



ALL HANDS
ON DECK

**Informal Meeting of Noteholders
S\$100m 8.45% Notes Due 2017
15 September 2016**

Disclaimer



This presentation should be read in conjunction with the proposed consent solicitation statement to be published in due course (the **"Consent Solicitation Statement"**) in relation to the Series 001 S\$100,000,000 8.45 per cent. Notes due 2017 issued by Rickmers Trust Management Pte. Ltd. (the **"Issuer"**) (in its capacity as trustee-manager (the **"Trustee-Manager"**) of Rickmers Maritime (the **"Trust"**)). This presentation is not for public dissemination and is for the exclusive use of the persons to whom it is addressed and their advisers in connection with the noteholder meeting on 15 September 2016 (the **"Meeting"**). It is made available by the Issuer, on a confidential basis and subject to the following provisions, to a limited number of recipients for the sole purpose of providing information to assist them in deciding whether they wish to vote in favour or against the Extraordinary Resolution proposed at the Meeting.

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Purpose of Meeting – We Seek Your Support



Adverse market conditions affected Rickmers Maritime's financial performance which reduced the Trust's debt capacity

Unable to repay US\$179.7m senior debt due Mar 2017

Unable to meet on-going coupon and principal payments of the S\$100m 8.45% notes (the "Notes") due May 2017



Received firm offer from senior lenders to restructure loan with US\$260.2m new facility



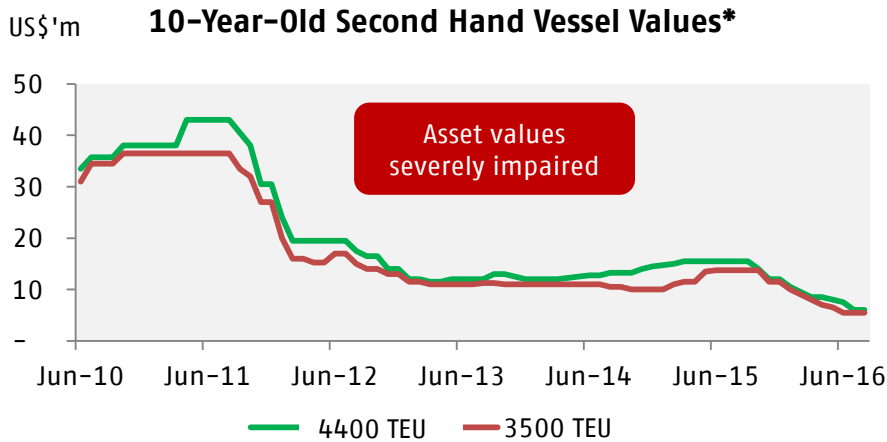
Offer to exchange existing principal amount of the Notes, and interest due thereon, for new unsecured S\$28m Fixed Rate Step-up Perpetual Convertible Securities (the "New Securities") in order to:

- i. Avoid liquidation / total loss on the Notes**
- ii. Allow continued coupon payments under the New Securities**
- iii. Share equity upside with holders of the Notes (the "Noteholders")**
- iv. Maximise value recovery for Noteholders**

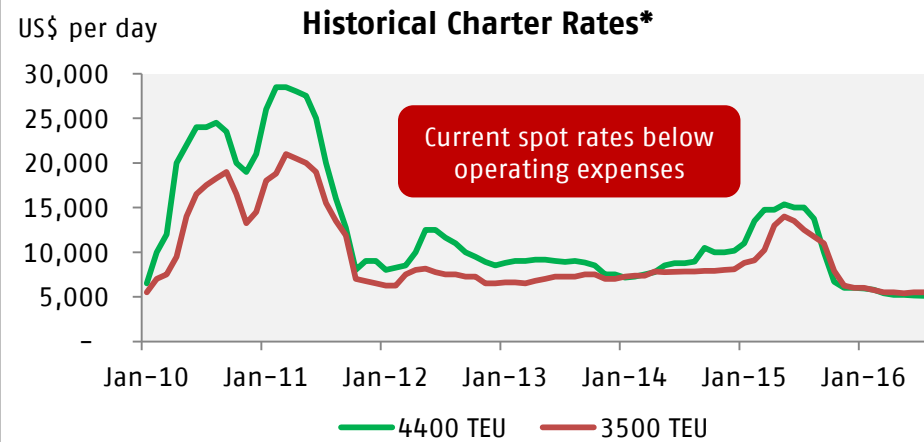
Background – Market and Financial Situation



