADS Shipping Ltd. must, otherwise an event of default will occur, own and control at least 2,015,900 shares in the Company.

9 INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

9.1 Admission to trading

On 23 August 2018, the administration of Oslo Børs ASA resolved to admit the Shares for trading on the Merkur Market.

The first day of trading of the Shares on the Merkur Market is expected to be on or about 28 August 2018.

The Shares will trade on the Merkur Market under the ticker symbol "ADSC-ME".

9.2 Type, class, currency and ISIN number

The Company has only one class of shares and has currently issued 23,390,300 Shares, each with a nominal value of USD 0.20. The shares have been issued in accordance with the Cyprus Corporate Act. The shares are denominated in USD. The ISIN for the shares traded on the Merkur Market is CY0108052115.

9.3 VPS registration of the Shares

9.3.1 Introduction

It is a legal requirement that shares that are to be admitted to trading on the Merkur Market are registered in a central securities depository licensed to operate in Norway or another share register approved by Oslo Børs ASA, (for practical purposes; the VPS).

In order to facilitate registration with the VPS, all Shares of the Company are registered in the name of Nordea Bank AB (Publ), filial i Norge (the "**VPS Registrar**"), in accordance with terms set out in the Registrar Agreement entered into between the Company and the VPS Registrar.

The VPS Registrar shall register beneficial interest in the Shares in VPS (Nw.: *depotbevis*). Accordingly, it is not the legal interest in the Shares, but the beneficial interests in the Shares issued by the VPS Registrar that are registered in VPS and traded on the Merkur Market. The VPS Registrar is registered as the legal owner of the Shares in the register of members that the Company is required to maintain pursuant to Cyprus law and the Articles. The VPS Registrar, or its designee, holds the Shares as nominee on behalf of each beneficial Shareholder. The VPS Registrar will provide for the registration of each Shareholder's beneficial ownership in the Shares in the VPS on each investor's individual VPS account.

The beneficial ownership of the Shareholders will be registered in the VPS under the category of a "share", and the beneficial ownership will be traded on the Merkur Market. Investors who purchase the Shares (although recorded as owners of the shares in the VPS) will have no direct shareholder rights in the Company, and will not be treated as a legal shareholder of the Company for the purpose of Cyprus law or the Articles. Each Share registered with the VPS will represent evidence of beneficial ownership of one Share. The Shares registered with the VPS will be freely transferable, with delivery and settlement through the VPS system.

Investors who purchase Shares must look solely to the VPS Registrar for the payment of dividends, for the exercise of voting rights attached to the Shares and for all other rights arising in respect of the Shares. The VPS Registrar has agreed to provide for voting arrangements for the beneficial shareholders on the terms set out in the Registrar Agreement.

9.3.2 Voting and dividends

The VPS Registrar or its designee shall vote for the Shares it holds, or issue a proxy to vote for such Shares, only in accordance with each investor's instructions.

Any dividends will be paid by the Company directly to the VPS Registrar, which, in turn, has undertaken to distribute the dividends to the investors in accordance with the Registrar Agreement.

Investors who have a Norwegian address and investors who have supplied the VPS with details of a Norwegian bank account will receive dividends in NOK. Investors who have a non-Norwegian address or who have not provided details of a Norwegian bank account will receive dividends converted into either their local currencies or, if the VPS Registrar so elects, in USD. Dividends in cash will be forwarded directly to the holders of deposit rights to shares in the Company to the bank accounts registered on the VPS account of the holder of deposit rights. The Articles stipulate that unclaimed dividends on shares may be forfeited for the benefit of the Company after a period of three years after having been declared. Due to the VPS system with registration of bank accounts, this provision is unlikely to have practical effect. Interest does not accrue on declared dividends. All shareholders of the Company will have equal rights to dividends, with the exception on any shares in the Company held by the Company itself.

9.3.3 Limitations on liability

The Registrar Agreement limits the Company's and the VPS Registrar's obligations to investors with respect to the Shares. Investors who purchase Shares in the Company should note that the Company and the VPS Registrar disclaim any liability for any loss attributable to circumstances beyond the VPS Registrar's control.

The VPS Registrar further disclaims liability for any losses suffered as a result of the VPS' errors or negligence, save to the extent that the VPS Registrar may hold the VPS liable for such losses.

9.3.4 Amendments and termination

The Company may terminate the Registrar Agreement at any time on 90 days' written notice. The VPS Registrar may terminate the Registrar Agreement on 90 days' written notice, provided that the VPS Registrar has fair reasons for such termination. The Registrar Agreement may further be terminated with immediate effect by either the Company or the VPS Registrar in the event of a material breach of contract by the other party, provided that such breach is not corrected within 10 business days or the breach is of a type that cannot be corrected. Failure by the Company to pay fees and expenses to the VPS Registrar shall always be regarded as a material breach of contract.

In the event that the VPS Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for purposes of permitting the uninterrupted trading of the Shares on the Merkur Market. There can be no assurance, however, that it will enter into such an agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, adversely affect the admission to trading of the Shares on the Merkur Market.

9.3.5 Notices

The Registrar Agreement provides that whenever the VPS Registrar receives any notice, report, accounts, financial statements, circular or other similar document relating to the affairs of the Company, including notice of a general meeting, the VPS Registrar shall ensure that a copy of such document is promptly sent to the registered address of each Shareholder along with any proxy card form or other relevant materials.

9.4 Restriction on the free transferability of the shares

The Shares are freely transferable. No right of first refusal apply.

9.5 Constitutional documents and Cyprus law matters

9.5.1 General introduction

The Company is incorporated in the Republic of Cyprus and is a public company limited by shares. The conversion to a public limited company was resolved on 10 August 2018, and is expected to formally finalised in mid-September. The Company is primarily governed by the Companies Law, Cap 113 of the statute laws of the Republic of Cyprus (the "**Companies Law**") and the Company's Memorandum (the "**Memorandum**") and Articles of Association (the "**Articles**").

9.5.2 Constitutional documents

The constitutional documents of the Company consist of the Memorandum and the Articles. The Memorandum deals with the objects and powers of the Company, and the Articles deal primarily with the Company's administration, internal regulation and the distribution of rights and authorities between the Company's shareholders and the board of directors. Under the Articles and the Companies Law, the Memorandum and Articles may be amended by a Special Resolution of the Company's general meeting, whereby the majority requirement is not less than three fourths of such Members as being entitled so to do vote in person or by proxy at a duly constituted meeting of the Company. An amendment of the objects and powers contained in the Company's Memorandum would, in addition, require the sanction of the Court.

9.5.3 Objects and Purposes

The memorandum of association of the Company is quite general and allows the Company to engage in most commercial activities and specifically shipping, including but not limited to recruit and place crews on ships and render services of any nature either generally or for a particular voyage, the administration of the financial affairs of ships and the management thereof, to carry on the business of ship-owners and act as shipbroker, agent or intermediary for securing freights or cargoes as well as for the purchase, sale, chartering of ships or otherwise.

9.5.4 Shares and transfer of shares

The Shares, including the beneficial interests in such Shares held by the VPS Registrar may be transferred freely.

The transfer of a Share is effective when the name of the transferee is entered on the register of members. The transfer of the beneficial interests in such Shares held by the VPS Registrar is effective when the name of the transferee is entered on the VPS Register.

9.5.5 Purchase of own Shares

Subject to the Articles and the provisions of the Companies Law, the Company has the power to purchase any Shares in the manner set out in the Articles.

Under the Companies Law, a public company may acquire its own shares either directly, or through a person acting on his own name but on behalf of the company, subject to certain restrictions and a specific procedure which include, inter alia, the following:

- The acquisition has been approved by special resolution in the general meeting of the Company whereby authorization is granted to the Company's board of directors to proceed with acquisition of its

own shares within a time period of twelve months from the date that the decision is taken and the terms and the manner of the acquisition and particularly the maximum number of shares that may be acquired, the period for which the company may own same, which may not exceed two years and, in case there is an intention to acquire them in exchange for monetary consideration, the minimum and maximum price of their acquisition.

