

NORSK TILLITSMANN ASA

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To the bondholders in:

**FRN Primorsk International Shipping Limited Unsecured Open Callable Bond Issue
2007/2011 with ISIN NO 001 035418.6 (NOK Tranche) and NO 001 035420.2 (USD
Tranche)**

Oslo, 10 February 2011

Summons to Bondholders' Meeting – Amendment to Loan Agreement

Norsk Tillitsmann ASA (the “**Bond Trustee**”) is appointed as trustee for the above mentioned Bond Issues with ISIN NO001035418.6 (the “**NOK Tranche**”) and ISIN NO001035420.2 (the “**USD Tranche**”) where Primorsk International Shipping Limited is the Borrower (the “**Borrower**” or the “**Company**”). Jointly the two tranches are referred to as the “**Loan**”.

All capitalized terms used herein and not otherwise defined herein and/or in Exhibit 1 and/or Exhibit 2 hereto shall have the meanings assigned thereto in the agreement for the Loan dated 23 February 2007 (the “**Loan Agreement**”).

The information in this summons regarding the legal, operational and financial status of the Borrower is provided by the Borrower, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

The Borrower has engaged ABG Sundal Collier Norge ASA (“**ABGSC**”) as its financial advisor with respect to the Proposal, as defined in paragraph 6 below. Bondholders may accordingly contact Nicolay Friis (tel.: +47 2201 6145 or e-mail: nicolay.friis@abgsc.no) for further information. ABGSC acts solely for the Borrower and no one else in connection with the Proposal. *No due diligence investigations have been carried out by ABGSC with respect to the Borrower, and ABGSC expressly disclaim any and all liabilities whatsoever in connection with the Proposal.*

1. BACKGROUND & COMPANY UPDATE

In addition to this summons, the Borrower has provided a separate presentation which is intended to give an update on the Company's operational and financial status and the ongoing Restructuring (as defined below) which is enclosed as **Exhibit 1** and **Exhibit 2** to this summons. Bondholders are encouraged to read all the documents.

2. THE PROPOSED RESTRUCTURING

The financial restructuring (the “**Restructuring**”) is proposed to be carried out as follows:

a) Sale of assets:

In December 2010 the Company took the view that in order to remedy its financial problems radical action was required. Consequently discussions were opened with Sovcomflot, to seek their interest in the Sakhalin I and II Shuttle Tanker businesses that have been developed by the Company. The Company has now reached an agreement to sell six shuttle tankers to Sovcomflot. It is the Company's intention to use the net sales proceeds to prepay bank debt under the agreements in respect of three of the four core senior secured bank facilities (the “**Bank Loans**”) and to restructure the remaining bank debt, swaps and the Loan in such a way

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as to stabilise the cash flow and deleverage the Company to acceptable levels. For further information please see Exhibit 2.

b) Prepay Bank Loans and amend the Bank Loan agreements:

The Borrower is in the final stage of negotiating amendments to Bank Loans agreements (the “**Bank Restructuring**”) entered into between the Borrower and the syndicate banks (the “**Syndicate Banks**”). The Bank Restructuring will include, among others: prepayment as a result of the asset sale, extension of maturities, stretched amortization profiles, deferred instalments, and covenant amendments. Approximately USD 230 million of bank debt and related swaps will be repaid, while the residual will be maintained at the corporate level as a liquidity buffer. The Bank Loans margins will remain at the current levels. For further information please see Exhibit 2.

c) Amendment to the Loan Agreement:

Please see the main elements of the Proposal in paragraph 3 and the complete Proposal in paragraph 6 below.

d) Transfer of property assets:

In order to improve the balance sheet, the ultimate controlling party of the Borrower has transferred commercial properties (the “**Commercial Properties**”) located in Moscow and Singapore with net worth of approximately USD 17 million in to the Company.

e) Other measures taken by the Company:

Wherever possible cash-flows that can be postponed have been and the Company is implementing an urgent review of all non essential expenditure. All cost budgets are under review with a view to reducing headcount and costs in line with the asset disposals. The Company is also implementing tight budget control over operating and technical costs. The Company has also not declared a dividend since 2007.

3. THE PROPOSAL & PROPOSED COMPENSATION

The Borrower has approached the Bond Trustee to convene a Bondholders’ meeting to consider the approval of the proposed changes in the Loan Agreement as set out in this section:

a) Extended Tenor:

The Maturity Date of the Loan shall be extended with 4.75 years to 30 November 2015.

b) Amended Equity Ratio covenant:

The Equity Ratio covenant shall be suspended until 31 December 2013 and shall thereafter be reinstated to the current level, i.e. 25.0%.

c) Increased interest rate:

The interest rate shall be increased from currently NIBOR/LIBOR plus 3.60 percentage points to NIBOR/LIBOR plus 6.00 percentage points.

d) Payment in Kind option:

The Company shall have the option to pay 40.0% of the 6.00 percentage points interest margin in the form of additional Bonds (the “**PIK Interest Option**”). The Company shall however only be permitted to utilize the PIK Interest Option in an Event of Default or in an event where (on a consolidated basis of the Company) the aggregate of free cash and marketable securities is less than the higher of (i) 6.0% of total financial indebtedness and (ii) USD 30 million. In addition to the above, the PIK Interest Option shall only be utilised by the Borrower if so requested by the Syndicate Banks. For the avoidance of doubt, in all other circumstances the interest rate shall be paid in its entirety in cash.



e) **Nominal split:**

To facilitate the payment in kind, the nominal value of the Bonds shall be changed to NOK 1.00 and USD 1.00 for the NOK Tranche and USD Tranche, respectively. The change in nominal value from NOK 500,000 to NOK 1.00 will be carried out through a split of each Bond with a nominal value of NOK 500,000 into 500,000 Bonds with a nominal value of NOK 1.00. Similarly, for the USD Tranche, the change in nominal value from USD 100,000 to USD 1.00 will be carried out through a split of each Bond with a nominal value of USD 100,000 into 100,000 Bonds with a nominal value of USD 1.00

f) **New call options:**

The following American call options shall be included in the amended and restated Loan Agreement:

From the Interest Payment Date due	To but not Including the Interest Payment Date due	Call Prices (% of par value)	Call Prices If Payment In Kind used (% of par value)
Nov-2011	Nov-2012	109%	110%
Nov-2012	Nov-2013	111%	112%
Nov-2013	Nov-2014	113%	114%
Nov-2014	Nov-2015	115%	116%

For the avoidance of doubt, if the Company has utilised the PIK Interest Option at any one Interest Payment Date during the term of the Loan, the payment in kind call prices shall apply.

g) **Enhanced security position:**

The status of the Loan shall be changed from currently senior unsecured to senior secured. The Loan shall be secured by mortgages over parts of the fleet (the "Security Vessels") ranking behind the Syndicate Banks. The mortgages shall be fully subordinated to priority ranking mortgages and the Bondholders may not enforce their rights under the Loan Agreement or accelerate the Loan until the Bank Loans are settled in full. The Loan Trustee is authorized to enter into intercreditor and subordination arrangements with the relevant Syndicate Banks in relation to the mortgages. For further information please see Exhibit 2.

h) **Premium redemption:**

The Loan will mature in whole on the new Maturity Date at (i) 115.0% of par value if the Borrower has not utilized the PIK Interest Option at any one time during the term of the Loan, or (ii) 116.0% of par value if the Borrower has utilized the PIK Interest Option at any one Interest Payment Date during the term of the Loan.

i) **No dividends for life:**

The existing dividend clause shall be amended so as not to allow dividends or other distributions as defined therein until maturity of the Bonds. However, in the event that the Syndicate Banks have provided the Borrower with their written consent to pay such a dividend or distribution then the consent from the Bondholders shall not be unreasonably withheld.

j) **Amended covenant package:**

The Borrower will provide the Bondholders with the same restrictive representation and information covenants as to be agreed with the Syndicate Banks in the ongoing Bank Restructuring, including but not limited to financial indebtedness restriction, investment/capex limitations of maximum USD 5 million p.a. and enhanced information transparency.