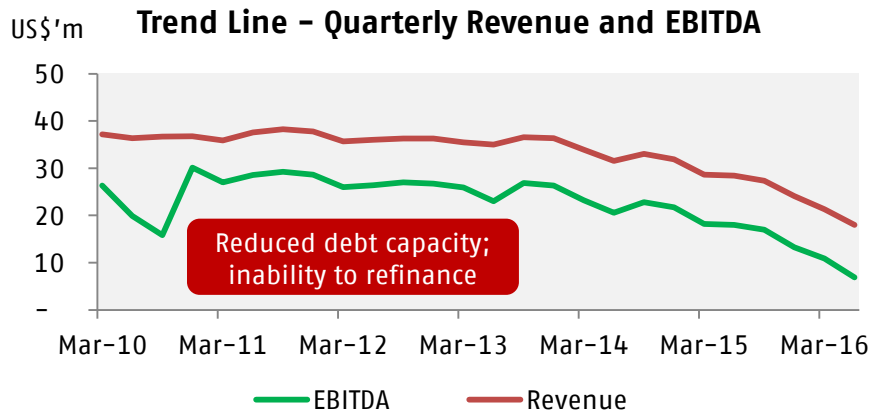
Depressed vessel values limit recovery in a liquidation scenario



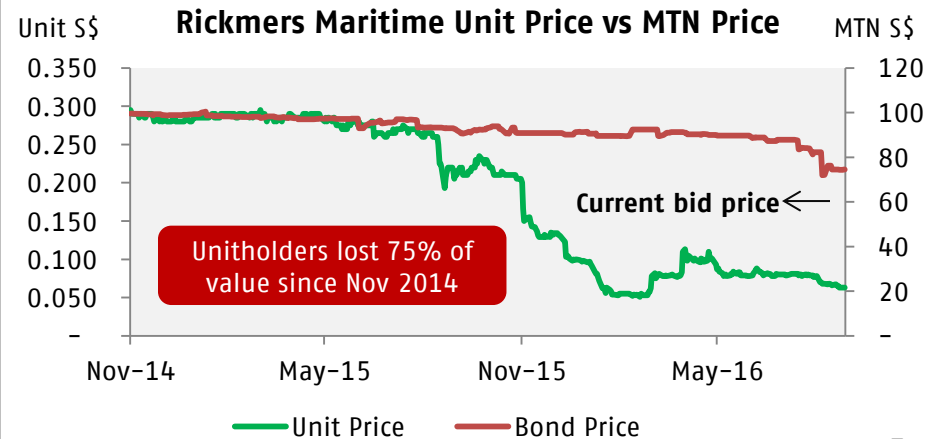
Current operating environment one of the worst in history: Charter rates at all-time low



Revenue and EBITDA plunged in 1H2016 on increased exposure to spot market and reduced charter rates