- The total of the nominal value of shares of a company itself acquired by the company, including the shares which the company already owns and maintains in a portfolio and the shares which a person acting in his name but who acquired same on behalf of the relevant company, may not, at any time, exceed ten per cent (10%) of the subscribed capital or twenty-five per cent (25%) of the average value of the transactions, which, in case of a company the shares of which are listed on the Stock Exchange, were negotiated during the last thirty days, whichever of those amounts is smaller.
- The monetary consideration payable for the acquisition by a company of its own shares shall be paid out of the realized and non-distributed profits.

The company can only acquire its own shares that have been fully paid up.

The acquisition by the Company of its own shares shall not affect the satisfaction of the claims of its creditors.

9.5.6 Conversion provisions

No conversion provisions exist in relation to the Company's shares, save that the Company may, by Ordinary Resolution and subject to the provisions of the Companies Law;

- a) convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination;
- b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and
- c) subdivide its existing shares, or any of them, into shares of a smaller amount than is fixed by its Memorandum of Association.

If, at any time, the Company's shares are divided into different classes, the rights attached to any class may only be varied, with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

9.5.7 General meetings

The board of directors decides the venue of the Company's general meeting, which can be anywhere.

A general meeting must be held once every year and not less than 21 days' notice is required for the holding of an annual general meeting. Extraordinary general meetings shall be called by 21 days' notice at the least. The notice of the meeting shall specify the time, place and agenda and other relevant information for the meeting. Notice of every meeting of shareholders shall be given to all shareholders entitled to receive such notice from the Company.

A general meeting may be called by the board of directors or at the requisition of the shareholders (members). A shareholders' requisition is a requisition of shareholders holding at the date of deposit of the requisition not less than 10% of the voting rights of the Company. The direct shareholder rights in the Company are, as described in Section 9.3, held by the VPS Registrar, and the holders of the deposit rights must therefore look to the VPS Registrar to exercise the right to convene a general meeting.

Shareholders may be represented at the general meeting in person or by proxy or, in case of a body corporate, by its duly authorised representative.

The holders of deposit rights, in accordance with the provisions set forth in the Registrar Agreement, must look to the VPS Registrar to exercise the votes attaching to the underlying shares. Under the Registrar Agreement, the VPS Registrar has undertaken to, whenever it receives notice of a general meeting in the Company, to give such information to the holders of beneficial interests in the Shares. Such notice will include the time and place of the meeting, the agenda and other relevant information, including the time within which the deposit holder is to provide the VPS Registrar with its voting instructions. The holders of deposit rights will receive proxy forms, so that they may instruct the VPS Registrar or another person to attend and vote on their behalf, or they may elect to meet and vote their own deposit rights (in the latter case, technically by proxy from and given by the VPS Registrar for the number of shares corresponding to the number of deposit rights such shareholder have in the VPS).

For further information on the convening of general meetings, and attendance, proxy representation and voting therein, see Section 9.3, where the VPS registration and each shareholder's rights towards the VPS Registrar are described. A resolution of a general meeting is passed by simple majority unless the Companies Law or the Articles specify otherwise.

A special majority of not less than three fourths of such Members as, being entitled so to do, vote in person or by proxy, is required for the passing of, inter alia, the following resolutions:

- a) for the amendment of the objects clause contained in the Company's Memorandum
- b) for the amendment of the Company's Articles
- c) for the change of name of the Company
- d) for the acquisition of the Company's own shares
- e) for the reduction of the Company's share capital
- f) for the voluntary liquidation of the Company
- g) for the re-domiciliation of the Company to another jurisdiction

9.5.8 The Board of Directors

Pursuant to the Articles, the board of directors shall consist of not less than two members with no maximum number. The necessary quorum for the transaction of business of the directors is not less than one half of the total number of directors, unless there are only two directors, in which case the quorum is two directors.

Each director shall hold office until the expiration of his term and until his successor shall have been elected and qualified. At the first annual general meeting of the Company, all the directors shall retire from office but shall be eligible for re-election. At every subsequent annual general meeting, one-third of the directors of the Company for the time being, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

A board meeting may be held in any part of the world. A director is deemed to be present at a board meeting if he participates by telephone or other electronic means. Subject to any resolution of the shareholders to the contrary, the board may appoint one director as the chairman of the board, and may at any time elect another person as chairman of the board.

The purpose of the board of directors is to manage and conduct the business of the Company, and its power and rights are limited by the Companies Law and the Articles. The board of directors has full power to charge any of the Company's assets and to borrow money without sanction by the general meeting. The Articles stipulate that the board of directors is responsible for the Company's management and may appoint or remove officers of the Company (other than members of the board of directors).

The board of directors may by power of attorney appoint a person or company as the Company's attorney with such power, authority and discretion as the board of directors thinks fit (provided however that this does not exceed the powers vested in the board of directors by the Articles). The board of directors may also authorise the attorney to sub-delegate any or all powers, authorities and discretions vested in him by the board of directors. Furthermore, the board of directors may, subject to the Articles, delegate certain of its powers to committees consisting of such member or members of the board of directors as it thinks fit. Every committee so formed shall conform to any regulations that may from time to time be imposed upon it by the board of directors. A director may be engaged by the Company for the purpose of performing services which go beyond his ordinary duties as a director, but he may not be the Company's auditor. The director performing such services for the Company is entitled to such special remuneration as the board of directors may determine.

A director or a company owned by him may also enter into commercial agreement with the Company provided that the relevant director declares his interest in such contract at the board meeting where the contract is first considered. He shall not be counted in quorum and cannot vote in any case where he has declared an interest.

Subject to the provisions of the Companies Law applicable to the payment of dividends for public companies, the Company may by an ordinary resolution, but following proposal from the board of directors, from time to time declare and pay dividends. The board of directors are also empowered to declare interim dividends from time to time as appear to the directors to be justified by the profits of the Company and always subject to the provisions of the Companies Law.

9.5.9 Majority requirements

The Companies Law contains rules requiring resolutions to be taken as special resolutions of the shareholders in certain cases, such as where the Memorandum or Articles are to be amended or where there is to be a reduction of the share capital. A special resolution is defined under the Companies Law as a resolution passed by a majority of not less than three fourths of such members as, being entitled so to do, vote in person or by proxy at a general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given.

The issue of new shares, or any resolution of the shareholders passed to authorise the board of directors to issue new shares, are among the resolutions that will only require a simple majority vote (ordinary resolution) by the shareholders. Pursuant to the Companies Law, whenever the share capital of a public company is increased by consideration in cash, the new shares must be offered on a pre-emptive basis to existing shareholders in proportion to the capital represented by their shares. The right of pre-emption may be restricted or withdrawn only by a decision of the general meeting taken by a majority of two thirds of the votes or, when at least half of the share capital is represented, by a simple majority.

All shares in the Company provide equal rights pursuant to the Articles, and any amendments of shareholder rights will require the passing of a special resolution.

9.5.10 Nomination Committee

The Company will appoint a nomination committee at its next general meeting. The nomination committee shall consist of at least two members and there shall be no maximum. The members of the nomination committee shall be elected by the general meeting. The majority of the committee shall be independent of the management of the Company. The general meeting shall set the committee members' remuneration. The costs of the nomination committee shall be covered by the Company.

The nomination committee shall present to the general meeting a proposal for candidates to be elected as directors. The committee shall also propose to the general meeting the directors' remuneration.