The Bond Trustee will be authorised to complete the negotiation of form, terms, conditions and timing in relation to the main elements of the Proposal, including the intercreditor agreement (if required), without any obligation to notify the Bondholders as provided for in Clause 16.2 of the Loan Agreement. Further, the Bond Trustee is given power of attorney to enter into the necessary



agreements in connection with documenting the decisions made by the Bondholders' meeting as well as to carry out the necessary completion work, including making amendments to the Loan Agreement.

4. EVALUATION OF THE PROPOSAL

4.1 THE BORROWER'S EVALUATION

The Company is in need of a financial restructuring as the current cash generation is insufficient to meet the contracted repayment of the Loan and the Junior Bank Debt amortisation schedule and short-term liquidity is limited. The Company has worked intensively over the last 18 months with both the Syndicate Banks and a group of Bondholders, and is of the opinion that long-term financial stability can best be addressed within the wider scope of the planned Restructuring, with the main objective to safeguard values for all stakeholders.

The Company acknowledges that significant concessions are required from all stakeholders, however firmly believes that the Restructuring represents a balanced proposal that will improve liquidity headroom and safeguard values for the Bondholders in the current continued challenging shipping market. Consequently, the Borrower is respectfully asking the Bondholders to approve the Proposal.

The Borrower has informed the Loan Trustee, that Bondholders representing approximately 46% of the Loan have reviewed the Proposal and are positive thereto and inclined to vote in favour of the Proposal.

4.2 THE BOND TRUSTEE'S DISCLAIMER/NON-RELIANCE

Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. Bondholders should independently evaluate the Proposal and vote accordingly.

5. INVITATION TO AN INFORMATION MEETING

In order to provide Bondholders with an update on operational and financial aspects of the Company, as well as an update on the Restructuring process, all Bondholders are cordially invited to participate in an information meeting on 16 February 2011 at 11:30 CET at the premises of ABG Sundal Collier, Munkedamsveien 45E, 7th floor, Oslo, Norway. Lunch will be served. Please register your attendance with: Nicolay Friis, tel.: +47 2201 6145, e-mail: nicolay.friis@abgsc.no. Investors not able to participate in person can dial-in on a conference line. Conference dial-in details will be provided upon registration.

6. SUMMONS TO BONDHOLDERS' MEETING

To enable the Borrower to resolve the proposed change of the Loan Agreement, the Borrower has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the Proposal.

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 18 February 2011 at 10:00 hours (Oslo time),
Place: The premises of Norsk Tillitsmann ASA,
Haakon VII's gt 1, 01061 Oslo - 5th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Consent to the Proposal



It is proposed that the Bondholders' meeting resolve the following:

1) Proposal (the "Proposal")

The Loan Agreement shall be amended:

a) *Clause 1 shall be amended by inserting the following new definitions:*

"Margin" means:

- (A) from and including the Disbursement Date to but not including the Interest Payment Date in February 2011: 3.60 percentage points per annum; and
- (B) from and including the Interest Payment Date in February 2011 to but not including the Maturity Date: 6.00 percentage points per annum.

"Payment in Kind" means the payment in kind as defined in clause 9.5.

"Senior Facilities" means the USD 375 million and USD 530 million facilities with prior ranking security in relation to the Bonds.

b) *Clause 1 shall be amended and restated in its entirety by amending the following definition:*

Maturity Date: 30 November 2015. If the Maturity Date is not a Banking Day, the Maturity Date shall be postponed to the next Banking Day. However, if this day falls in the following calendar month, the Maturity Date is moved to the first Banking Day preceding the original date.

c) *Clause 2.1, second paragraph, shall be amended and restated in its entirety to read as follows:*

The Bonds in the NOK Tranche has denominations of NOK 1.00 and the Bonds in the USD Tranche with denominations of USD 1.00.

d) *Clause 8.2 shall be amended and restated in its entirety to read as follows:*

The Loan, including accrued but unpaid interest and expenses, is secured by the Mortgages.

For the purpose of this Clause:

"Mortgages" means the fully subordinated cross collateralized mortgages over the Security Vessels ranking after the Priority Security. For avoidance of doubt, the Bondholders will have no rights to accelerate the Loan or initiate enforcement before the Senior Facilities have been fully settled.

"Priority Security" means the priority security granted or to be granted to secure the Senior Facilities pursuant to the agreements regarding the Senior Facilities.

"Security Vessels" means the m.v.'s "Prisco Mizar", "Prisco Alcor", "Zaliv Anadyr", "Zaliv Baikal", "Zaliv Vostok", "Zaliv Amerika", "Zaliv Amurskiy", "Prisco Alexandra", "Prisco Ekaterina", "Prisco Irina", "Prisco Elizaveta" and "Prisco Elena".

e) *Clause 9.1, first paragraph, shall be amended and restated in its entirety to read as follows:*

Interest accrues from and including the Disbursement Date. The NOK Tranche is based on NIBOR plus Margin, and the USD Tranche is based on LIBOR plus Margin. NIBOR and LIBOR are set on the first Interest Determination Date. Should NIBOR or LIBOR not be available, the interest rate will be set based on NIBOR - Reference Banks (for the NOK Tranche) or LIBOR - Reference Banks (for the USD Tranche) plus Margin.



f) *Clause 9.2, first paragraph, shall be amended and restated in its entirety to read as follows:*

The interest on the Loan is reset with effect from each Interest Payment Date. The new interest is set on the Interest Determination Date based on NIBOR plus Margin for the NOK Tranche and LIBOR plus Margin for the USD Tranche. Should NIBOR or LIBOR not be available, the interest rate will be set based on NIBOR - Reference Banks (for the NOK Tranche) or LIBOR - Reference Banks (for the USD Tranche) plus Margin.

g) *Clause 9 shall be amended further by inserting a new sub-clause 9.5 to be read as follows:*

Provided that (x) (on a consolidated basis) the aggregate of Free Cash and Marketable Securities is less than the higher of (i) 6.0% of Financial Indebtedness of the Group and (ii) USD 30 million (as evidenced through a covenant certificate signed by an officer of the Borrower) or (y) an Event of Default has occurred and (z) it is required of the Borrower by the lenders of the Core Facilities, the Borrower may pay 40.0% of the Margin in the form of additional Bonds, based on the total number of Bonds at each relevant Interest Payment Date, rounded down to the nearest NOK/USD ("**Payment in Kind**"). The Payment in Kind will be allowed from and including the Interest Payment date in May 2011. If Payment in Kind takes place, the Borrower shall inform the Bondholders via the Security Depository, the Loan Trustee and the paying agent at least 30 – thirty – Banking Days prior to the relevant Interest Payment Date. The paying agent shall carry the Payment in Kind into effect at the relevant Interest Payment Date. The additional Bonds issued upon payment of interest shall have the same rights as the other Bonds as of the registration of the increased amount of the Loan in the Security Depository. For the avoidance of doubt, additional Bonds issued in connection with Payment in Kind will rank pari passu with Bonds already issued.

"**Core Facilities**" means the Senior Facilities and the USD 55 million facility.

"**Financial Indebtedness**" means, on a consolidated basis, a liability of the Group:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the Group;
- (b) under any loan stock, bond, note or other security issued by the Group;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the Group;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the Group;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the Group or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the Group for the net amount; or
- (f) under a guarantee, indemnity or similar obligation entered into by the Group in respect of a liability which would fall within paragraphs (a) to (e);
less,
- (g) any cash standing to the credit of a Retention Account and other cash standing to the credit of a blocked account and charged to the Core Facilities' security trustee.



“Free Cash” means, on a consolidated basis, free and available negotiable money, orders, cheques and bank balances and deposits and highly liquid cash equivalents with known market value, held at, or issued by, first class OECD financial institutions having a rating of at least A+ or A1 with Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc. and with a maturity of six months or less but to exclude (a) any cash that is specifically blocked and charged for any liability of the Group and (b) cash standing to the credit of a Retention Account under the Core Facilities and other cash standing to the credit of a blocked account and charged to the Core Facilities’ security trustee.