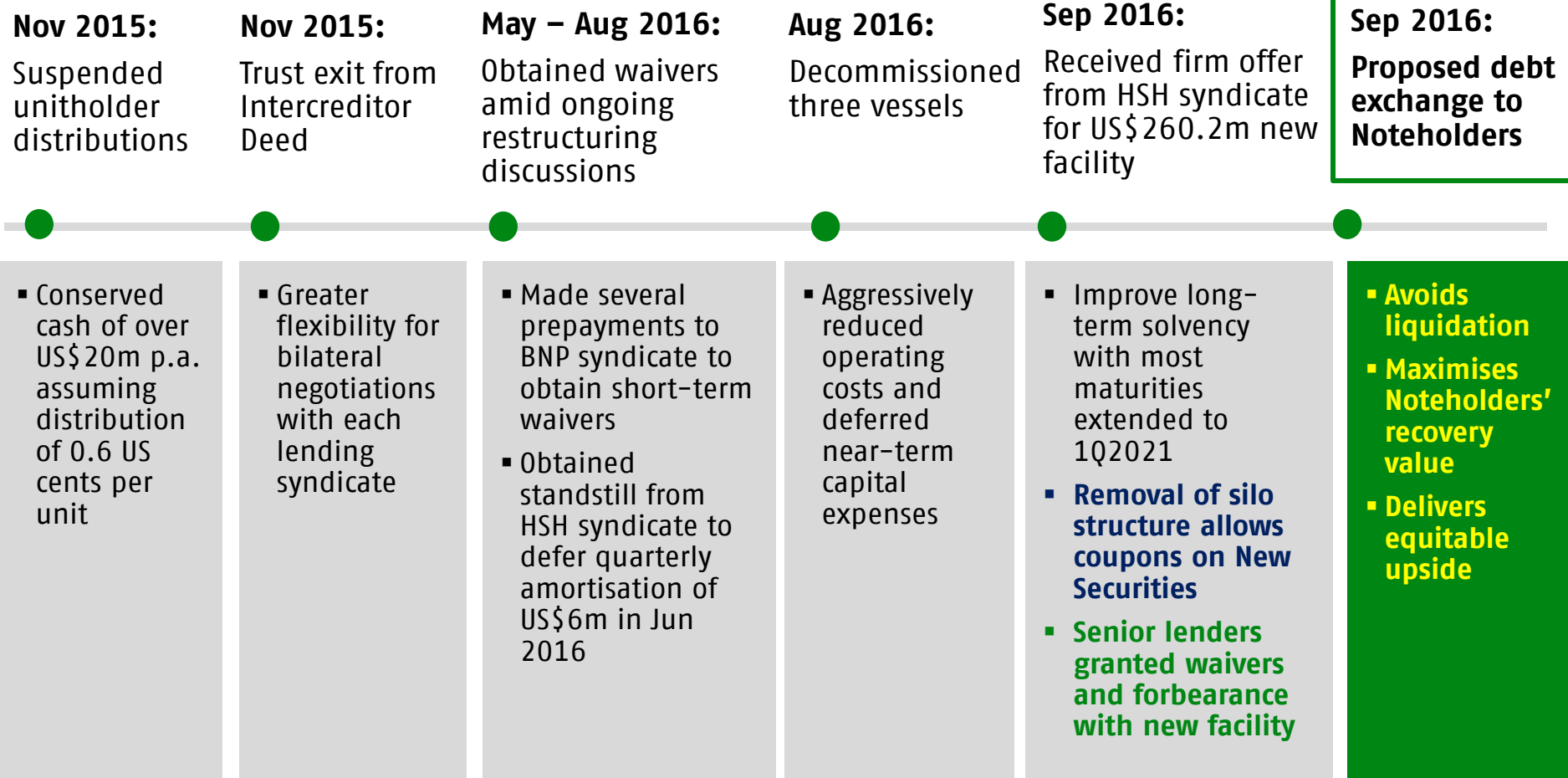


MTN could be trading at a significantly lower price in a liquid market



*Source: Clarksons Research Services

Taken proactive holistic steps to preserve cash and improve solvency



Background – Timing and Process



Ensure effective communications and continued engagements

- **August 2016:** Appointed PricewaterhouseCoopers and Morgan Lewis Stamford as advisors
- **September 2016:**
 - SGX Announcement to facilitate informal engagement with Noteholders
 - Notice of informal meeting in The Straits Times and The Business Times

SGX Announcement

RICKMERS MARITIME
 Registration Number: 2007003
 (Constituted under the laws of Singapore)
 Managed by Rickmers Trust Management Pte. Ltd.

PROPOSED DEBT EXCHANGE IN RELATION TO THE S\$100 MILLION & 4.45 PER CENT NOTES DUE 2017 (ISIN NO. SG00G0000091) (THE "NOTES") AND UPDATE ON REFINANCING DISCUSSION WITH LENDERS

Rickmers Trust Management Pte. Ltd., in its capacity as trustee-manager (the "Trustee-Manager") of Rickmers Maritime (the "Trust") refers to the announcements dated 22 May 2016, 23 June 2016, the announcements dated 5 August 2016 relating to the Trust's second quarter 2016 financial update and the announcement dated 23 August 2016.

The Trust has received a firm offer letter from the senior lenders of the HSH syndicate (comprising HSH Nordbank AG, Singapore Branch and DES Bank Ltd) in relation to a restructured secured amortising term loan facility of an amount of up to US\$200,277,145.28 ("New Facility"), to refinance all of the Trust's present outstanding debt under the existing facilities granted by the lenders of the HSH syndicate and BNP syndicate (comprising BNP Paribas, NIO Bank NV, Singapore Branch, The Bank of Nova Scotia Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Sumitomo Mitsui Trust Bank Limited, Singapore Branch).

The New Facility, if successfully entered into, would extend the maturities of a large part of the Trust's secured bank debt to the first quarter of 2021, and include a moratorium on principal repayments under the existing facilities to the fourth quarter of 2016, amongst other terms and conditions.

The New Facility is conditional on, amongst others, further credit approvals, entry into loan and security documentation, waivers and/or consents from the existing syndicate lenders and a successful restructuring of the Notes. The Trust has already received certain waivers from the lenders of the HSH syndicate and the BNP syndicate and is procuring extensions of certain waivers granted by the lenders of the BNP syndicate whilst the New Facility is being implemented by the respective lenders thereto. The Trust is also in negotiations with one of its senior lenders in relation to agreeing terms of a debt settlement agreement.

The Trustee-Manager is actively engaged with all of its bank lenders on the above comprehensive refinancing plan which, if achieved, will result in a unified credit facility, in line with the Trust's balance sheet optimization efforts to reduce amortisation, increase loan tenures and improve long-term solvency. The refinancing plan, while comprising certain restrictions, should allow the Trust an optimized debt structure and with sufficient time to manage its liabilities and growth in the present adverse industry conditions.

The current adverse industry conditions have affected the financial performance of the Trust in terms of lower revenues, cash and asset values, which consequently reduced the Trust's debt capacity. This may prevent the Trust from meeting its on-going coupon and principal at maturity obligations under the Notes.

The Trust has recently appointed PricewaterhouseCoopers Advisory Services Pte. Ltd. to assist in the restructuring of the Notes in light of the present challenging industry conditions that limit the Trust's access to debt and capital markets.