9.6 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are admitted to trading, or subject to an application for admission to trading on a Norwegian regulated marketplace or a Norwegian multilateral trading facility, or incitement to such dispositions, must not be undertaken by anyone who has inside information. The same applies in the case of financial instruments that are admitted to trading on a Norwegian multilateral trading facility. Inside information is defined in Section 3-2 of the Norwegian Securities Trading Act and refers to precise information about financial instruments issued by the Company admitted to trading, about the Company admitted trading itself or about other circumstances which are likely to have a noticeable effect on the price of financial instruments issued by the Company admitted to trading or related to financial instruments issued by the Company admitted to trading, and which is not publicly available or commonly known in the market. Information that is likely to have a noticeable effect on the price shall be understood to mean information that a rational investor would probably make use of as part of the basis for his investment decision. 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. Breach of insider trading obligations may be sanctioned and lead to criminal charges.

10 NORWEGIAN TAXATION OF SHAREHOLDERS

10.1 Introduction

This subsection presents a brief outline of certain tax aspects under Norwegian law related to holding and disposal of shares in the Company. The presentation is based on Norwegian tax regulations in force as of the date of this Admission Document and describes the tax situation for Norwegian shareholders (shareholders with Norwegian tax residency). The presentation does not concern tax issues for the Company.

This subsection does not include any information with respect to taxation in any other jurisdiction than Norway, and the presentation only focuses on the shareholder categories explicitly mentioned below. Hence, this subsection does i.a. not exhaustively cover the tax situation for non-Norwegian shareholders holding or disposing off shares in the Company through a Norwegian permanent establishment. Further, special rules, which are not mentioned below, may apply to shareholders which are transparent entities for tax purposes and for shareholders that have moved or will move out of Norway.

The presentation is of general nature and is not intended to be an exhaustive analysis of all possible tax aspects relating to shares in or dividends paid from the Company. Accordingly, prospective holders of shares in the Company should consult and rely upon their own tax advisors as to the consequences under the tax regulations of Norway and elsewhere.

The presentation is subject to any amendments to tax laws and regulations that may occur after the date of this Admission Document, including any retroactive enforcement.

Please note that for the purpose of this subsection, a reference to a Norwegian or foreign shareholder refers to the tax residency and not the nationality of the shareholder.

10.2 Norwegian shareholders

10.2.1 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 distribution at an effective tax rate of 30.59% to the extent the dividend exceeds a tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied by 1.33 which are then included as ordinary income taxable at a flat rate of 23%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 30.59%).

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

The Company is tax resident in Cyprus, and will qualify for the Norwegian participation exemption as long as it is genuinely established in Cyprus. 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 23%).

10.2.2 Taxation of capital gains

Norwegian Personal Shareholders

Capital gains derived from the realization of shares in the Company by Norwegian Personal Shareholders are taxable in Norway at an effective tax rate of 30.59% to the extent the capital gain exceeds a tax-free allowance (i.e. capital gain received, less the tax free allowance, shall be multiplied by 1.33 which are then included as ordinary income taxable at a flat rate of 23%, increasing the effective tax rate on capital gains received by Norwegian Personal Shareholders to 30.59%). The tax-free allowance is further described above. Any loss incurred upon realisation of such shares are deductible.

Norwegian Corporate Shareholders

As mentioned above, the Company is tax resident in Cyprus, and will qualify for the Norwegian participation exemption as long as it is genuinely established in Cyprus.

Capital gains derived from the realization of shares qualifying for participation exemption are exempted from taxation, i.e. capital gains on such shares will be fully exempt from Norwegian taxation. Losses incurred upon realisation of such shares are not deductible.

10.2.3 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 shares in non-Norwegian companies admitted to trading on the Merkur Market is the same as for non-listed companies. The value is equal to 80% of assumed sales value of the shares as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The listed value on the Merkur Market will most likely be the assumed value of the shares. 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.

11 ADDITIONAL INFORMATION AND DOCUMENTS ON DISPLAY

11.1 Auditor

The Company's auditor is RSM Norge AS, with registered address Frolandsveien 6, 4847 Arendal, Norway. RSM Norge AS is a member of Den Norske Revisorforeningen (the Norwegian Institute of Public Accountants). The Company has received no auditor's reports yet and consequently no opinion is qualified. No numbered letters have been received from the auditor.

The Company will appoint RTBS Limited, with registered address 131 Gladstonos str, Kermia Court, 2nd floor, P.O. Box 53684, 3317 Limassol – Cyprus as their auditor. RTBS Limited is an associated auditor of RSM Norge AS.

11.2 Advisors

- Arctic Securities AS is acting as the Merkur Advisor in relation to the Admission to Trading.
- Wikborg Rein Advokatfirma AS is acting as Norwegian legal counsel to the Company.
- Chrysses Demetriades & Co LLC is acting as Cypriot legal counsel to the Company

11.3 Documents on Display

Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday to Friday each week (except public holidays) for a period of 12 months from the date of this Admission Document:

- the Articles of Association of the Company;
- Balance sheet
- all reports, letters, and other documents and statements prepared by any expert at the Company's request any part of which is included or referred to in this Admission Document.

11.4 Third-party information

Throughout this Admission Document, we have used industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Similarly, whilst we believe that our internal surveys are reliable, they have not been verified by independent sources and we cannot assure you of their accuracy. Thus, we do not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Admission Document that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

12 DEFINITIONS AND GLOSSARY OF TERMS

Admission Document	This Admission Document dated 28 August 2018
ADS	Arendals Dampskibsselskab AS
Board or Board of Directors	The Board of Directors of the Company
BWM	Ballast Water Management
CAP	Condition Assessment Program
Company	ADS Crude Carriers Plc
Companies law	The Cyprus Companies Law
Corporate Manager	Arendals Dampskibsselskab AS
Group	The Company and its subsidiaries
IFRS	International Financial Reporting Standards as adopted by the European Union
IMO	International Maritime Organisation
IOPP	International Oil Pollution Prevention Certificate
LIBOR	London Interbank Offered Rate
Merkur Advisor	Arctic Securities AS
Merkur Market	A multilateral trading facility operated by Oslo Børs ASA
NOK	Norwegian Kroner, the lawful currency of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 (Nw.: <i>verdipapirhandelloven</i>)
Registrar Agreement	The agreement between the Company and the VPS registrar for the registration of the Shares in book-entry form in the VOS
Share(s)	The shares of the Company, consisting as at the date of this Admission document of 23,390,300 common shares each with a par value of USD 0.20.
USD	United States Dollars, the lawful currency of the United States
VLCC	Very Large Crude Carrier
VPS account	An account with the VPS for the registration of holdings of securities
VPS Registrar	Nordea Bank AB (publ), filial i Norge
VPS	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen ASA</i>)

Appendix A – Articles of Association

COMPANIES LAW, CAP. 113

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ADS CRUDE CARRIERS PLC

INTERPRETATION

1. In these Articles:-

"foreign market" has the meaning assigned to it in the Law.

"the Law" means the Companies Law, Cap. 113 or any law substituting or amending the same.

"the seal" means the common seal of the company.

"secretary" means any person appointed to perform the duties of the secretary of the company and includes an assistant secretary.

"person" means both natural and legal person.

The provisions of Table A of the First Schedule of the Law shall not be applicable to the company.

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Law or any statutory modification thereof in force at the date at which these Articles become binding on the company.

PRELIMINARY

2. The company is a public company as such term is defined in the Law. The liability of the company's members is limited and, accordingly, each member's responsibility for the company's obligations shall be limited to the payment of the price agreed by the member to be paid for the issue of the shares held by such member
3. Any branch or nature of business for which there is either an express or an implied by the Memorandum of Association of the company or by these Articles authorisation to be undertaken by the company may be undertaken by the directors at such time or times as they would deem fit and, furthermore, may remain by the Directors in abeyance, irrespective of whether such branch or nature of business has actually started or not if the Directors would deem fit not to start or not to continue with such branch or nature of business.