“Marketable Securities” means:

- (a) any security issued directly or fully guaranteed or insured by the United States of America or any OECD government whose securities are readily marketable in London, Frankfurt, Paris or New York City, or any agency or instrumentality thereof;
- (b) other readily marketable securities having a rating of at least A+ or A1 from Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.; or
- (c) short-term commercial paper issued by any person, having a rating of A+ or A1 from either Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc.

“Retention Account” means an account in the name of the Borrower which is designated by the Core Facilities’ agent as the Retention Account for the purpose of the Core Facilities’ loan agreements.

h) Clause 10.1 shall be amended and restated in its entirety to read as follows:

The Loan will run without instalments and mature in whole on the Maturity Date at (i) 115.0% of par if the Borrower has not utilized the Payment in Kind option according to clause 9.5 during the term of the Loan, or (ii) 116.0% of par if the Borrower has utilized the Payment in Kind option according to 9.5 at any one Interest Payment Date during the term of the Loan.

i) Clause 10 shall be amended by inserting a new sub-clause, to be named Clause 10.3, with the following wording:

The Borrower may redeem parts of the Loan or the entire Loan (Call Option) at any time from and including:

- (i) the Interest Payment Date in November 2011 to, but not including the Interest Payment Date in November 2012 at 109.0 per cent of par plus accrued interests on the par value of the redeemed amount;
- (ii) the Interest Payment date in November 2012 to, but not including the Interest Payment Date in November 2013 at 111.0 per cent of par plus accrued interests on the par value of the redeemed amount;
- (iii) the Interest Payment date in November 2013 to, but not including the Interest Payment Date in November 2014 at 113.0 per cent of par plus accrued interests on the par value of the redeemed amount;
- (iv) the Interest Payment Date in November 2014 to, but not including the Maturity Date at 115.0 per cent of par plus accrued interests on the par value of the redeemed amount.

If the Borrower has utilised the Payment in Kind option according to clause 9.5 at any one Interest Payment date during the term of the Loan, the Call Prices step-up with 1.0 percentage point.



Should the Borrower exercise its Call Option, the Loan Trustee and the Bondholders must be informed of this (the Bondholders in writing via VPS) no later than 30 – thirty - Banking Days before the date of redemption.

Partial redemption of the Loan must be carried out pro rata between the Bonds.

Bonds redeemed by the Borrower in accordance with this clause shall be discharged against the Remaining Loan.

j) *Clause 13.2 (c) shall be amended and restated in its entirety to read as follows:*

the Borrower shall not within a calendar year, during the term of the loan, make any dividend payment, repurchase of shares or make other distributions to its shareholders, unless consent has been given by a majority of the Bondholders. In the event that the lenders under the Core Facilities have provided the Borrower with their written consent to pay such a dividend or distribution then the consent from the Bondholders shall not be unreasonably withheld.

k) *Clause 13.2 (d) shall be amended and restated in its entirety to read:*

from 31 December 2013 maintain a Book Equity Ratio of no less than 25%.

l) *In addition, the Borrower will provide the Bondholders with the same restrictive representations and information covenants as to be agreed with the Syndicate Banks in the ongoing Bank Restructuring, including but not limited to financial indebtedness restriction, investment/capex limitations of maximum USD 5 million p.a. and enhanced information transparency.*

2) *Effective date*

The Proposal shall become effective as of 28 February 2011, except for d) and l) above which shall become effective at the earlier of (i) 28 May 2011 and (ii) the date when amended agreements to all the Bank Loan agreements have been entered into. If the Company fails to reach agreement with the Syndicate Bank the Loan shall fall due in its entirety including accrued interest, immediately and in no event later than on 28 May 2011. The Borrower shall confirm to the Bond Trustee within 28 May 2011 through an officer's certificate that the Borrower has entered into amended agreements to all the Bank Loans and that these agreements are in force and acceptable to the Company at its sole discretion. Further, the Borrower shall confirm to the Bond Trustee, through a written confirmation from the Borrower's auditor, that the Commercial Properties have been rightfully transferred to the Borrower. The Restructuring shall be substantially in line with the description in section 2.

3) *Power of attorney*

The Bond Trustee is hereby authorised to complete the negotiation of form, terms, conditions and timing in relation to the Proposal, including the intercreditor agreement, without any obligation to notify the Bondholders as provided for in Clause 16.2 of the Loan Agreement. Further, the Bond Trustee is given power of attorney to enter into the necessary agreements in connection with documenting the decisions made by the Bondholders' meeting as well as to carry out the necessary completion work, including making amendments to the Loan Agreement.

At the Bondholders' meeting each Bondholder holding bonds in the NOK Tranche shall have one vote for each bond he owns. Bondholders holding bonds in the USD Tranche shall have a number of votes for each such bond equal to the value in NOK of such bond converted at the Initial Exchange Ratio. To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.



Please find attached as Exhibit 3 a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual bondholder may authorise the Norsk Tillitsmann to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Norsk Tillitsmann to vote, must then be returned to Norsk Tillitsmann in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

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

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

Yours sincerely

Norsk Tillitsmann ASA

Jens Yngvar Samuelsen

Enclosed:

- (i) Exhibit 1 – Background & Company update
- (ii) Exhibit 2 – Company presentation
- (iii) Exhibit 3 - Bondholder's Form



PRIMORSK INTERNATIONAL SHIPPING LIMITED

Kermia House, 4 Diagoras Street, 6th Floor
Office 601-602, PO Box 21574, 1510 Nicosia, Cyprus

EXHIBIT 1 - BACKGROUND & COMPANY UPDATE

To the bondholders in:

FRN Primorsk International Shipping Limited Unsecured Open Callable Bond Issue 2007/2011 with ISIN NO 001 05418.6 (NOK Tranche) and NO 001 035420.2 (USD Tranche)

Oslo, 9 February 2011

In addition to this Exhibit 1, the Company has also provided a separate presentation which is intended to give an update on the Company's operational and financial status, and the ongoing Restructuring, which is enclosed as **Exhibit 2** to the Summons to Bondholders' Meeting (the "Summons"). Bondholders are encouraged to read both Exhibit 1 and 2, and the Summons. All capitalized terms used herein and not otherwise defined herein and/or in Exhibit 2 and/or the Summons hereto shall have the meanings assigned thereto in the agreement for the Loan dated 23 February 2007 (the "**Loan Agreement**").

Primorsk International Shipping Limited is a world leading owner and operator of ice class tankers. The fleet comprises a total of 23 vessels or 1.95 million dwt, with an average age of approximately 3.4 years. The Company is a private company limited by shares incorporated and domiciled in Cyprus. Following a restructuring of the Company's parent group in 2006, the Company became a wholly-owned subsidiary of Maritime Prospect Trust Fiduciary Assets, Holdings Sarl ("**MPT Sarl**"), incorporated in Luxembourg. The entire share capital of MPT Sarl is held by an independent fiduciary on behalf of Maritime Prospect Trust. The beneficiaries of MPT Sarl are the existing shareholders and ultimate beneficial shareholders of the shares in Primorsk Shipping Corporation A/O ("**PSC**"), a company incorporated in the Russian Federation, which was previously the ultimate holding company before the restructuring.

Since the Company issued the Loan in February 2007, it has taken delivery of 16 vessels and raised over USD 1 billion in senior bank debt. On the back of a troubled tanker and bulk market, the Borrower suffered some losses on their newbuilding program in 2008 and 2009.

In September 2007 the Company ordered an additional two suezmax tankers from Hyundai Heavy Industries.

In May 2008, the Company ordered two supramax bulkers at STX, as April/May 2009 delivery re-sales (delivered in September 2009). The Company does not intend to take delivery of any other vessels for the foreseeable future.

Declining values combined with a cancellation of one significant charter contract and increased margins on the secured bank facilities lead to a severe reduction in the Company's book equity as of year end 2009 and added pressure on the Company's liquidity profile.