In the above circumstances, the Trust is contemplating a debt exchange via a Consent Solicitation Exercise to its existing noteholders that seeks to exchange its existing principal amount of the Notes and interest due thereon, for new unsecured S\$28,000,000 Fixed Rate Step-up Perpetual Convertible Securities (the "Perpetual Convertible Securities"). The Perpetual Convertible Securities will be convertible at any time into units of the Trust at a fixed conversion price, subject to adjustment for

Notices in ST and BT

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NOTICE OF INFORMAL MEETING OF NOTEHOLDERS

NOTICE IS HEREBY GIVEN that Rickmers Trust Management Pte. Ltd., in its capacity as trustee-manager (the "Trustee-Manager") of Rickmers Maritime (the "Trust") will be holding an informal meeting for holders of the S\$100 million & 4.45 per cent, notes due 2017 (ISIN No. SG00G0000091) (the "Notes") at 2 p.m. on 15 September 2016 (Thursday).

An announcement on 7 September 2016, the current adverse industry conditions have affected the financial performance of the Trust. In terms of lower revenues, cash and asset values, which consequently reduced the Trust's debt capacity. This may prevent the Trust from meeting its on-going coupon and principal at maturity obligations under the Notes. Given these circumstances, the Trustee-Manager is contemplating a debt exchange via a Consent Solicitation Exercise to holders of the Notes (the "Noteholders") that seeks to exchange the existing principal amount of the Notes, and interest due thereon, for new unsecured S\$28,000,000 Fixed Rate Step-up Perpetual Convertible Securities (the "Perpetual Convertible Securities"). The Perpetual Convertible Securities will be convertible at any time into units of the Trust at a fixed conversion price, subject to adjustment for various adjustment events. Based on the proposed fixed conversion price, the Perpetual Convertible Securities will initially be convertible into 20% new units of the Trust on the existing stated outstanding units and is expected to be valued at approximately S\$68,000,000 at issuance. The proposed debt exchange will align the interests of all stakeholders and allow them the benefit of any possible resulting from an improvement in the market environment and charter rates.

Accordingly, the purpose of the meeting is to engage Noteholders in an informal manner prior to launching any Consent Solicitation Exercise.

Please note that:

- the informal meeting is not intended to and does not amount to a meeting under or in connection with the Notes Trust Deed or the Notes;
- the informal meeting has been called solely for the dissemination of information and no decisions or voting will be made at the informal meeting;
- the informal meeting is private and confidential and will be held on an entirely without prejudice basis; and
- in addition to Noteholders on the records of CDP who presently are recognised as Noteholders under the terms of the Notes Trust Deed and the Notes, there may be persons holding the underlying beneficial interest who may also attend the informal meeting, and for reason why these persons have been allowed to attend is not in recognition of their status as Noteholders but solely as a practical measure to facilitate the dissemination of information to such persons who normally Noteholders' voting rights may have instructions from.

Noteholders who would like to attend the meeting should contact the Trustee-Manager at tr@rickmers-maritime.com with the following details:

- Full Name
- NRIC/Passport Number
- Appropriate Principal Amount of Notes Held (if held through nominees, please identify the nominee)
- Contact Particulars

Thereafter, the Trustee-Manager will provide location details.

By contacting the Trustee-Manager and providing such details, such Noteholder represents, warrants and agrees that any personal data of any individual provided by such Noteholder has been obtained with such individual's consent and such Noteholder consents (on behalf of each individual) to the collection, use and disclosure of their personal data by the Trustee (and any of its officers) as required in connection with the proposed (and any additional) meetings of Noteholders (whether formal or informal) and any Consent Solicitation Exercise, in accordance with the terms of any notice of meeting, any consent solicitation statement and the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such Noteholder. For the purposes of this paragraph, "personal data" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).

Samson Anderson
 Chief Executive Officer
 Rickmers Trust Management Pte. Ltd.

Timon Norrinn de Matas
 Chief Financial Officer
 Rickmers Trust Management Pte. Ltd.

Press Clippings

Rickmers gets deal to refinance debt

Loan facility of up to \$350m could extend maturities of Trust's secured bank debts

Consolidated net income for Rickmers Maritime rose 10% to S\$10.5 million in the first half of 2016, compared with S\$9.5 million in the same period last year. The company's earnings were boosted by higher charter rates and a reduction in operating expenses. The company's debt capacity was also improved by a new loan facility of up to S\$350 million, which will be used to refinance its existing secured bank debt. The new facility is expected to be completed by the end of the year.

The new facility, which is a secured amortising term loan, will be used to refinance the Trust's existing secured bank debt. The new facility is expected to be completed by the end of the year. The new facility is expected to be completed by the end of the year.

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Rickmers major lenders back debt refinancing plan

Bank syndicate backs \$280 million secured US\$250 million term facility on condition mature loan notes will be refinanced

The Trust's major lenders have agreed to back a debt refinancing plan. The plan involves the issuance of new secured bank debt to refinance the Trust's existing secured bank debt. The new facility is expected to be completed by the end of the year.