SHARE CAPITAL AND VARIATION OF RIGHTS

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.
5. Subject to the provisions of section 57 of the Law, any preference shares may, with the sanction of a special resolution, be issued on the terms that they are, or at the option of the company are liable, to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.
6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the

class and that any holder of shares of the class present in person or by proxy may demand a poll. The provisions of Article 85 relating to the passing of resolutions in writing by the members shall apply *mutatis mutandis*.

7. The rights conferred upon any class shall not (except as otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *par passu* therewith.
8. The company may exercise the powers of paying commissions conferred by section 52 of the Law, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.
9. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Notwithstanding the above, but always subject to the provisions of section 112 of the Law, the company may if it so desires and if it has been notified in writing thereof, recognise the existence of a trust on any share although it may not register the same in the Register of Members of the company. Such recognition by the company is made known to the trustees by letter and is irrevocable as long as such trust remains in existence, even though trustees or any of them may be replaced.

Every member who may hold shares or other securities of the company on behalf of a third party, either as trustee, nominee, depository or in any other fiduciary capacity, shall, at the request of the company disclose forthwith to the company the name of the person or persons for whom he holds shares or other securities, in addition to the number of shares or securities such persons hold, and the capacity in which he so holds them.

10. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares upon payment of 20 cent for every certificate after the first or such less sum as the directors shall from time to time determine. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
11. Nothing in these Articles shall preclude any share or other security of the company from being issued, held, registered, converted, transferred or otherwise dealt with in uncertificated form. In relation to any share or other security which is in uncertificated form, these Articles shall have effect subject to the following provisions:
 - a. the company shall not be obliged to issue a certificate evidencing title to a share and all references to a certificate in respect of any shares or securities held in uncertificated form in these Articles shall be deemed inapplicable to such shares or securities which are in uncertificated form;
 - b. the registration of title to and transfer of any shares or securities in uncertificated form shall be sufficient for its purposes and shall not require a written instrument of transfer.
12. The provisions of these Articles shall not apply to shares of any class which are in uncertificated form to the extent that such Articles are inconsistent with:
 - a. the holding of shares of that class in uncertificated form;
 - b. the transfer of title to shares of that class by means of a relevant system; or
 - c. any provision of these Articles.
13. The board of directors of the company shall, subject to the facilities and requirements of any relevant system concerned and these Articles, have the power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title and transfer of interests in shares in the capital of the company in the form of depository interests or similar interests, or securities, and to the extent

that such arrangements are so implemented, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof of the shares in the capital of the company represented thereby. The directors may from time to time take such actions and do such things as they may, in their absolute discretion, think fit in relation to the operation of any such arrangements.

For as long as the company is listed in a foreign market, the provisions of sections 114–117 of the Law with respect to the keeping of register of members shall not apply and the company shall observe the relevant regulations of such foreign market in accordance with the provisions of section 117A of the Law.

14. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of a fee of 20 cent or such less sum and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the company of investigating evidence as the directors think fit.
15. The company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or in its holding company nor shall the company make a loan for any purpose whatsoever on the security of its shares or those of its holding company, but nothing in this regulation shall prohibit transactions mentioned in the proviso to section 53(1) of the Law.

LIEN

16. The company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a first and paramount lien on all shares standing registered in the name of a single person for all moneys for any reason and for any cause whatsoever presently payable by him or his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The company's lien, if any, on a share shall extend to all dividends payable thereon as well as on any capital or other monies which may at any time be payable by the company to such person.
17. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until

the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

18. To give effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

ISSUE OF SHARES

20. Subject to the provisions following hereunder, any original shares for the time being unissued and not allotted and any new shares from time to time to be created shall be at the disposal of the Board of Directors which has the right to issue or generally dispose of the same to such persons, at such times and under such terms, conditions and restrictions which it deems to be most beneficial to the Company.

The above is without prejudice, and at all times subject, to the provisions of section 60B of the Law, or any section amending or replacing the same which inter alia, stipulates that whenever the share capital of the Company is increased by considerations in cash, the shares must be offered on a pre-emptive basis to the existing members and such right of pre-emption may only be restricted or withdrawn by means of a resolution of the Company in general meeting, during which the Board of Directors shall be required to present a written report indicating the reasons for restricting or withdrawing the right of pre-emption and justifying the proposed issue price.

CALLS ON SHARES

21. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided

that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.

22. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed and may be required to be paid by instalments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding 9 per cent per annum as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.
25. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The directors may, not on the issue of shares, differentiate between the holders as to the number of calls as to the amount to be paid and the times of payment.
27. The directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the company in general meeting shall, subject always to the provisions of any law in force at the time, otherwise direct) 9 per cent per annum, as may be agreed upon between the directors and the member paying such sum in advance.

TRANSFER OF SHARES

28. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. Provided, further, that in the case the shares or other securities or transferable securities of the Company have been listed in a foreign market, the registration of a transfer of shares or debentures of the company shall be lawful for the company even if an appropriate instrument of transfer is not delivered to the company, provided that the transfer has taken place in accordance with the law or the regulations governing the operation of the relevant foreign market.
29. The company shall be entitled to charge a fee not exceeding 20 cent on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.
30. Shares and interest in shares are freely transferable. The word “shares” shall also include any depository interests or other interest in shares, which rights and obligations mirror the rights and obligations attached to the shares, registered under the laws of the country of listing, if applicable.
31. The Board of Directors may, without giving any reason, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien.
32. The registration of transfers may be suspended at such times and for such periods as the directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.
33. The company shall be entitled to charge a fee as may be prescribed by the directors on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

PLEDGE

34. Any share can be given by a member as a pledge or as security for a loan, debt or obligation without the sanction of the directors.

TRANSMISSION OF SHARES

35. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
36. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
37. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share.
38. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings or resolutions in writing by the members of the company:

Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

39. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

40. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.
42. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
43. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were payable by him to the company in respect of the shares, but his liability shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.
44. A statutory declaration in writing that the declarant is a director or the secretary of the company, and that a share in the company has been duly forfeited on a date sated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
45. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

46. The company may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
47. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
49. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

50. The company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
51. The company may by ordinary resolution:
 - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association subject, nevertheless, to the provisions of section 60(1)(d) of the Law;
 - (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

52. The company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

GENERAL MEETINGS

53. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next. Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.
54. All general meetings other than annual general meetings shall be called extraordinary general meetings.
55. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 126 of the Law. If at any time there are not within Cyprus sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

NOTICE OF GENERAL MEETINGS

56. All general meetings of the company held either for the passing of a special resolution, an extraordinary resolution or an ordinary resolution shall be called by giving a twenty-one days' notice in writing at the least,. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company.

All notices that have to be given by the company pursuant to these Articles may be given by electronic means and such notice shall be

deemed as properly given in writing. In the event the shares of the company are traded on a foreign market, any notice to be given pursuant to the present Articles shall be deemed to be properly given if given in accordance with the rules of the said foreign market.

57. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
58. For as long as the company is listed in an organised market, the provisions of Sections 127 – 133, inclusive, of the Law, relating to notices and related issues, shall apply. In particular, and without prejudice to the generality of the foregoing:
 - (a) Copies of all documents which must be placed before the company in general meeting to which reference is made in the Law and shall be available to each member, holder of debentures of the company and to every person who is registered as a holder of shares of the company, either in printed or electronic form, at a time which shall not be less than 21 days prior to the date fixed for the general meeting. In the notice convening the general meeting, reference shall be made with respect to the place and manner in which such documents shall be available. Provided, however, that at the annual general meeting of members of the company, the company shall have available for distribution to those members attending the meeting, copies of the documents referred to herein above and the company shall comply with its obligations for publication of all documents which are required in accordance with the provisions of any applicable legislation and/or of the Regulations, either in the press and/or in its website or in such manner as the regulators of any organized in market which the company or any of its securities may be listed, require.
59. Subject to the proviso of sub-section 4 of Section 35 of the Public Bids Law and of the corresponding provisions of the laws of other member states enacted with a view to comply with sections 9(4) and 1(4) of the Directive 2004/25/EC in case the company is listed at an organized market:
 - (i) with respect to the annual general meeting 21 days' written notice, and

- (ii) in the case of general meeting (other than annual general meeting and meeting for the approval of special resolution) 14 days' written notice, by which:
 - (a) the company shall hold technical facilities to the members to vote through vote by electronic means, accessible to all members who hold shares having the right to vote at general meetings, and
 - (b) a special resolution reducing the period of notice to 14 days, has been approved at the immediately preceding annual general meeting or at a general meeting convened and held after that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 60. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring, if any, and the appointment of, and the fixing of the remuneration of, the auditors.
- 61. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, four members present in person or by proxy and representing at least the twenty per cent of the issued share capital of the Company shall be a quorum.
- 62. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
- 63. All notices and other communications relating to a general meeting and which each member is entitled to receive, shall also be given to the auditors of the company.
- 64. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is not such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the

directors present shall elect one of their number to be chairman of the meeting.

65. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.
66. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
67. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -
 - (a) by the chairman; or
 - (b) by at least one member present in person or by proxy.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

68. Except as provided in Article 70, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
69. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

70. Subject to any rights or restrictions for the time being attached to any class or classes of shares and subject also to any special provisions contained in these Articles, on a show of hands every member present in person or by proxy shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.
71. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
72. A member of unsound mind, or in respect of whom an order has been made by Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by that Court, and any such administrator, committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
73. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
74. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
75. On a poll votes may be given either personally or by proxy.
76. Each member shall be entitled to appoint one or more proxies to attend on the same occasion, on condition however that such appointment shall be made in one single instrument. Provided that the attendance on any occasion of the person first mentioned in the instrument of proxy shall preclude any other person named therein from attending and so on.
77. The instrument appointing a proxy shall be in writing signed by the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or

attorney duly authorised. A proxy need not be a member of the company.

78. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not less than two working days before the time specified for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or be delivered at the place specified for that purpose in the notice convening the meeting in such manner and at such time as may be specified in such notice. In case a poll is to be taken at a time other than during the meeting at which such poll was demanded the instrument of proxy shall be deposited at the place specified for taking the poll at least fifteen minutes before the time appointed for taking the same. Any instrument of proxy not deposited or delivered in the manner and at the time herein or in accordance with the above provisions prescribed shall not be treated as valid.

79. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit -

" Limited.

I/We, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____, or failing him _____ of _____, as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the company, to be held on the _____ day of _____, 20____, and at any adjournment thereof.

Signed this day of , 20 ."

80. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit -

" Limited.

I/We, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____, or failing him _____ of _____, as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the company, to be held on the _____ day of _____, 20____, and any adjournment thereof.

Signed this day of , 20 .

This form is to be used in favour of*/against the resolution.
The Proxy will vote at will unless he is given a different authorisation.

*Strike out whichever is not desired."

81. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll or to agree to a meeting being called by shorter notice as provided in Article 56 above.
82. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
83. The Chairman of a general meeting has no second or casting vote.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

84. Any corporation which is a member of the company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company or of any class of members of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

RESOLUTIONS IN WRITING BY THE MEMBERS

85. Subject to the provisions of the Law, a resolution in writing signed, or approved by letter, telex, telegram, facsimile or other mode of transmission of writing by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings - or being corporations by their duly authorised representatives - shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. The signature of such members as aforesaid may be given on one and the same document or on more than one document provided that such signature is given under the text of the resolution proposed to be passed.

DIRECTORS

86. The number of the directors shall be from two and there shall be no maximum number. The Company shall have such minimum number of independent non executive directors as may be required by the rules of any foreign market where the shares of the Company are listed. In assessing the independence of the Directors, the criteria recommended by the rules of any such overseas market where the shares of the Company are listed for the time being shall be applied.
87. The number of the first directors within the aforesaid limits and their names shall be determined by the subscribers to the Memorandum of Association of the company.
88. At the first annual general meeting of the company all the directors shall retire from office but shall be eligible for re-election. At every subsequent annual general meeting one-third of the directors of the company for the time being, or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.
89. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot.
90. A retiring director shall be eligible for re-election.
91. The company at the general meeting at which a director retires in the manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring director, shall, if offering himself for re-election, be deemed to have been re-elected, unless if at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.
92. No person other than a director retiring at the meeting shall unless recommended by the directors be eligible for election to the office of director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.

93. Nominations for the election of directors may be made by the Board or by the Nomination Committee.
94. Notwithstanding the provisions of Article 93, no person shall be nominated or appointed to the office of a director if such person is disqualified, under the Law, from being appointed as a director.
95. A director's term shall begin either on the date of his appointment to the directors or at such later date designated in the ordinary resolution appointing such director.
96. The remuneration of the directors shall from time to time be determined by the company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meeting of the company or in connection with the business of the company.
97. It shall not be necessary for a director to be registered holder of shares in the company in order to be a director, and in such case he shall be entitled to receive notice and attend all the general meetings of the company.
98. A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested as shareholder or otherwise, and no such director shall be accountable to the company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the company otherwise direct.

BORROWING POWERS

99. The directors may exercise all the powers of the company to borrow or raise money, to charge or mortgage its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities as security for any debt, loss or obligation of the company or of any third party.

POWERS AND DUTIES OF DIRECTORS

100. The business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company,

and may exercise all such powers of the company as are not, by the Law or by these Articles, required to be exercised by the company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Law and to such regulations, being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which could have been valid if that regulation had not been made.

101. The directors may from time to time and at any time by power of attorney appoint any person, company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
102. The company may exercise the powers conferred by section 36 of the Law with regard to having an official seal for use abroad, and such powers shall be vested in the directors.
103. The company may exercise the powers conferred upon the company by sections 114 to 117 (both inclusive) of the Law with regard to the keeping of a dominion register, and the directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register.
104. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare the nature of his interest at a meeting of the directors in accordance with section 191 of the Law.
105. No director shall be entitled to vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:
 - (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

- (b) to any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or by the deposit of a security; or
- (c) any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as holder of shares or other securities,

and these prohibitions may at any time be suspended or relaxed to any extent by the Company in general meeting.

106. A director may hold any other office or place of profit under the company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.
107. Any director may act by himself or his firm in a professional capacity for the company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the company.
108. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
109. The directors shall cause minutes to be made in books provided for the purpose -

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

110. The directors may grant retirement pensions or annuities or other gratuities or allowances, including allowances on death, to any person or to the widow of or dependants of any person in respect of services rendered by him to the company whether as director or director in any executive office or in any other office or employment under the company or indirectly as an officer or employee of any subsidiary company of the company notwithstanding that he may be or may have been a director of the company and the company may make payments towards insurances or trusts for such purposes in respect of such persons and may include rights in respect of such pensions, annuities and allowances in the terms or engagement of any such person, without being precluded from granting such retirement pensions or annuities or other gratuities or allowances including allowances of death not as a part and independently of the terms of any engagement but upon the retirement, resignation or death of any such person as the Board of Directors may decide.

111. Each director may at any time and from time to time by an instrument signed by him appoint any person, director or not to be an alternate director in his place and for any period of time he may fix, and such alternate director shall during such period be entitled to attend and vote in any meeting of the directors and he shall generally have and exercise all rights, powers and duties of the director appointing him provided always that the appointor director may at any time revoke such appointment and in case of death or disability of the appointor director or in case in which the latter ceases for any reason to be a director the appointment shall be terminated ipso facto and shall be of no effect.

If an alternate director is already a director of the company, he shall have a separate vote, as alternate director and shall be counted separately for the purposes of constituting a quorum.