As noted in the Company's 2009 audited financial accounts, the Company is in breach of the Book Equity Ratio covenant (the "**Covenant Breach**") per fiscal year end 2009. The Bond Trustee was informed about the Covenant Breach and the ongoing senior secured bank debt restructuring prior to receiving the 2009 audited financial accounts. Subsequently, on 31 May 2010, the Borrower entered into an open ended Book Equity Ratio covenant waiver (the "**Waiver**") with certain bondholders representing approximately 46% of the Loan. The Waiver can be terminated on two business days notice and was among others put in place to facilitate continued progress in the bank restructuring. The Bond Trustee then entered into the same Waiver on behalf of the other Bondholders.

In addition, the Borrower was in breach of the Tangible Net Worth covenant for all four of the core senior secured bank facilities based on 30 June 2009 numbers, reported in October 2009. A waiver was negotiated with all senior banks. Moreover, the Company breached certain value maintenance and minimum cash covenants. Waivers were also obtained for these breaches, however there are no waivers in place at present. The Borrower and its syndicate banks (the "**Syndicate Banks**") have worked intensively over the last 18 months to restructure the Bank Loans. The Bank Loans include four facilities with 13 Syndicate Banks, totalling approx. USD 775 million as of 31 December 2010. These facilities are secured by substantially all of the Group's assets.

Based on the above, it is evident that the Borrower is in need of financial restructuring. The current liquidity position is lower than covenant levels however the Company is able to fully service the senior ranking debt within the Bank Loans, however the junior ranking debt within the Bank Loans ("**Junior Bank Debt**") such as the interest rate swaps and revolving facility in the \$530m Bank Loan will undergo significant restructuring in order to stabilize the Company and consequently a restructuring of the Loan, as described in this document, is a key part of the overall restructuring. The Borrower is confident that with the proposed restructuring in place the Company will have the ability to focus on its core business – being a world leading owner and operator of ice class tankers.

The approval from the Syndicate Banks to the Company's proposed restructuring plan, that is focused on creating a more robust financial platform, which together with the Company's modern fleet and good operational track-record, should form a good basis for safe guarding its creditors, will be mutually dependent on an acceptable restructuring of the Loan.

Yours sincerely,



Alexander Migunov, CEO



PRISCO

Primorsk International Shipping Limited

Presentation to Bondholders

February 2011



Disclaimer

Confidentiality Notice

The presentation includes certain statements, estimates and projections provided by the Company with respect to the anticipated future performance of the Company. Such statements, estimates and projections reflect various assumptions by the Company concerning anticipated results, which may or may not prove to be correct.

By receipt of the attached Presentation the recipient agrees that the confidential information contained therein will be kept confidential and shall not, without the prior written consent of the Company, be photocopied, reproduced or distributed to others.

10th February 2011

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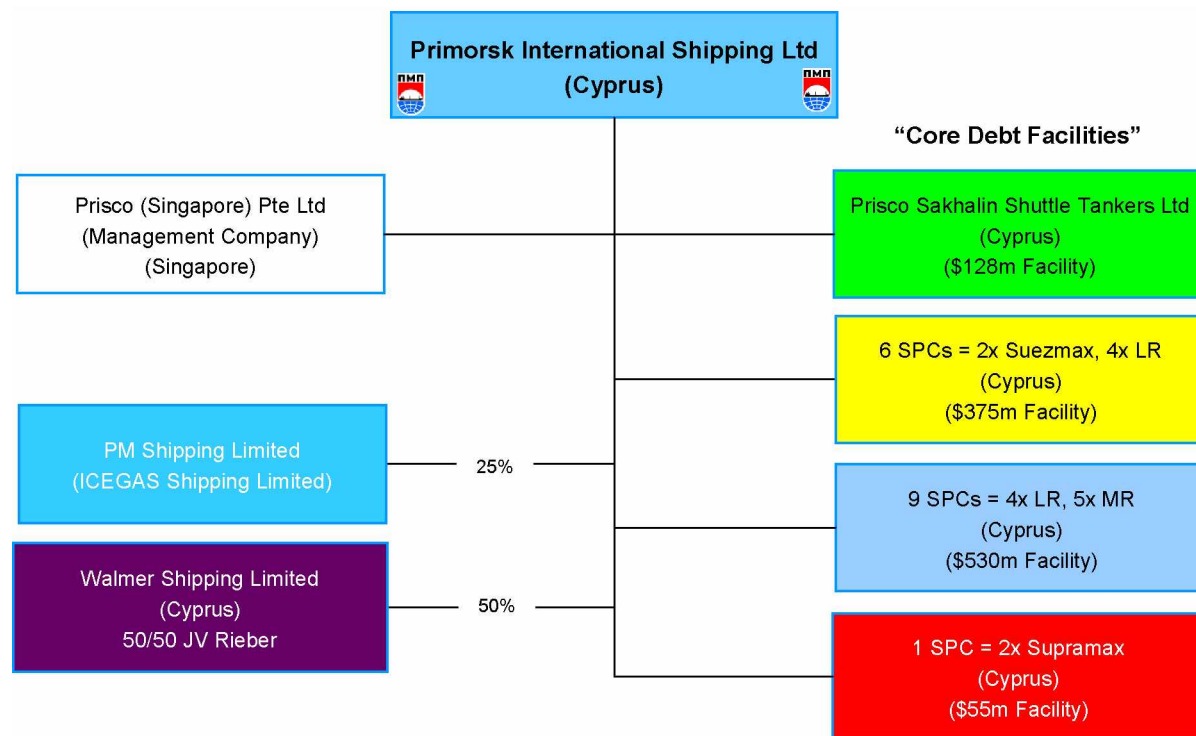
1. Company update
2. Market update
3. Introduction to Financial Plan
4. Illustrative Financial Projections



Executive summary

- Primorsk International Shipping Limited (“Primorsk” or the “Company”) is a world leading owner and operator of ice class tankers
- The combination of an extensive newbuilding program and a troubled tanker and bulk market lead the Company into financial problems in 2009 triggering breach of several financial covenants both in the Bond Loan and the Bank Loans
- Primorsk initiated talks with their syndicate banks in 2H 2009, however a complex bank syndicate comprising of senior and junior bank debt with 13 syndicate banks and four bank facilities have delayed the process considerably
- Throughout this period Primorsk has been in dialogue with Bondholders representing around 50% of the Bond Loan and Norsk Tillitsmann
- In September 2010 Primorsk initiated the sale of five vessels, however a falling shipping market made the potential sales unattractive for the Company’s stakeholders for both equity and debt
- In December 2010 the Company entered into confidential talks with buyers about the disposal of six vessels employed in the Sakhalin I and II shuttle tanker business. A final agreement has now been signed with the buyers and Primorsk is in final discussions with the syndicate banks on restructuring of the secured bank indebtedness.

Update – Present ownership structure



Current charter position

	2010				2011				2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Prisco Mizar																								
Prisco Alcor																								
Sakhalin Island (LR)																								
Governor Farhhutdinov (LR)																								
Zaliv Anadyr (A)																								
Zaliv Aniva (A)																								
Pavel Chernysh																								
Captain Kostichev																								
Viktor Titov																								
Zaliv Baikal (LR)																								
Zaliv Vostok (LR)																								
Zaliv Amerika (A)																								
Zaliv Amurskiy (A)																								
Prisco Alexandra																								
Prisco Ekaterina																								
Prisco Irina																								
Prisco Elizaveta																								
Prisco Elena																								
Prisco Abakan																								
Prisco Udokan																								
Moskalvo (MR)																								

Key	Fixed	Pool	Charterer's Option	Spot
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Current fleet, valuation history & loan exposure