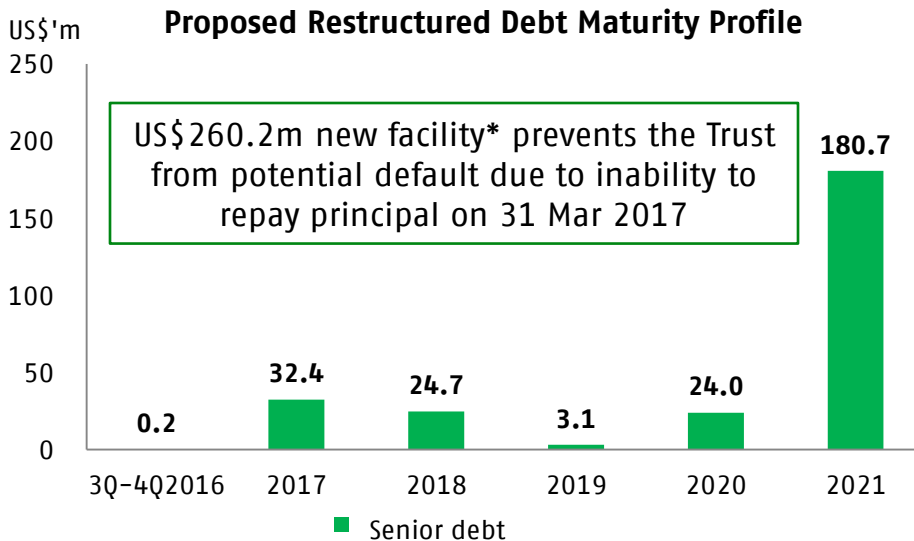
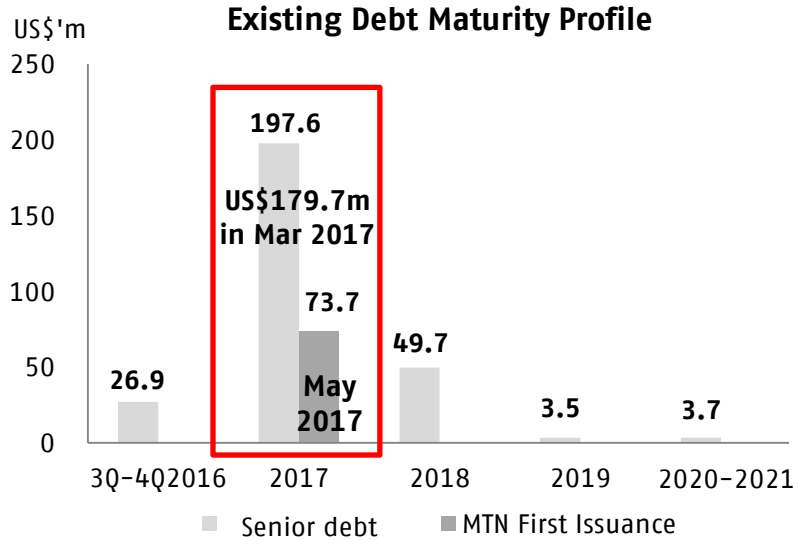
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Background – Restructure and Reduce Liabilities



Rickmers Maritime needs to restructure its debt to operate as a going-concern



Existing debt maturity profile is not sustainable

- US\$271.3m debt due in 2017 amid depressed shipping market
- Lower revenues, cash, and asset values reduced the Trust's debt capacity; inability to refinance/repay

