Egersund, 11.01.2016

To the Bondholders in the:

Fjord Line AS 13/18 FRN STEP – ISIN NO 0010671084

Offer to exchange Bonds into New Shares

Reference is made to the bond agreement dated 4 February 2013 for the above-mentioned bond issue, pursuant to which Fjord Line AS (the **"Company"**) has issued bonds (the **"Bonds"**) in the amount of NOK 300,000,000 (the **"Bond Agreement"**).

The Company offers a share issue with a total subscription amount of up to NOK 150,000,000 against contribution-in-kind directed at the owners of the Bonds (the **"Bondholders"**) by way of contributing Bonds (the **"Private Placement"**). Each Bond (face value NOK 500,000) to be contributed to the Company in the Private Placement will be exchanged into 90,910 new shares in the Company.

The Company has appointed Norne Securities AS as Manager and Bookrunner (the **"Manager"**) in the Private Placement.

1. THE EXCHANGE OFFER

The Company therefore offers all Bondholders to exchange up to NOK 150,000,000 in total of the outstanding Bonds into new shares in the Company of par value of NOK 2.50 (the "**New Shares**"). Pursuant to the exchange offer (the "**Exchange Offer**"), each outstanding Bond (face value NOK 500,000) to be contributed to the Company in the Private Placement can be exchanged into 90,910 New Shares at a subscription price of NOK 5,50 per New Share. Any accrued but unpaid interest on the Bonds will be compensated to the Bondholders through a subsequent cash payment.

The Exchange Offer will commence on the date of this letter and will expire at 16:30 (CET) on Friday 29 January 2016 (the "**Offer Period**"), unless extended or withdrawn at the sole discretion of the Company. No submissions after the Offer Period will be valid. Information regarding any such amendments will be published via the Norwegian Central Securities Depositary (Verdipapirregisteret) (the **"VPS"**). Completion of the Exchange Offer is subject to the corporate resolutions of the Company required to implement the Exchange Offer being validly made, including the board of directors of the Company approving the issuance of the New Shares.

2. ACCEPTANCE OF THE EXCHANGE OFFER

In order to exchange some or all of their Bonds into New Shares, each Bondholder must duly complete the form of acceptance attached hereto as Appendix 1 (the **"Acceptance Form"**) and return it to the Manager by no later than the expiry of the Offer Period. Acceptance Forms received by the Manager are considered as binding and irrevocable acceptance of the Exchange Offer.

The Company and the Manager reserve the right to refuse acceptance of the Exchange Offer if the Acceptance Form has not been duly completed or if it is not received by the Manager before 16:30 on 29 January 2016.

The result of the Exchange Offer is expected to be announced on 1 February 2016.

Fjord Line AS Torget 6, Po.Box 513, NO-4379 Egersund, Norway
Tel.: +47 815 33 500, Fax: +47 51 49 24 30,
E-mail: info@fjordline.no
Org no: 910 310 895

3. ISSUANCE OF THE NEW SHARES

In accordance with resolution made by the general meeting of the Company, the board of directors has the authority to increase the Company's share capital by up to NOK 81,939,762.50, whereas the Private Placement will increase the Company's share capital by up to NOK 68,182,500 by issuance of New Shares in connection with the exchange of Bonds.

The New Shares to be issued to the Bondholders tendering their Bonds will be issued at or around 5 February 2016. The Bondholders will be notified of the issuance of the New Shares when such shares are registered in VPS.

The Company shall ensure that the New Shares are registered in the VPS.

The New Shares will carry full shareholder rights in the Company, including the right to dividend, from the time of registration with the Norwegian Register of Business Enterprises (Foretaksregisteret).

4. ALLOCATION OF SHARES

Notification of allotment will be sent to the Bondholders who have accepted the Exchange Offer (the **"Applicants"**), by the Manager on or about 1 February 2016, subject to any shortenings or extensions of the Offer Period.

If Applicants request to exchange more than NOK 150,000,000 in total of the outstanding Bonds, the allocation will be made pro-rata among the Applicants based on the number of Bonds requested to be exchanged.