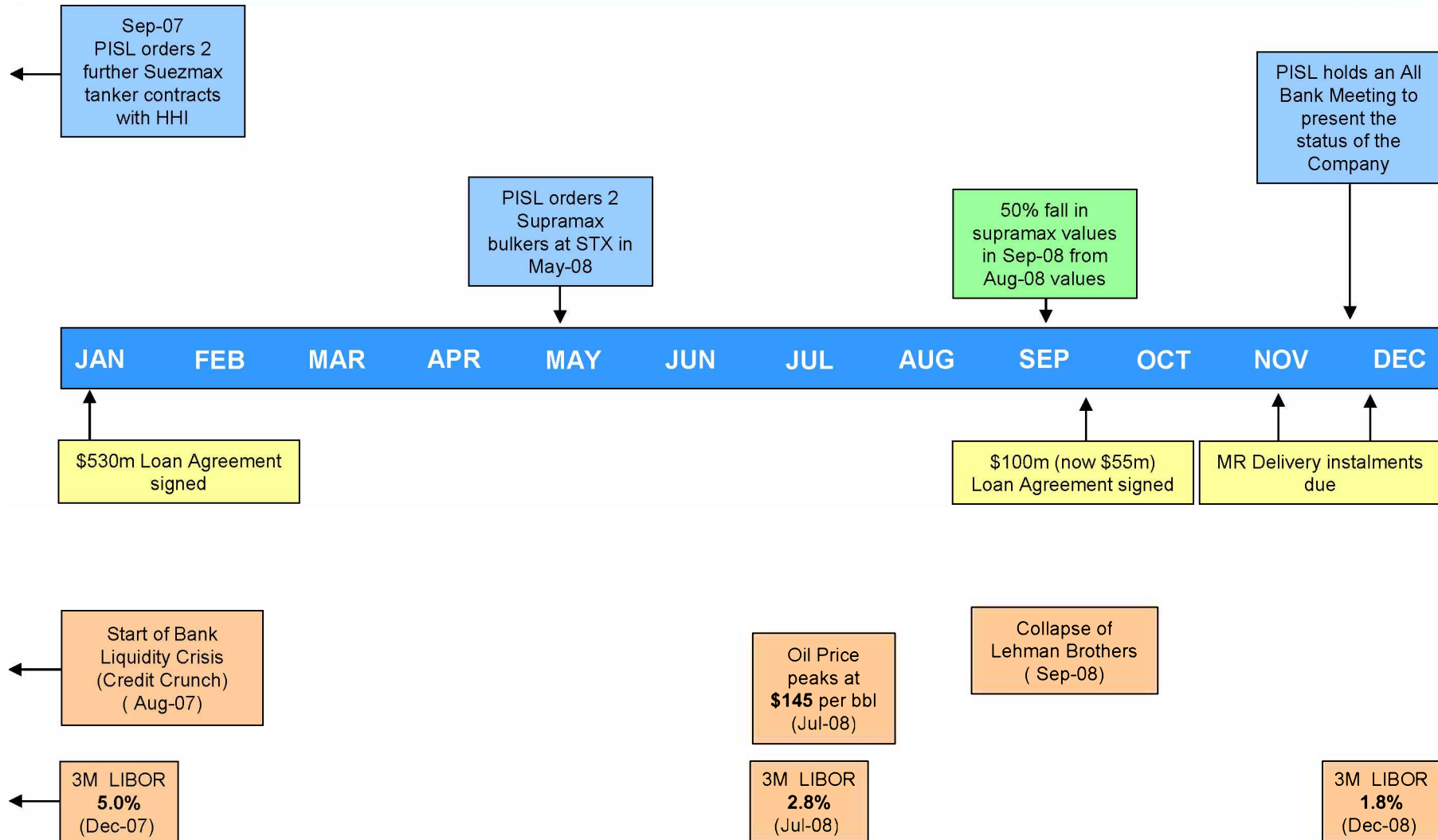
Name	Loan Facility	DWT	Built Date	Dec-2009 Average Broker Value	Dec-2010 Average Broker Value	31-Dec-10 Scheduled Debt o/s*	Gearing
Pavel Chernysh	\$128.6	105,000	Oct-05	51,000	44,500	31,073	70%
Captain Kostichev	\$128.6	105,000	Oct-05	51,000	44,500	37,523	84%
Victor Titov	\$128.6	105,000	Nov-05	51,000	44,500	37,523	84%
Prisco Mizar	\$375	150,000	Jun-07	67,000	62,000	48,499	78%
Prisco Alcor	\$375	150,000	Sep-07	67,000	62,000	48,499	78%
Gov. Farkhutdinov	\$375	108,000	Sep-04	48,500	43,500	36,814	85%
Sakhalin Island	\$375	108,000	Apr-04	48,500	43,500	36,814	85%
Zaliv Anadyr	\$375	104,000	May-09	55,000	54,500	41,930	77%
Zaliv Aniva	\$375	104,000	Jun-09	57,000	54,500	41,930	77%
Zaliv Baikal	\$530	104,000	Jan-09	57,000	55,000	51,828	94%
Zaliv Vostok	\$530	104,000	Jan-09	57,000	55,000	51,828	94%
Zaliv Amerika	\$530	104,000	Jan-08	53,250	52,500	46,932	89%
Zaliv Amurskiy	\$530	104,000	Jul-08	53,250	52,500	46,932	89%
Prisco Alexandra	\$530	51,000	Nov-08	33,250	35,000	33,724	96%
Prisco Ekaterina	\$530	51,000	Dec-08	33,250	35,000	33,724	96%
Prisco Irina	\$530	51,000	Mar-09	34,750	36,500	33,724	92%
Prisco Elizaveta	\$530	51,000	Apr-09	34,750	36,500	33,724	92%
Prisco Elena	\$530	51,000	May-09	34,750	36,500	33,724	92%
Prisco Abakan	\$55	57,700	Sep-09	35,000	34,250	24,063	70%
Prisco Udokan	\$55	57,700	Sep-09	35,000	34,250	24,063	70%
Total "Core Facilities"				957,250	916,500	774,869	85%
Grand Mereya	ICEGAS	74,497	May-08	45,500	47,125	49,104	104%
Polar Pevek	Rieber	1,300	Jun-06	27,500	35,319	15,174	43%
Moskalvo	Lease	46,269	Sep-98	17,000	16,000	27,937	175%
Total		1,947,466		1,047,250	1,014,944	867,085	85%

Debt o/s is net of retentions but including swap liabilities

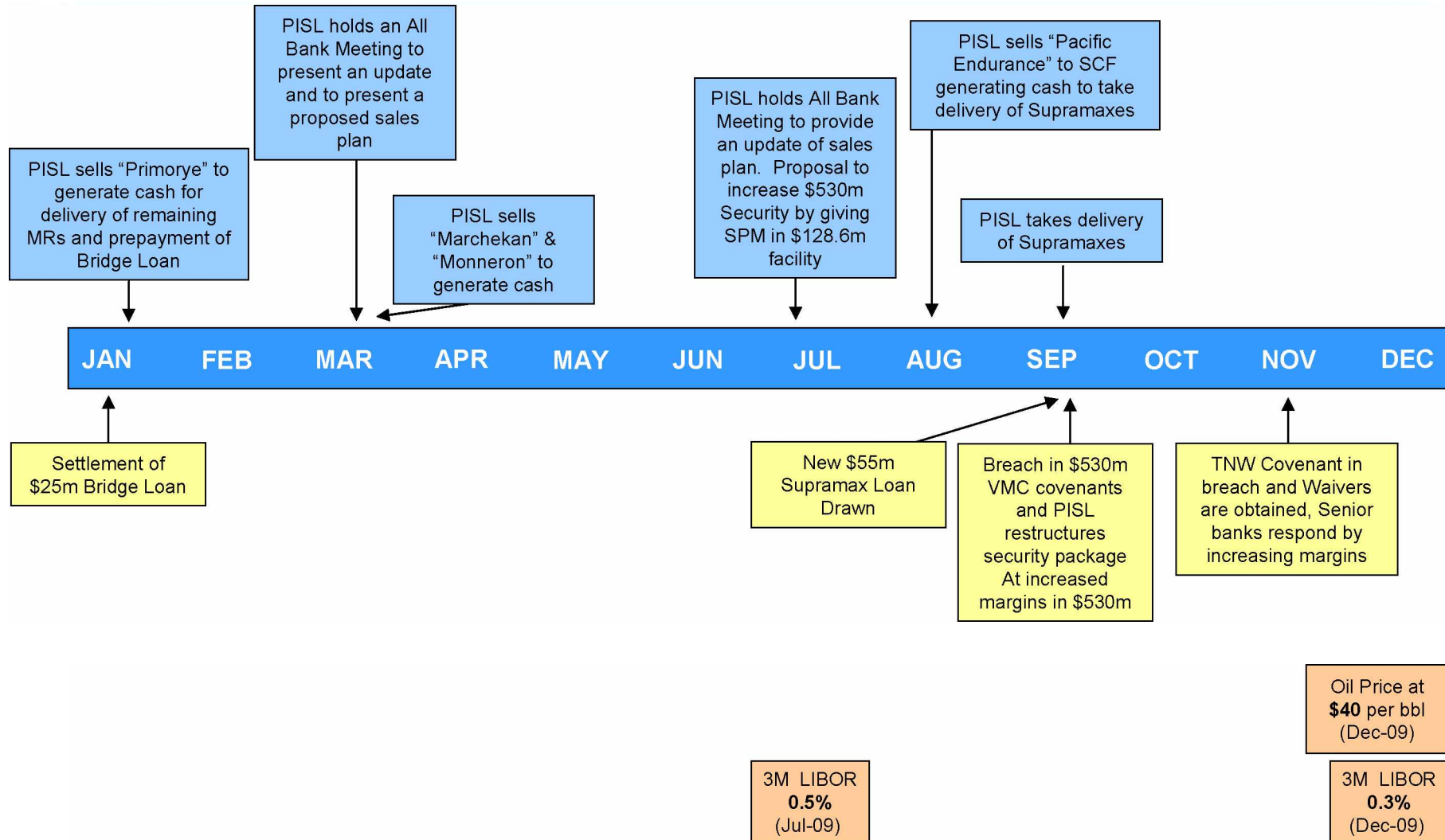
Broker valuations provided by Fearnley's and Platou



