



## EITZEN CHEMICAL

*If you have already accepted the Exchange Offer made by Team Tankers International Ltd, please disregard this letter.*

19 February 2015

### **EITZEN CHEMICAL ASA – 4<sup>TH</sup> QUARTER 2014 REPORT AND RECOMMENDATION FROM THE BOARD TO ACCEPT THE EXCHANGE OFFER FROM TEAM TANKERS INTERNATIONAL LTD.**

Eitzen Chemical ASA ("**Eitzen Chemical**" or "**the Company**") published its 4<sup>th</sup> quarter 2014 report and unaudited preliminary accounts for the year 2014 recently. The 4<sup>th</sup> quarter of 2014 represented stronger earnings which were particularly evident towards the end of the quarter, and 2015 has started on a positive note.

The Company has not previously sent out quarterly reports by mail to shareholders, but will make an exception as information about the Company is considered important in a period where there is an offer from Team Tankers International Ltd. to exchange shares (as further described below).

Team Tankers International Ltd. sent out a combined prospectus and offer document, including acceptance form and subscription forms, to all shareholders in Eitzen Chemical on 30 January 2015. These documents are also available on [www.abgsc.com](http://www.abgsc.com). Team Tankers International Ltd. is a company established by Eitzen Chemical with the sole purpose to move its operations to Bermuda. This is desirable as the new owners is substantially non-Norwegian and it is important for the group to operate under favorable, stable and predictable legislative and regulatory conditions.

Team Tankers International Ltd. has applied for listing on Oslo Børs, alternatively Oslo Axess. The combined prospectus and offer document includes an Exchange Offer to current shareholders in Eitzen Chemical to exchange existing shares in Eitzen Chemical to shares in Team Tankers International Ltd. All shareholders who accept the offer will receive one share in Team Tankers International Ltd. for every three shares owned in Eitzen Chemical. This exchange ratio is necessary to fulfill the Oslo Stock Exchange requirements for a stock price of at least NOK 10 per share.

Team Tankers International Ltd. has received irrevocable and unconditional pre-acceptances to the Exchange Offer from the lenders who participated in the debt conversion and Jason Shipping AS, which together represent about 98.7% of outstanding shares in Eitzen Chemical. The Exchange Offer is inter alia conditional on that 99.5% accept the Exchange Offer, and we need the shareholders support to reach this condition.

The acceptance period for the Exchange Offer expires on 28 February 2015 at 06:00 CET. The combined prospectus and offer document includes information on how to proceed in order to accept the offer. See also the prospectus and the offer document for important information about the offer, Team Tankers International Ltd. and relevant risk factors.

### **Eitzen Chemical ASA**

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**The Board of Directors of Eitzen Chemical ASA has concluded that the voluntary offer is in the best interest of Eitzen Chemical and its shareholders and unanimously recommends shareholders in Eitzen Chemical to accept the offer.**

The statement from the Board of Directors of Eitzen Chemical ASA that was originally attached the combined prospectus and the offer document dated 29 January 2015 is attached hereto. The shareholders who will not accept the offer will risk that Team Tankers International Ltd. will use its right to commence a compulsory acquisition of the Eitzen Chemical shares not already owned by Team Tankers International Ltd. following the Exchange Offer. This is further described in the attached recommendation.

If you have not received the combined prospectus and offer document, please contact the company by phone +47 2311 4320 or email [uth@eitzen-chemical.com](mailto:uth@eitzen-chemical.com).

If you have any questions, please contact:

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*Best regards,*  
*The Board of Directors of Eitzen Chemical ASA*

## STATEMENT FROM THE BOARD OF DIRECTORS OF EITZEN CHEMICAL ASA

## CONCERNING

## THE EXCHANGE OFFER SUBMITTED ON 29 JANUARY 2015

## BY

TEAM TANKERS INTERNATIONAL LTD.,

A COMPANY 100% OWNED BY EITZEN CHEMICAL ASA

This statement is made by the Board of Directors (the "Board") of Eitzen Chemical ASA ("Eitzen Chemical") in connection with the exchange offer by Team Tankers International Ltd. ("Team Tankers" or the "Offeror"), a company which at the date of this statement is 100% owned and fully controlled by Eitzen Chemical, to acquire all outstanding shares in Eitzen Chemical against issuance of shares in Team Tankers, announced 29 January 2015 (the "Exchange Offer"). Further details of the Exchange Offer are described in the combined prospectus and offer document dated 29 January 2015 (the "Offer Document").

The Offeror was incorporated by Eitzen Chemical for the sole purpose of making the Exchange Offer as part of the plan to relocate Eitzen Chemical to Bermuda. Accordingly, the Exchange Offer has been made in agreement with Eitzen Chemical. This statement is not the formal company statement required by section 6-16 (1) c.f. 6-19 (1) of the Norwegian Securities Trading Act (the "STA"). Eitzen Chemical has engaged Advokatfirmaet CLP DA to issue an independent statement regarding the Exchange Offer on behalf of Eitzen Chemical.

On 23 December 2014, Eitzen Chemical announced that the company had entered into a plan support agreement (the "PSA") with the majority of both its banks and bondholders and its largest shareholder. The PSA would result in Eitzen Chemical converting approximately USD 773 million of bank and bond debt on the company's balance sheet, and repaying approximately USD 46 million, and exchanging a claim of USD 83 million under one of the bank facilities for a sale-leaseback agreement involving three vessels. Eitzen Chemical further announced that it was contemplating relocation to Bermuda. On 27 January 2015, the Company announced that the restructuring had been completed.