5. MANAGER

Norne Securities AS with business address: Jonsvollsgaten 2, PB 7801, 5020 Bergen.

Any questions related to the Exchange Offer can be directed to the following professionals at Norne Securities:

Eivind Myrseth	Stig Sevaldsen
Phone: +47 451 64 535	Phone: +47 482 05 258
E-mail: eivind.myrseth@norne.no	E-mail: stig.sevaldsen@norne.no

6. MISELLANEOUS

The Exchange Offer is not directed to persons in any jurisdiction where the Exchange Offer would be in violation of applicable laws or whose acceptance of the offer requires that (i) further documents are issued in order for the Exchange Offer to comply with local law or (ii) registration or other measures are taken pursuant to local law.

No document or material relating to the Exchange Offer may be distributed in or into any country where such distribution or offering requires any of the aforementioned measures to be taken or would be in conflict with any law or regulation of such country.

The Exchange Offer and any acceptances thereof are subject to Norwegian law, with Bergen District Court as the agreed legal venue.

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Yours sincerely,
Fjord Line AS

Peter Frølich
Chairman of the Board

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Appendix 1

Norne Securities AS, +47 55 55 91 30

Acceptance Form

Fjord Line AS 13/18 FRN STEP – ISIN NO 0010671084

Reference is made to the bond agreement dated 4 February 2013 for the above-mentioned bond issue, pursuant to which Fjord Line AS (the **"Company"**) has issued bonds in the amount of NOK 300,000,000 (the **"Bond Agreement"**). Reference is further made to the offer letter dated 11 January 2016 (the **"Offer Letter"**) pursuant to which the Company has offered all Bondholders to exchange Bonds into New Shares.

All capitalized terms used and not otherwise defined herein shall have the meaning assigned to them in the Offer Letter.

Pursuant to the terms of the Offer Letter, we hereby request to exchange the number of Bonds set out below (the **"Exchangeable Bonds"**). The exchange will be effected by contributing all or some of the Exchangeable Bonds at their face value against the issuing of the New Shares. Each Bond (face value NOK 500,000) to be contributed to the Company in the Private Placement can be exchanged into 90,910 New Shares.

Number of Bonds requested to be exchanged: _____

Total face value of Bonds requested to be exchanged: _____

Number of shares requested to be issued: _____
(number of bonds x 90,910)

VPS-account no. in which the Bonds are registered:	Custodian/VPS account operator (*forvalter*) / telephone no:
VPS-account no. to which the New Shares shall be delivered:	Custodian/VPS account operator (*forvalter*) / telephone no:
First name:	Surname or company name:
Address (for individuals: home address):	Postcode and place:
National identity no. (fødselsnummer) (11 digits) or org./reg. no.:	E-mail address of the Bondholder:
Citizenship (statsborgerskap):	Phone number of Bondholder:

In addition to the above information, please include a transcript from the Securities Depository (VPS), indicating your bondholding at the printing date. 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.

Acceptance of the Exchange Offer must take place no later than 16:30 (CET) on Friday 29 January 2016. Duly completed Form of Acceptance must have been received by the Manager, address: Jonsvollsgaten 2, PB 7801, 5020 Bergen or e-mail: corporate@norne.no, by 16:30 on 29 January 2016.

APPOINTMENTS AND DIRECTIONS:

1. The undersigned hereby irrevocably authorizes and instructs the Manager to subscribe on its behalf for the number of New Shares to be issued to it in connection with the Exchange Offer.

2. The undersigned hereby irrevocably authorizes and instructs DNB Bank ASA to transfer the Exchangeable Bonds free of any encumbrances to the Company's VPS account number 06001.1544206.

The undersigned hereby certifies to the Company that the Bonds will be transferred free of any encumbrances and that the undersigned is eligible under the laws of the undersigned's jurisdiction to receive the New Shares set out above.

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According to the conditions set out above and the Offer Letter, the undersigned hereby accepts the Exchange Offer as set out above.

Place and date	Name of signatory (The signatory must be of age. If signed under a power of attorney, necessary documentation including company certificate (firmaattest) and/or power of attorney shall be enclosed)