112. Any person acting as alternate director shall be deemed to be an officer of the company and he shall be personally liable to it for his acts and omissions and his remuneration shall be paid out of the remuneration of

the director appointing him and shall consist of such part of such remuneration as it may be agreed between the appointor director and his alternate.

113. The directors may at any time require from any person, whose name is registered in the register of members of the company, to furnish them with any information supported - if the directors so require - by a statutory declaration, which they may consider necessary for the purpose of enabling them to determine whether or not the company is an exempt private company within the meaning of para. 4 of section 123 of the Law.

DISQUALIFICATION OF DIRECTORS

114. The office of director shall be vacated if the director -
- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (b) becomes prohibited from being a director by reason of any order made under section 180 of the Law; or
 - (c) becomes of unsound mind; or
 - (d) resigns his office by notice in writing to the company; or
 - (e) shall for more than six months have been absent without permission of the directors from at least three consecutive meetings of the directors duly convened and held during that period.

APPOINTMENT AND REMOVAL OF DIRECTORS

115. The company may from time to time by ordinary resolution increase or reduce the number of directors.
116. The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the number fixed by or in accordance with these Articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

117. The company may by ordinary resolution, of which special notice has been given in accordance with section 136 of the Law, remove any director notwithstanding anything in these Articles or in any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
118. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding Article and without prejudice to the powers of the directors under Article 116 the company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an additional director and determine the period for which such person is to hold office.

PROCEEDINGS OF DIRECTORS

119. The directors may meet together for the despatch of their business, adjourn and otherwise regulate their meetings as they deem fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall not have a second or casting vote. A director may and the secretary, on the requisition of a director, shall, at any time, summon a meeting of the directors.
120. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two. Provided however that so long as the company, pursuant to the provisions of these Articles, has only one director a resolution in writing signed by such director in accordance with the provisions of Article 127 hereunder shall be deemed in all respects as a resolution of the directors passed at a meeting of the directors at which a quorum was present.
121. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the company as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.
122. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

123. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.
124. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
125. The committees may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall not have a second or casting vote.
126. All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

RESOLUTIONS IN WRITING OR OTHERWISE BY THE DIRECTORS

127. (a) A resolution in writing, signed or approved by letter, cable, radiogram, telex, telefax or by any other means of transmission of documents by all the directors, or the alternate directors, shall be as valid and effective for all purposes as if the same had been passed at a meeting of the directors duly convened and held and whenever the same is signed or approved in the manner above specified may consist of several papers each of which shall be signed or approved as above by one or more of the aforesaid persons.
- (b) For the purpose of these Articles the contemporaneous linking together by telephone or other means of communication of a number of the directors not less than a quorum, whether or not any one or more of the directors is out of Cyprus, shall be deemed to constitute a meeting of the directors and all the provisions in these Articles as to meetings of the directors shall apply to such meetings so long as the following conditions are met:
 - (i) all the directors for the time being entitled to receive notice of a meeting of the directors shall be entitled to

notice of a meeting by telephone or other means of communication and to be linked by telephone or such other means for the purposes of such meeting. Notice of any such meeting may be given by telephone or other means of communication;

- (ii) each of the directors taking part in the meeting must be able to hear each of the other directors taking part at the commencement of the meeting;

and a minute of the proceedings at any such meeting shall be sufficient evidence of such proceedings and of the observance of all necessary formalities, if certified as a correct minute by the chairman of the meeting or the secretary.

MANAGING DIRECTOR

- 128. The directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A director so appointed shall not, whilst holding that office, be subject to retirement by rotation, or be taken into account in determining the rotation of retirement of directors, if at any time applicable pursuant to these Articles, but his appointment shall be automatically determined if he ceases from any cause to be director.
- 129. A managing director shall receive such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in another) as the directors may determine.
- 130. The directors may from time to time entrust to and confer upon a managing director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

- 131. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit. The directors may, if they so wish, appoint one or more persons to act as assistant secretary; and any secretary or assistant secretary so appointed may be removed by them.

132. No person shall be appointed or hold office as secretary who is:
- (a) the sole director of the company; or
 - (b) a corporation the sole director of which is the sole director of the company; or
 - (c) the sole director of a corporation which is the sole director of the company.
133. A provision of the Law or these Articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

THE SEAL

134. (a) The Seal of the company shall only be used by the authority of the directors and every instrument to which the seal shall be affixed shall be signed by one director and by the secretary or by a second director, or by another person appointed by the board of directors for this purpose.
- (b) The company may have an official seal, in addition to the aforesaid common seal, which shall be as provided by s. 36(1) of the Law and for use as therein provided.

MEETINGS ABROAD

135. Notwithstanding any provision contained in the Articles applicable to the company, the meetings of the directors, as well as the general meetings of the company (ordinary or extraordinary) may be convened and held either in Cyprus or abroad, in any city or at any place as the majority of the directors or the members, as the case may be, may require in writing.

DIVIDENDS AND RESERVE

136. Subject to the provisions of section 169 A of the Law, the company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
137. Subject to the provisions of section 169 C of the Law, the directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

138. No dividend shall be paid otherwise than out of profits.
139. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.
140. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, or in case a unanimous decision of all the members of the company to that effect is passed, such share shall rank for dividend accordingly.
141. The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the company on account of calls or otherwise in relation to the shares of the company and they may also deduct from any such dividends any other sums presently payable by him to the company for any reason.
142. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular, but without prejudice to the generality of the foregoing, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the directors.

143. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the shares held by them as joint holders.
144. No dividend shall bear interest against the company.

ACCOUNTS

145. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the company; and
 - (c) the assets and liabilities of the company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

146. The books of account shall be kept at the registered office of the company, or, subject to section 141(3) of the Law, at such other place as the directors think fit, and shall always be open to the inspection of the directors.
147. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the directors or by the company in general meeting.

148. The directors shall from time to time, in accordance with sections 142, 144 and 151 of the Law, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
149. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting, together with a copy of the auditors' report, shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company and to every person registered under Article 37. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

PURCHASE OF OWN SHARES

150. The company shall have power to purchase and hold its own shares in accordance with the provisions of sections 57A to 57F inclusive, of the Law.

NOMINATION COMMITTEE

151. The company shall have a nomination committee. The committee shall present to the general meeting a proposal for candidates to be elected as directors. The committee shall also propose to the general meeting the directors' remuneration.
152. The nomination committee shall consist of at least two members and there shall be no maximum. The members of the nomination committee shall be elected by the general meeting. The majority of the committee shall be independent of the administrative organ and the management of the Company. The general meeting shall set the committee members' remuneration. The costs of the nomination committee shall be covered by the company.

CAPITALISATION OF PROFITS

153. The company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for

distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions and/or between the holders of warrants in the case where the term of issue of such warrants provide or allow such distribution and in such proportions as may be provided by the term of issue of such warrants on condition that the same be not paid in cash but be applied, in case of members, in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, and to and amongst the holders of warrants, as the case may be, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company and as the case may be, to the holders of warrants as fully paid bonus shares.

Provided in addition that in case where in accordance with the terms of issue of any shares in the capital of the company at a premium, the use of all or part of the amount that has been collected as premium for the repayment of shares of the Company for the purpose of distribution thereof to specific person(s), member or members of the company or not, then the directors could act accordingly and proceed with the issue of such shares in the name of the person or persons notwithstanding any provision of this Article or any other Article contained in these Articles.

154. Whenever such a resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining

unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

AUDIT

155. Auditors shall be appointed and their duties regulated in accordance with section 153 to 156 (both inclusive) of the Law.