As stated in the Offer Document the purpose of the contemplated relocation is to establish a corporate structure which reflects Eitzen Chemical's new ownership after the debt conversion is completed. The shipping industry is a global, highly competitive industry. Thus, it is critical that the group operates under favourable, stable and predictable legislative and regulatory conditions. The Exchange Offer is made in the long-term interest of the group and its shareholders, as a simple and transparent way to relocate the holding company of the group.

Following completion of the Exchange Offer, the Offeror will as the new holding company continue the business operated by the Eitzen Chemical group. Team Tankers will be a leading marine chemical transportation group with a total sailing fleet of forty-five vessels, transporting a wide variety of

cargoes such as organic chemicals, non-organic chemicals, clean and dirty petroleum products, vegetable oils and lube oils.

The Board has concluded that the Exchange Offer is in the best interest of Eitzen Chemical and its shareholders and unanimously recommends the shareholders of Eitzen Chemical to accept the Exchange Offer.

The obligation of Team Tankers to complete the Exchange Offer is subject to the satisfaction of the following conditions:

1. The number of Eitzen Chemical shares that are validly tendered to Team Tankers in respect of the Exchange Offer represents more than 99.5 per cent of the issued share capital and votes in Eitzen Chemical;
2. The Board of Directors of Oslo Stock Exchange approves the Company for listing on Oslo Stock Exchange or, alternatively, Oslo Axess and all conditions for listing on Oslo Stock Exchange or, alternatively, Oslo Axess, will be satisfied upon completion of the Exchange Offer;
3. All permits, consents and approvals required from applicable regulatory and governmental authorities for the completion of the Exchange Offer shall have been obtained or any applicable waiting periods have expired or lapsed, in each case upon conditions satisfactory to the Company in its sole discretion; and
4. Eitzen Chemical shall have received necessary consents and/or waivers from third parties in order to effect the Exchange Offer without any adverse effect for Eitzen Chemical or its subsidiaries, in each case without conditions or upon conditions satisfactory to Team Tankers Ltd. in its sole discretion.

Team Tankers has reserved the right to waive in whole or in part the conditions listed in number 1, 3 and 4.

As further described in the Offer Document, Team Tankers has received irrevocable and unconditional pre-acceptances to the Exchange Offer from the lenders participating in the debt conversion, securing an acceptance rate of at least 98%. In addition, Jason Shipping AS has pre-accepted the Exchange Offer for its 3,835,119 Eitzen Chemical shares. Thus, the Offeror has received pre-acceptances for the Exchange Offer for a total of 556,071,195 shares, representing approximately 98.7% of the outstanding Eitzen Chemical shares and votes. The pre-acceptances will no longer be valid if the Exchange Offer is not consummated by 15 March 2015.

Eitzen Chemical shareholders will receive 1 share in Team Tankers for every three Eitzen Chemical share tendered in the Exchange Offer (the "Offered Consideration"). The closing price of NOK 4.89 per Eitzen Chemical share on Oslo Stock Exchange on 27 January 2015 values the total of all the outstanding Eitzen Chemical shares at NOK 2,756 million as of such date.

In addition to the Exchange Offer, Team Tankers is conducting the Cash Offer of up to NOK 3 million for the purpose of fulfilling the share spread requirements for listing on Oslo Børs as further described in the Offer Document.

The acceptance period for the Exchange Offer is from and including 30 January 2015 to 27 February 2015 at 16.30 CET, unless extended in accordance with the terms of the Offer Document. According to the Offer Document, settlement will take place within 10 business days following the Exchange

Offer becoming unconditional in all respects. Further detailed information about the Exchange Offer is included in the Offer Document.

As a company incorporated under the laws of Bermuda, Team Tankers is subject to laws and regulations, certain aspects of which are different from Norwegian laws and regulations, under which Eitzen Chemical currently operates. Further information about the tax consequences for Norwegian resident shareholders with respect to acceptance of the Exchange Offer, and holding of shares in Team Tankers, is described in the Offer Document, provided, however, that each shareholder is urged to make its own assessment, and consult its own professional advisers, regarding such consequences.

The Board has noted that it is stated in the Offer Document that it is not expected that the implementation of the Exchange Offer will have any significant legal, economic or work-related consequences for the employees of Eitzen Chemical.

In reaching its conclusion to recommend the Offer, the Board has considered the positive effects of the Exchange Offer as described above for all the stakeholders in Eitzen Chemical.

As provided for in the STA, if Team Tankers becomes the owner of Eitzen Chemical shares representing more than 90 % of the total number of shares issued by Eitzen Chemical, Team Tankers will have the right to commence a compulsory acquisition for cash of the Eitzen Chemical shares not already owned by Team Tankers. The Board notes that the Offer Document provides that Team Tankers will consider such compulsory acquisition upon completion of the Exchange Offer. Further, if Team Tankers no longer considers the listing of the Eitzen Chemical shares on Oslo Børs appropriate, Team Tankers may propose to the general meeting of Eitzen Chemical that Eitzen Chemical shall apply for delisting of its shares from Oslo Børs. The Board notes that the Offer Document provides that Team Tankers will consider to propose to the general meeting of Eitzen Chemical that an application be made to Oslo Børs to delist the Eitzen Chemical shares from Oslo Børs in the event the Exchange Offer is completed.

The Exchange Offer has been made known to the Eitzen Chemical employees. The employees of Eitzen Chemical have not made any separate statement regarding the Exchange Offer, but any separate statement made by the employees during the acceptance period for the Exchange Offer will be disclosed separately.

Based on an overall evaluation of relevant factors, taking into account the offered consideration and offer terms, the Board views the Exchange Offer to be in the best interests of Eitzen Chemical and its shareholders and thus unanimously recommends the shareholders of Eitzen Chemical to accept the Exchange Offer.

Oslo 29 January 2015

The Board of Directors of Eitzen Chemical ASA