Proposed restructuring plan*

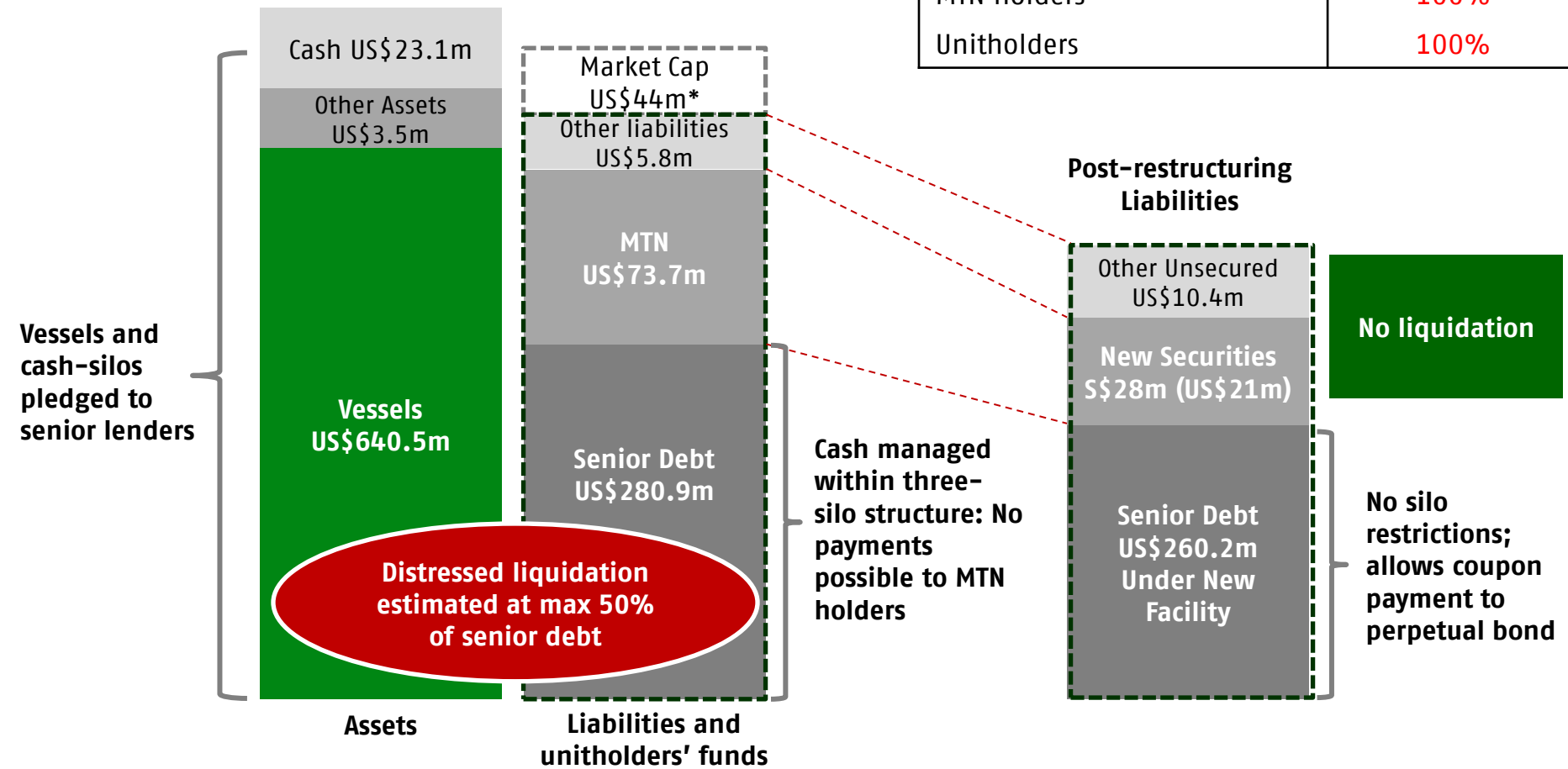
- Extends a large part of secured bank debts to 1Q2021; includes a moratorium on principal repayments to 4Q2016
- Key to give the Trust sufficient time to manage liabilities in depressed market

*Conditional on, amongst others, further credit approvals, entry into loan and security documentation, waivers and/or consents from the existing syndicate lenders and a successful restructuring of the Notes.

Background – Assets and Liabilities



Balance Sheet as of 30 June 2016



Likely losses in a liquidation	%
Senior lenders - Secured	50-65%
MTN holders	100%
Unitholders	100%

Note: Bars not drawn to scale *Market capitalisation declined by over 80% since IPO

Proposed Debt Exchange - Structure

S\$100m 8.45% Notes due May 2017

↓ Debt exchange for New Securities via a Consent Solicitation Exercise

New Securities: S\$28m Fixed Rate Step-up Perpetual Convertible Securities

- **Fixed rate step-up perpetual bond: S\$28m**
 - Nov 2016 – Nov 2019: 3.88%
 - Nov 2019 – Nov 2020: 4.76%
 - Nov 2020 – Nov 2021: 5.64%
 - Nov 2021 – Nov 2022: 6.52%
 - Nov 2022 – Nov 2023: 7.40%
 - From Nov 2023: 8.28%

- **Convertible into ~20% of existing units outstanding: Estimated option value of S\$12m***

Overall value: S\$40m

- Driven by what the Trust's balance sheet can support

- Sustainable step-up coupon rates
- Accepted within US\$260.2m new facility from senior lenders; removal of silo structure allows coupons on New Securities
- Principal on perpetual securities not due unless interest coupon is not made – senior lenders incentivised to ensure coupons are paid

- Provides **equity upside**
- No expiry of conversion option
- Tradable units offer alternative exit to bond