NOTICES

156. A notice may be given by the company to any member either personally or by sending it by post or by facsimile transmission or telex or by other means of transmission of documents to him or to his registered address, or (if he has no registered address within Cyprus) to the address, if any, within or out of Cyprus supplied by him to the company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected if contained in an envelope, duly addressed and duly stamped and posted by double registered letter and shall be deemed to have been received in the case of a notice of a meeting at the expiration of 72 hours after posting and in any other case at the time at which the letter would be delivered in the ordinary course of post. Where notice is sent by facsimile or telex service of the notice shall be deemed to be effected by the transmission of the facsimile copy or telex to the proper address, and to have been received on the first working day after the date of such communication or transmission.
157. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
158. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter, or in any manner in which a notice can be given by the company as provided for in Article 156 above, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within or out of Cyprus supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
159. Notice of every general meeting shall be given in any manner hereinbefore authorised to -

- (a) every member except those members who (having no registered address within Cyprus) have not supplied to the company an address within or outside Cyprus for the giving of notices to them;
- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the company.

No other person shall be entitled to receive notices of general meetings.

WINDING UP

160. If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Law, divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

161. The Directors, Managing Directors, Managers, Agents, Auditors, Secretary and other Officers or servants for the time being of the company, and the Trustees (if any) for the time being acting in relation to any of the affairs of the company and every of them, and every of their heirs and executors, shall be indemnified and secured harmless out of the assets and profits of the company from and against all actions, costs, charges, losses, damages, and expenses, which they are any of them, their or any of their heirs or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful act, neglect or default respectively,

and none of them shall be answerable for the acts, receipts, neglects, or defaults, of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the company shall or may be lodged or deposited for safe custody, or for any bankers, brokers, or other persons into whose hands any money or assets of the company may come, or for any defects of title of the company to any property purchased, or for insufficiency or deficiency of or defect of title of the company to any security upon which any moneys of or belonging to the company shall be placed out or invested, or for any loss, misfortune or damage resulting from any such cause as aforesaid, or which may happen in the execution of their respective offices or trusts, or in relation thereto, except the same shall happen by or through their own wilful act or default respectively.

Appendix B – Opening Balance Sheet

Consolidated Opening Balance - Merkur Listing Application

at 20 July 2018

Figures in USD 1000

	Note	20 July 2018
ASSETS		
<i>Non-current assets</i>		
Vessels - MOA of vessels	3	67 927
Total non-current assets		67 927
<i>Current assets</i>		
Bunkers, lub oil and other stores	4	4 680
Prepayments to suppliers		349
Cash and cash equivalents	5	40 028
Total current assets		45 056
TOTAL ASSETS		112 983

	Note	20 July 2018
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	6	4 678
Other paid in equity and reserves	6	51 149
Retained earnings	6	(191)
Total equity		55 636
<i>Non-current liabilities</i>		
Interest bearing loans and borrowings	7	29 700
Total non-current liabilities		29 700
<i>Current liabilities</i>		
Trade payables		289
Other short-term liabilities	8	27 358
Total current liabilities		27 647
Total liabilities		57 347
TOTAL EQUITY AND LIABILITIES		112 983

14 August 2018

By Power of Attorney:



Bjørn Tore Larsen



Terje Bodin Larsen

ADS Crude Carriers Plc
Notes to the Opening balance – Merkur Listing Application

Note 1 Accounting principles

1.1 Corporate information

The consolidated Opening Balance of ADS Crude Carriers Plc (the “Company”) and its wholly-owned subsidiaries (together the “Group”) are prepared for Merkur Listing Application purposes as if inception for its business were 20 July 2018 and were authorised for issue in accordance with a proxy given by the Board of Directors.

The Company is a limited liability company incorporated in Cyprus, which is also the domicile of the Company. The Company plan to have its shares traded on the Oslo Merkur Stock Exchange (Merkur) in Norway.

The registered office and principal place of business of the Company is located at 22 Amathountos, OSM HOUSE, 4532 Agios, Tychonas Limassol, Cyprus. The Group’s subsidiaries are located in Arendal, Norway.

The principal activities of the Company are those of owning and operating a fleet of tanker vessels (VLCC) and to trade those vessels in international markets. The Group have entered into three vessel purchase agreements. One vessel has been delivered from sellers at time of preparation of Opening Balance for issue, and the last two vessels are expected to be delivered during August 2018.

1.2 Basis of preparation

The Opening Balance have been prepared on the historical cost basis and as disclosed in the accounting policies below, as if the vessels where delivered at time of preparing the opening balance, and consequently the purchase contracts entered into are recorded as contractual rights to have the vessels delivered. Those contracts are accounted for as non-current assets.

The Opening Balance has been prepared on basis of a going concern assumption.

1.2 - 1 Functional currency and presentation currency

The Opening Balance is presented in US Dollars ("USD"), which is the Group’s presentational and the Parent company’s functional currency. All values in the tables are rounded to the nearest thousand (USD'000) as indicated.

1.2 - 2 Statement of compliance

These financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulations for simplified IFRS (2008) issued by the Ministry of Finance on 21 January 2008. This means that recognition and measurement comply with International Financial Reporting Standards (IFRS) and the presentation and disclosures are in accordance with the Norwegian Accounting Act and general accepted accounting practice.

ADS Crude Carriers Plc

Notes to the Opening balance – Merkur Listing Application

1.3 Basis of consolidation

The consolidated Opening Balance comprise the opening balance of the Company and its subsidiaries as at the balance sheet date. The opening balance of the subsidiaries used in the preparation of the consolidated Opening Balance are prepared for the same reporting date as the Company. Consistent accounting policies are applied to similar transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are those entities in which ADS Crude Carriers Plc either owns, directly or indirectly, over fifty per cent of the voting rights, or otherwise has the power to govern their operating and financial policies. Share options, convertibles and other equity instruments are considered when assessing whether an entity is controlled.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

At inception the Group consist of the parent company and the following wholly owned subsidiaries, all established in Norway:

ADS Crude Holding AS

ADS Crude I AS

ADS Crude II AS

ADS Crude III AS

1.5 Summary of significant accounting policies

1.5 - 1 Foreign currency translation and transactions

Functional currency

Items included in the financial statements of each subsidiary in the Group are initially recorded in the functional currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. The consolidated financial statements are presented in USD, which is also the functional currency of the parent company.

Foreign currency transactions and balances

ADS Crude Carriers Plc

Notes to the Opening balance – Merkur Listing Application

1.5 - 1 Foreign currency translation and transactions (continued)

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. At time of preparing the Opening Balance the following exchange rates were used:

NOK/USD 8,264

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognized in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognized in other comprehensive income and recognized in the consolidated income statement on disposal of the foreign operation.

Group companies

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are booked directly in other comprehensive income as foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount recognized in foreign currency translation reserve relating to that particular foreign operation is recognized in the income statement.

1.5 - 2 Vessels – Vessel purchase contracts

When preparing this Opening Balance, the Group has entered into three vessel purchase agreements, and those contracts are accounted for as if vessels were delivered prior to the preparation of the Opening Balance. Vessels and Vessel Purchase Contracts are initially recorded at cost. The cost of an item of Vessels and Vessel Purchase Contracts are recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, vessels and vessel purchase contracts are measured at cost less accumulated depreciation and any accumulated impairment losses.

Vessels are depreciated on a straight-line basis to an estimated scrap value over the remaining estimated economic life span.

The total estimated useful life of the asset as follows:

Vessel	25 years
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The carrying values of vessels are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

ADS Crude Carriers Plc

Notes to the Opening balance – Merkur Listing Application

1.5 - 2 Vessels – Vessel purchase contracts (continued)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the vessels.

Vessels are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognized.

1.5 - 3 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognized in the income statement except for assets that are previously revalued where the revaluation was recorded in other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognized previously. Such reversal is recognized in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

1.5 – 4 Inventory on board vessels

Inventory consists of fuel, lube oil and other supplies on board the vessels. Inventory is valued at the lower of historic cost and net realizable value.