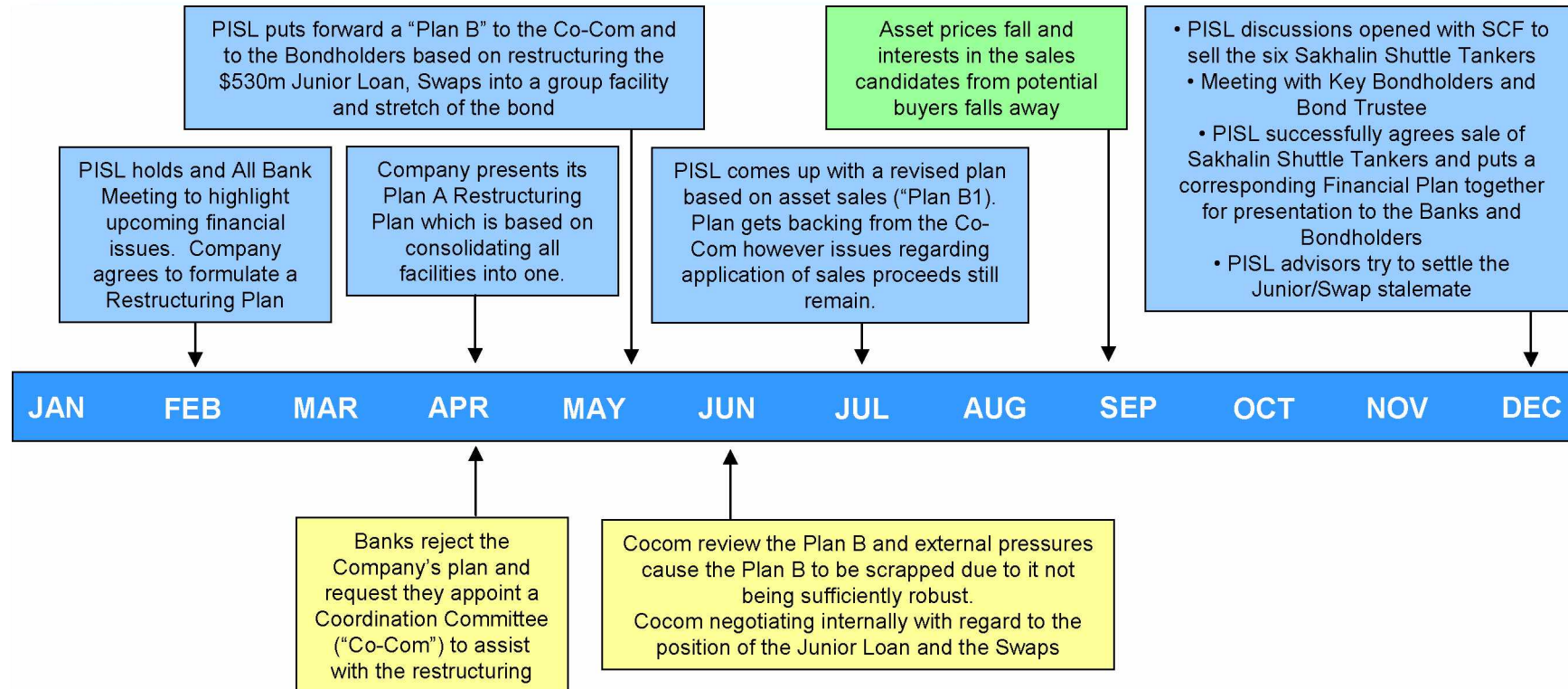
Progress Report – Timeline of past events 2008