*Based on Binomial and Black-Scholes valuation models

Proposed Debt Exchange – Value Proposition

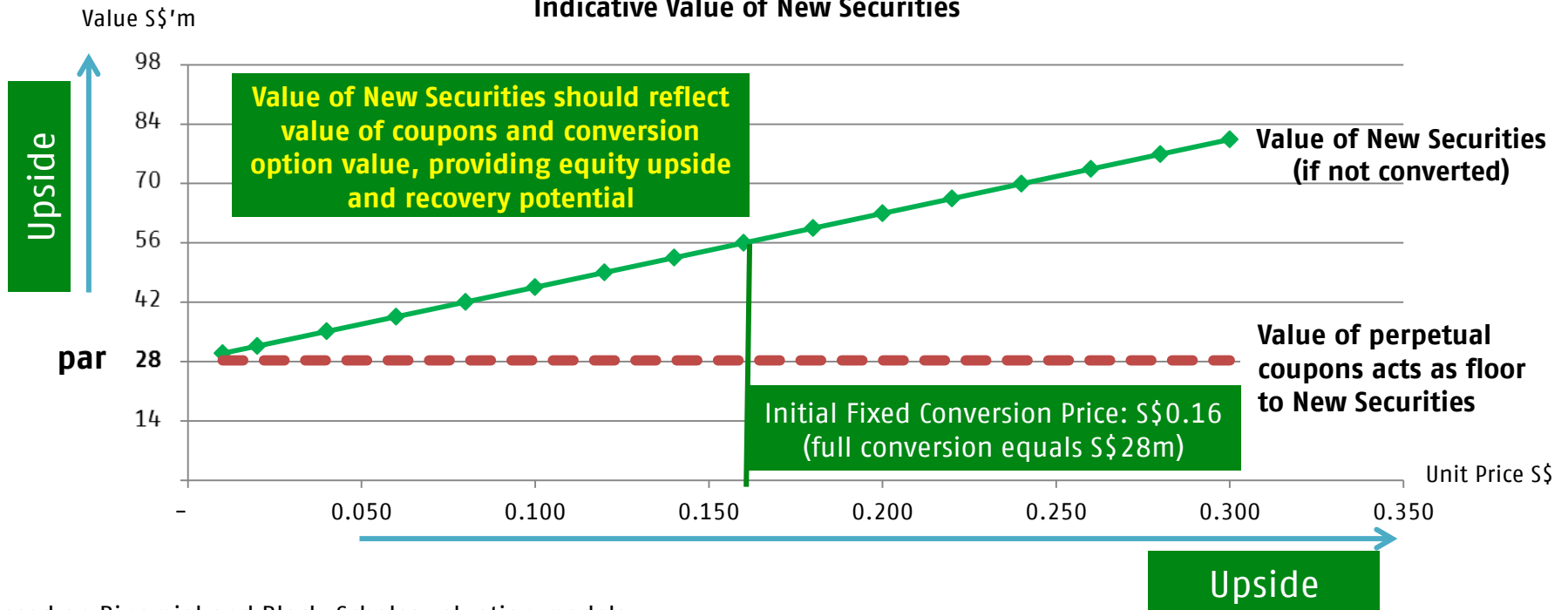
Total value of New Securities amounts to S\$40m

- Value of perpetual coupons: S\$28m
- Value of conversion option: Estimated S\$12m* at unit price of S\$0.07

How can Noteholders realise value?

1. Sell New Securities at market (green line)
2. Convert into equity as an exit option (Initial Fixed Conversion Price of S\$0.16)
3. Keep New Securities and earn coupons in perpetuity

Indicative Value of New Securities



*Based on Binomial and Black-Scholes valuation models

Proposed Debt Exchange – Explanations

Why not raise equity?

- Markets are closed to us
- Needs going-concern status

Why only 20% conversion?

- Approved at April 2016's AGM (supported by Rickmers Holding; would not have passed otherwise); Over 20% conversion would require an EGM, outcome of which is uncertain
- Unitholders have lost 95% of their investment since IPO

Why no sponsor support?

- Rickmers Holding is a shipping company and is also affected by market conditions
- Their unsecured debt trades at a significant discount to par

Why conversion? Why step-up coupon?

- Both features attempt to deliver maximum value to Noteholders
- Aligns all stakeholders' interests

Why not paying coupon on MTNs in Nov 2016?

- Limited cash
- Several vessels unemployed and underemployed, resulting in cash burn

Why perpetual?

- Recognises inability of the Trust to repay unsecured debt going forward
- Increases value of income stream together with option feature (green line in slide 11)
- Allows exit at any time through market sale

Have you considered all options?

- Yes, with PricewaterhouseCoopers and Morgan Lewis Stamford
- Best solution in context of senior bank debt package and market conditions
- Delivers most upside to Noteholders and avoids liquidation

Proposed Debt Exchange – Key Features and Takeaways

Avoid liquidation

Likely zero recovery value for unsecured position in distressed liquidation scenario

Equitable Structure

Recognises significant discount taken by Noteholders

Longer Runway

Aligns with secured lenders' requirements to allow for US\$260.2m new facility that extends loan maturities to 1Q2021

Equity Upside

Allows Noteholders to participate in potential growth of the Trust and shipping market