1.5 – 5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

ADS Crude Carriers Plc
Notes to the Opening balance – Merkur Listing Application

1.5 - 6 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.5 - 7 Financial liabilities

Financial liabilities are recognized on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognized when the obligation under the liability is extinguished or cancelled. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized, and through the amortization process. Any gains or losses arising from the changes in fair value of derivatives are recognized in the income statement. Net gains or losses on derivatives include exchange differences.

1.5 – 8 Income taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognized in the income statement except that tax relating to items recognized directly in equity is recognized directly in equity.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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1.5 – 8 Income taxes (continued)

Deferred tax assets and liabilities are recognized for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognized in the income statement except that deferred tax relating to items recognized directly in equity is recognized directly in equity and deferred tax arising from a business combination adjusted against goodwill on acquisition.

1.5 – 9 Related party transactions

All transactions, agreements and business activities with related parties are conducted on arm's length according to ordinary business terms and conditions.

1.5 – 10 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

1.6 Significant accounting judgments, estimates and assumptions

The preparation of the Group's Opening Balance requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset or liability affected in the future.

ADS Crude Carriers Plc**Notes to the Opening balance – Merkur Listing Application****1.6 Significant accounting judgments, estimates and assumptions (continued)*****Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below:

- (i) Vessel values
- (ii) Estimated economic useful lifetime of vessels
- (iii) Estimated scrap values of vessels

Note 2 Going concern

The Opening Balance has been prepared under a going concern assumption.

Notes to the Opening Balance -Merkur Listing Application

Note 3 MOA of vessels

Figures in USD 1 000

Vessels - vessel purchase contracts

	Front Page	ADS Stratus	ADS Serenade	Total
Acquisition cost				
Additions of vessels	22 642	22 642	22 642	67 927
Balance at 20 July 2018	22 642	22 642	22 642	67 927
Depreciation/amortisation and impairment				
Opening balance	-	-	-	-
Depreciation/amortisation charge for the year	-	-	-	-
Impairment losses	-	-	-	-
Impairment reversal	-	-	-	-
Disposals	-	-	-	-
Effect of movement in foreign exchange	-	-	-	-
Balance at 20 July 2018	-	-	-	-
Carrying amounts				
Balance at 20 July 2018	22 642	22 642	22 642	67 927

Total useful life	25 years	25 years	25 years
Depreciation/amortisation rate	11 %	11 %	11 %
Method of depreciation	Straight-line	Straight-line	Straight-line

The MOA's for acquisitions of vessels

ADS Crude Carriers Plc has entered into Memorandums of Agreement (MOA) with Front Saga Inc, Front Stratus Inc and Front Serenade Inc for the purchase of 3 VLCC's.

The ownership of the vessels will be transferred to the wholly owned subsidiaries ADS Crude I AS, ADS Crude II AS and ADS Crude III AS respectively. The purchase price for each of the vessels is USD 22,5 million exclusive of costs.

The vessel Front Page (to be renamed ADS Eagle was delivered 20 July 2018. The vessel Front Stratus (to be renamed ADS Stratus) will be delivered 14 August 2018, and finally the vessel Front Serenade is scheduled for delivery on 31 August 2018.

Notes to the Opening Balance -Merkur Listing Application

Note 4; Bunkers, lub oil and other stores

Figures in USD 1 000

	Bunkers	Others	Total
Front Page	2 756	290	3 046
ADS Stratus	622	195	817
ADS Serenade (estimate)	622	195	817
Total	4 000	680	4 680

Notes to the Opening Balance -Merkur Listing Application

Note 5 Cash and cash equivalents

Figures in USD 1 000

	20 July 2018
Bank deposits	39 504
Restricted bank deposit	524
Total	40 028

Notes to the Opening Balance -Merkur Listing Application

Note 6 Issued capital and reserves

Figures in USD 1 000

Authorised and fully paid shares	USD'000		Other paid in equity and reserves	Retained earnings	Total equity
	Number of shares	Share Capital			
At 30 April 2018	-				
Incorporation	5 860	1			1
At 10 July 2018					
At incorporation	5 860	1	-	-	1
Issued for cash	23 384 440	4 677	51 149	(191)	55 635
At 20 July 2018	23 390 300	4 678	51 149	(191)	55 636

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The value of equity is the net balance of new equity issued less equity transaction costs. Final number for transaction cost is expected to be available on or around 15 September 2018.

The 20 largest shareholders are:

Investor name	Shares	Shares %
Ship Finance Limited	4 031 800	17,24 %
Meteva AS	2 114 956	9,04 %
ADS Shipping Ltd	2 015 900	8,62 %
DNB Asset Management	1 000 000	4,28 %
Hortulan AS	1 000 000	4,28 %
Norda ASA	806 360	3,45 %
First Fondene	806 360	3,45 %
Somap / Dinesh bet av Arctic	806 360	3,45 %
Arctic Securities AS	512 207	2,19 %
DNB Asset Management	500 000	2,14 %
Jakob Hatteland Holding AS	500 000	2,14 %
Torstein Tvenge	500 000	2,14 %
Paloma Partners	500 000	2,14 %
Hadron MF Series II	407 540	1,74 %
Hadron Alpha Plc	407 000	1,74 %
Shiphold Ltd	403 180	1,72 %
Skips AS Tudor	403 180	1,72 %
Fjelltnveien Invest AS	400 000	1,71 %
Hadron Master Fund	395 000	1,69 %
Delphi Norge (Storebrand)	350 000	1,50 %
Total top 20 investors	17 859 843	76,37 %
Total all shares	23 384 440	100,00 %

Notes to the Opening Balance -Merkur Listing Application

Note 7 Interest bearing loans and pledges

Figures in USD 1 000

Interest bearing loan	Rate of interest	Maturity date	At 20 July 2018	
Senior secured loan	Libor + 4,5%	31 Dec 2022 or by sale of vessels	29 700	-
Total secured long-term debt:			29 700	-
Total long-term debt in the balance sheet			29 700	

(a) Securites for lender

Pledge over 100% of the shares in each of the vessel owning companies and pledge over the vessels.

The senior secuity loan is split in three tranches, one for each vessel. By the sale of one of the vessels, the tranche related to that vessel must be repaid in full.

Notes to the Opening Balance -Merkur Listing Application

Note 8 Other short-term liabilities

Figures in USD 1 000

	20 July 2018
Final payment for ADS Stratus	13 592
Final Payment for ADS Serenade	13 592
Other short term liabilities	174
Total	27 358

Purchase of Front Page was settled at 20 July 2018, while settlement of remaining two vessels will be executed at time of the delivery of these vessels.

Notes to the Opening Balance -Merkur Listing Application

Note 9 Commitments and contingencies

Figures in USD 1 000

As at 20 July 2018, the company has the following commitments related to the purchase of the three VLCC's:

	20 July 2018
Interest payment of Libor + 4,5% until 31 December 2022	8 780
Repayment of senior security loan	30 000
Not later than one year	38 780

To management of ADS Crude Carriers Plc

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Independent auditor's Review Report

We have reviewed the accompanying Opening Balance of ADS Crude Carriers Plc, which comprise the balance sheet as at 20 July 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Opening Balance

Management is responsible for the preparation and fair presentation of the Opening Balance in accordance with the accounting policies described in note 1 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Opening Balance is prepared for Merkur Listing Application purposes.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying Opening Balance. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the Opening Balance, taken as a whole, are not prepared in all material respects in accordance with the accounting policies described in note 1. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Opening Balance do not give a true and fair view of the financial position of ADS Crude Carriers Plc as at 20 July 2018, in accordance with the accounting policies described in note 1.

Arendal, 14 August 2018

RSM Norge AS


Johan Bringsverd
State Authorised Auditor

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