Progress Report – Timeline of past events 2009



Progress Report – Timeline of past events 2010

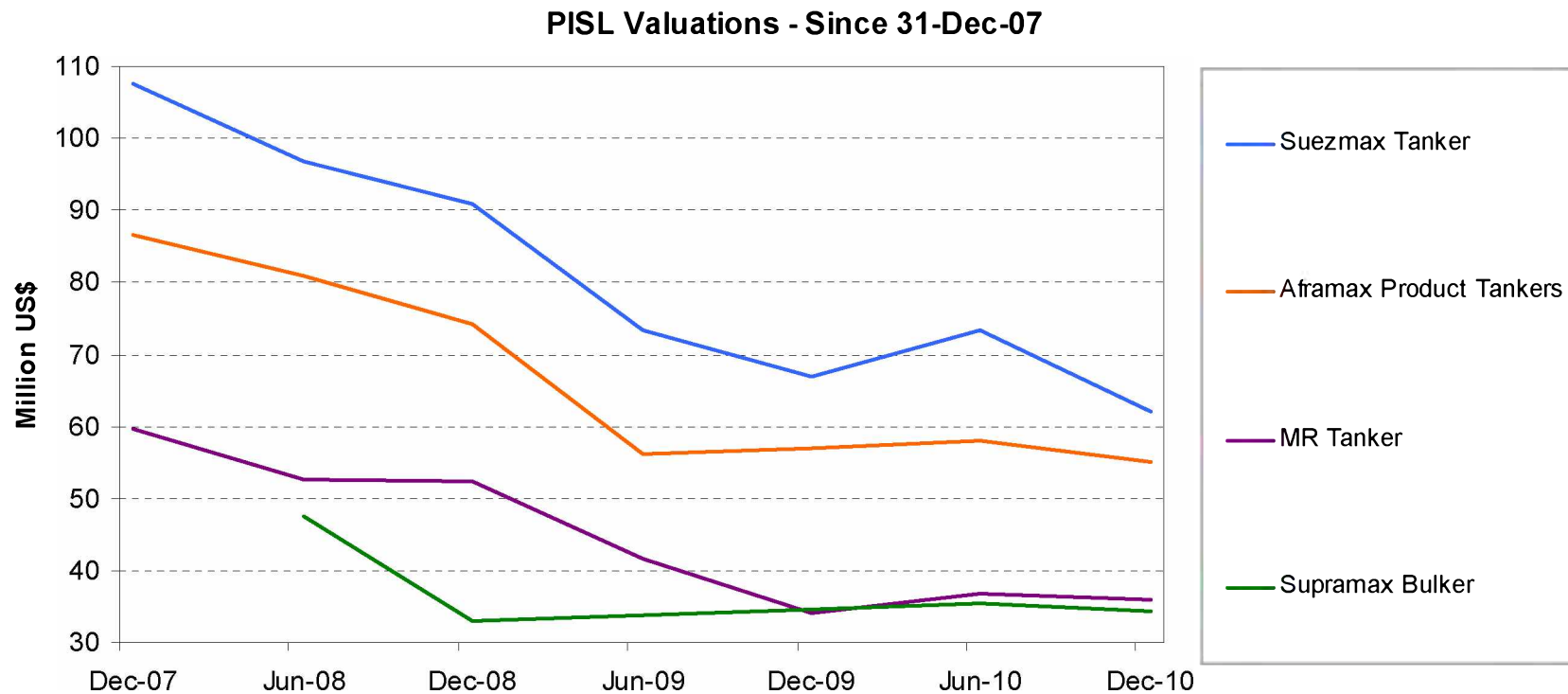


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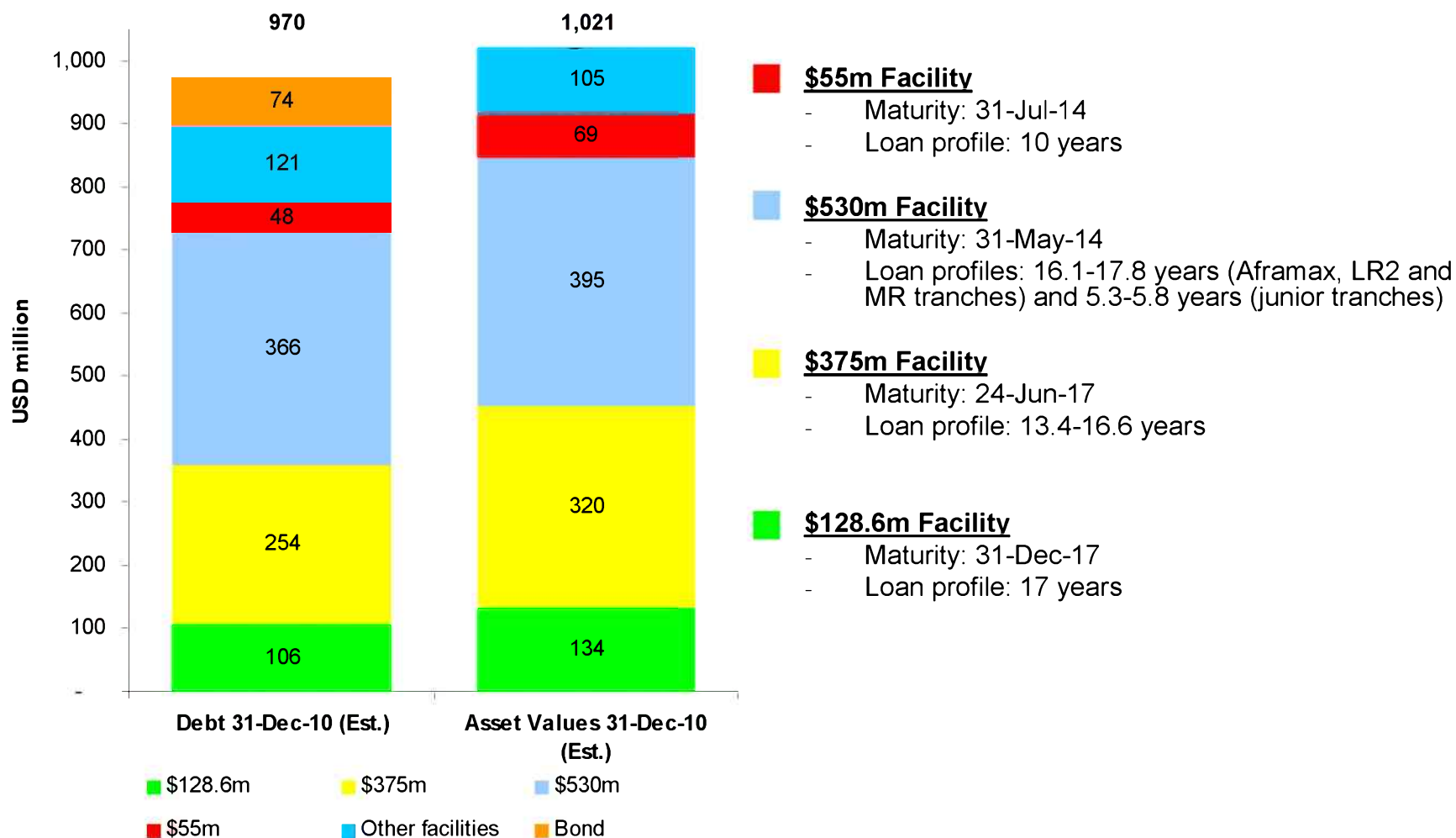
Market Factors - Vessel values



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FYE 2010 capital structure



Note: Debt net of retentions but including swaps

Progress Report – Summary of Recent Activity

- In December 2010 the Company took the view that in order to remedy its financial problems radical action was required. Consequently discussions were opened with the eventual buyers, to seek their interest in the Sakhalin I and II Shuttle Tanker businesses that have been developed by the Company
- The Company has reached an agreement to sell six shuttle tankers.
- It is the Company's intention to use the net sales proceeds to prepay bank debt and to restructure the remaining bank debt, swaps and bond in such a way as to stabilise the cash flow and deleverage the Company to acceptable levels
- The Company has taken a pragmatic approach to the proposed Financial Plan, taking the view that the plan needs to be meet four key principles:
 - **The Financial Plan must be robust enough to provide adequate safeguards against depressed market conditions**
 - **A high level of liquidity should be maintained within the Company in the interests of all stakeholders**
 - **The Financial Plan should provide an appropriate and proportional level of comfort to all of the Company's creditors**
 - **As little change as possible to existing arrangements**
- **Key common goal must be the long term viability of the Company**

Introduction to Financial Plan

- Use of proceeds from Sale of 6 x Sakhalin Shuttle Tankers
 - Prepay \$128m loan and swaps as per \$128m loan agreement (PC/CK/VT)
 - Prepay applicable Tranches of the \$375m loan (GF/SI/ZA)
 - Prepay both Senior and Junior \$530m Lenders to 139% for Senior Lender (same as for \$375m Senior cover)/ 115% for Total Loan coverage ratios
 - Restructure the \$530m Junior Loan to an 8 year remaining profile.
 - Restructure the \$375m Swaps (~9 month maturity) to Jun-15
 - Replace the “\$375m Swaption” with a \$200m Swap (Feb-11 – Jun-15) by buying a reduced fixed interest rate to provide meaningful interest rate cover for the benefit of all lenders.
 - Cross collateralise the main (\$375/\$530m) facilities
 - Re-set all loan maturities to Jun-15
 - Restructure the Bond to a Nov-15 maturity with conditional increased coupon and redemption premium
 - Seek immediate bank consent to application of proceeds

Bond Restructuring – Summary

- Coupon to be increased by 2.4% to 6% + LIBOR/NIBOR
 - Option to pay 40% as PIK if certain thresholds are not met or in default
- Maturity to be reset to 30-Nov-15 from 28-Feb-11
- Fully Subordinated Third Priority Mortgage (subject to consent from senior lenders) in \$375m and \$530m Facilities to be granted in favour of the Bondholders giving them 117% cover from Mar-11 growing to over 280% cover by Dec-14.
- Redemption at 115% of par or 116% of par if PIK option utilized
- American call options from Nov-11 at 109%, increasing by 2% p.a. + 1% if PIK option used

	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
	Illustrative				
FREE CASH HURDLE RATE FOR PAYMENT OF BOND					
Free Cash Level for scheduled Bond coupon payment (Higher of 6% TD & \$30m)	41	38	35	31	30
Forecast Free Cash Level	66	62	68	70	63
Illustrative Projections					
	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	
Bond					
Total Asset Value from \$375m Third Priority Mortgage		38	63	70	74
Total Asset Value from \$530m Third Priority Mortgage		58	101	114	124
Bond		74	72	70	69
Surplus Asset Value		22	92	114	129
Bond Cover	130%	228%	263%	286%	

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Illustrative Financial Projections – Cashflow Company Case