Exit Option

Provides alternative exit option with conversion feature

Sustainability

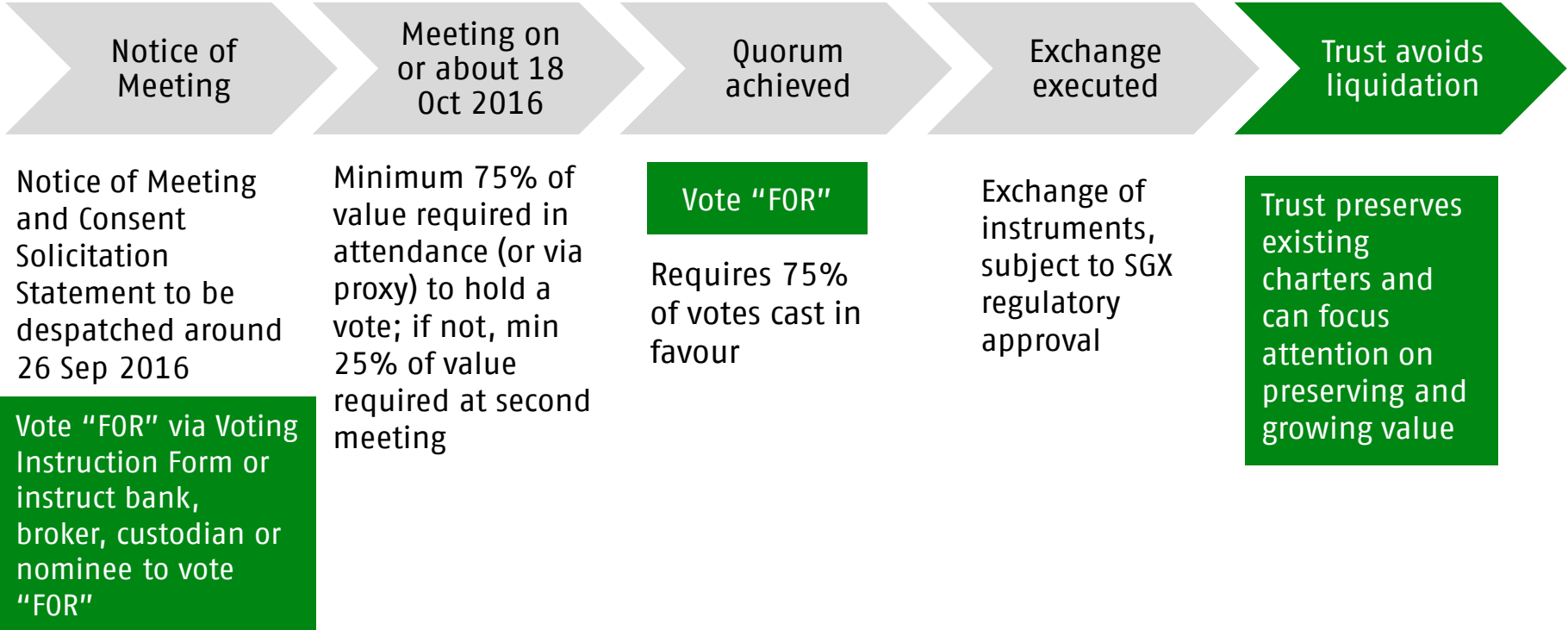
More manageable coupon payments going forward

Optimal Solution

Can be executed quickly to **avoid value destruction** in a distressed scenario and allow focus on operations and growth

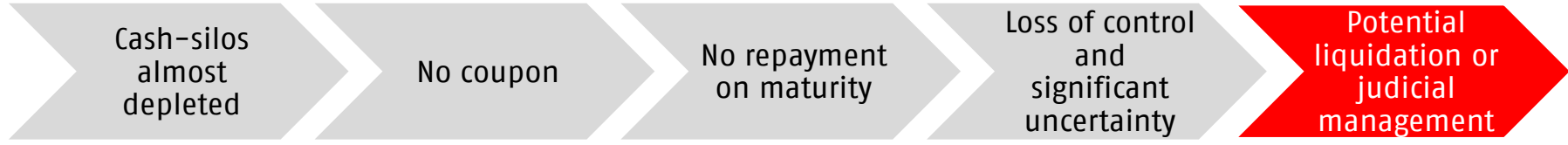
Next Steps

- **If you hold Notes directly through CDP**, vote 'FOR' via a Voting Instruction Form or request a Voting Certificate via a Voting Instruction Form to attend and vote at the meeting
- **If you hold Notes through a bank, broker, custodian or nominee**, give instructions to your bank, broker, custodian or nominee to vote "FOR"
- **Rickmers Maritime will pay reasonable legal fees for one counsel to represent all Noteholders in the consent solicitation process**



What happens if vote does not pass

- **Critical consequences if vote does not pass: severely limits the Trust's ability to continue to operate on a going concern basis**
 - Highly unlikely to refinance significant repayment of US\$179.7m due in Mar 2017
 - Maximum losses for all stakeholders, including MTN holders



Charter revenues into some silos insufficient to fully pay operating costs. Cash burn can only be fixed with new facility

The Trust is unable to pay coupon due 15 Nov 2016 due to lack of cash and no new facility

The Trust is unable to repay principal at maturity on 15 May 2017: Trust's cash flow is unlikely to sustain the Trust to this date

High likelihood that the Trust is unable to obtain secured lender support and operate as a going concern; will require vessel sales under distress conditions to pay operating costs

Likely to result in zero recovery for Noteholders; Total loss and no upside

Q&A

Appendix - Trust Structure