Primorsk International Shipping Limited									
Cashflow - Illustrative Projections		US\$ 000's							
COMPANY CASE		2009	2010	2011	2012	2013	2014	2015	2016
	Actual	Estimate	Illustrative						
Revenue	187,277	176,127	136,813	129,229	141,379	139,886	141,643	142,702	
Operating Expenses	(62,754)	(51,899)	(36,767)	(34,832)	(35,651)	(36,541)	(37,435)	(38,455)	
Administration Expenses		(13,577)	(13,923)	(14,276)	(14,640)	(15,008)	(15,381)	(15,763)	
EBITDA	124,523	110,651	86,123	80,120	91,088	88,337	88,827	88,484	
Total Docking Costs	(1,186)	(2,922)	(70)	(2,530)	(2,800)	(5,050)	(300)	--	
Changes in Working Capital	(267)	(10,270)	1,567	--	--	--	--	--	
Interest	(55,230)	(52,312)	(37,270)	(34,139)	(34,510)	(33,911)	(34,053)	(28,279)	
Regular Repayment	(113,941)	(67,640)	(51,079)	(47,995)	(48,077)	(48,165)	(46,383)	(45,697)	
Cash Flow After Regular Debt Service	(46,101)	(22,493)	(729)	(4,544)	5,701	1,211	8,091	14,508	
Exceptional Items	59,228	(22,641)	40,877	--	--	--	(16,027)	--	
Finance Income	2,355	71	184	502	660	681	991	695	
Net Cashflow	15,482	(45,063)	40,332	(4,043)	6,360	1,892	(6,946)	15,202	
Close Balance	54,966	70,448	25,385	65,717	61,674	68,035	69,926	78,183	



Illustrative Financial Projections – Balance Sheet Company Case

Primorsk International Shipping Limited									
Balance Sheet - Illustrative Projections		US\$ 000's							
COMPANY CASE		31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
		Actual	Estimate	Illustrative					
ASSETS: Non-Current Assets									
Property Plant & Equipment		1,083,710	1,033,925	708,768	728,982	702,446	671,660	640,873	610,087
Other Fixed Assets		43,138	43,138	43,138	43,138	43,138	43,138	43,138	43,138
		1,126,848	1,077,063	751,906	772,120	745,584	714,798	684,011	653,225
Current Assets									
Other Current Assets		24,006	13,651	13,651	13,651	13,651	13,651	13,651	13,651
Cash		70,448	25,385	65,717	61,674	68,035	69,926	62,981	78,183
		94,454	39,036	79,368	75,326	81,686	83,578	76,632	91,834
Total Assets		1,221,302	1,116,099	831,274	847,446	827,270	798,375	760,643	745,059
LIABILITIES: Non-Current Liabilities									
Finance Lease Liabilities		27,937	27,469	(0)	(0)	(0)	(0)	(0)	(0)
Bonds		75,788	73,897	74,110	71,656	69,818	--	--	--
Loans		842,799	759,012	500,632	452,554	404,390	378,888	390,661	344,964
Trade & Other Payables		24,758	24,758	24,000	24,000	24,000	24,000	--	--
Derivative Financial Instruments		20,624	20,108	4,442	1,885	676	389	(8)	--
Provisions		12,708	12,353	12,353	12,353	12,353	--	--	--
Deferred Tax Liabilities		418	418	418	418	418	418	418	418
		1,005,031	918,015	615,954	562,866	511,655	403,695	391,070	345,381
Current Liabilities									
Finance Lease Liabilities		1,799	468	--	--	--	--	--	--
Bonds							69,269	--	--
Loans		65,979	49,211	47,995	48,077	48,165	25,501	45,697	45,697
Trade & Other Payables		22,590	12,320	13,887	13,887	13,887	13,887	13,887	13,887
Derivative Financial Instruments		15,266	15,507	6,496	4,345	1,927	367	391	--
Income Tax Liabilities		10	10	10	10	10	10	10	10
		105,645	77,516	68,388	66,320	63,988	109,034	59,985	59,594
Total Liabilities		1,110,676	995,531	684,342	629,186	575,644	512,729	451,055	404,975
EQUITY									
Issued share Capital		2	2	2	2	2	2	2	2
Reserves		110,624	120,566	146,930	218,258	251,624	285,644	309,586	340,082
Total Equity & Liabilities		1,221,302	1,116,099	831,274	847,445	827,269	798,375	760,643	745,059



Illustrative Financial Projections – Statement of Comprehensive Income Company Case

Primorsk International Shipping Limited								
Profit & Loss - Illustrative Projections	US\$ 000's							
COMPANY CASE	2009	2010	2011	2012	2013	2014	2015	2016
	Actual	Estimate	Illustrative					
Revenue	187,277	176,127	136,813	129,229	141,379	139,886	141,643	142,702
Operating Expenses	(62,754)	(51,899)	(36,767)	(34,832)	(35,651)	(36,541)	(37,435)	(38,455)
Administrative Expenses	(59,315)	(13,577)	(13,923)	(14,276)	(14,640)	(15,008)	(15,381)	(15,763)
Profit on Vessels Trading	65,208	110,651	86,123	80,120	91,088	88,337	88,827	88,484
Other Operating Income	7,084	--	--	--	--	--	--	--
Other Losses	(228,256)	--	--	--	--	--	--	--
Other Operating Expenses	(12,325)							
Net Operating Income	(168,289)	110,651	86,123	80,120	91,088	88,337	88,827	88,484
Finance Income	11,395	71	184	502	660	681	991	695
Finance Charges	(45,188)	(52,843)	(44,405)	(34,139)	(34,510)	(33,911)	(34,053)	(28,279)
Depreciation & Adjustments in Valuation		(52,707)	(34,228)	17,684	(29,336)	(35,836)	(31,086)	(30,786)
Profit/(Loss) before Ex. Items and Income Tax	(202,082)	5,171	7,675	64,167	27,901	19,270	24,678	30,113
Profit/(Loss) on Sale of Assets		2,250	4,278					
Exceptional Items	15,782	--	(2,242)	--	--	12,353	(11,109)	--
Profit/(Loss) Before Income Tax	(186,300)	7,421	9,710	64,167	27,901	31,623	13,569	30,113
Income Tax Expense	(150)							
Total Profit/(Loss)	(186,450)	7,421	9,710	64,167	27,901	31,623	13,569	30,113
Financial Assets, available for sale - Fair Value Loss	(34,359)							
Net gain/(loss) on hedging instruments	12,638	274	11,397	4,708	3,627	1,847	372	383
Forgiveness of Loans			5,470	--	--	--	10,000	--
Net gain/(loss) on fleet revaluation	(68,189)	355						
FX Gain/(Loss) on Bond		1,891	(213)	2,454	1,838	550	--	
Other comprehensive expense, net of tax	(89,910)	2,520	16,654	7,161	5,465	2,397	10,372	383
Total Comprehensive Profit/(Loss) for the Year	(276,360)	9,942	26,364	71,328	33,366	34,020	23,942	30,496



Illustrative Financial Projections – Key Financial Indicators & Covenants Company Case

Primorsk International Shipping Limited						
Key Financial Indicators & Covenants		US\$ millions unless otherwise stated				
COMPANY CASE		31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
		Illustrative				
DEFAULT COVENANTS						
Free Cash Covenant (Higher of 5% TD & \$25m)		34	31	29	26	25
Forecast Free Cash Level		66	62	68	70	63
Tangible Net Worth Covenant		100	125	150	150	150
Tangible Net Worth Level		147	218	252	286	310
Solvency Ratio Covenant Level		15%	20%	25%	25%	25%
Forecast Solvency Ratio		18%	26%	30%	36%	41%
Proposed Covenant Level						
\$530m LTV (Term Loan)		135%	141%	159%	166%	173%
\$530m LTV (Total Loan)		115%	118%	134%	142%	151%
\$375m LTV (Senior Loan)		135%	142%	163%	171%	180%
\$375m LTV (Total Loans & Swaps)		115%	129%	153%	166%	179%
\$55m LTV		125%	155%	180%	204%	236%
FREE CASH HURDLE RATE FOR PAYMENT OF BOND						
Free Cash Level for scheduled Bond coupon payment (Higher of 6% TD & \$30m)		41	38	35	31	30
Forecast Free Cash Level		66	62	68	70	63





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