

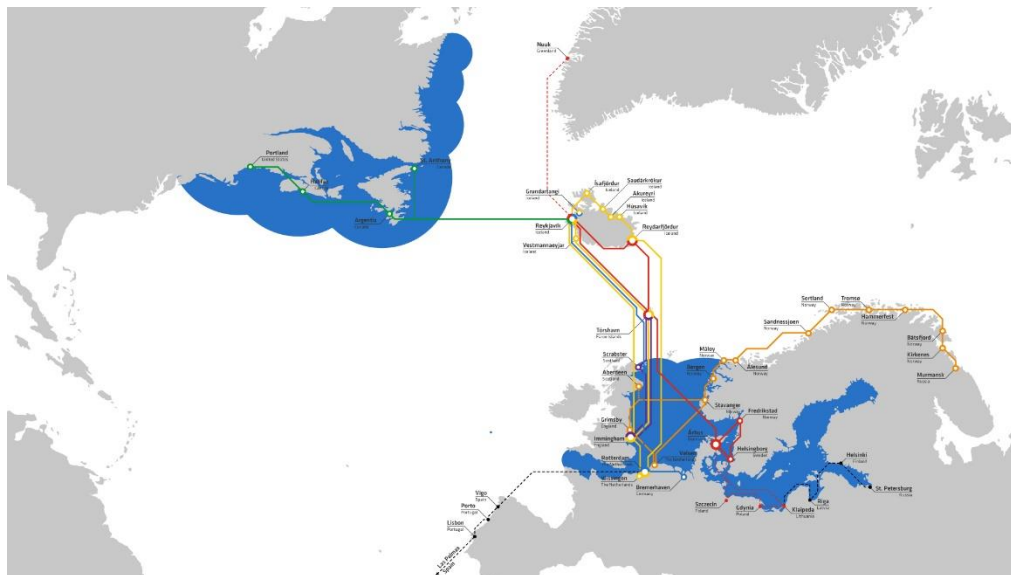
Dear Customer.

In 2015 new rules were implemented (Emission Control Areas, ECA) where shipping companies were obliged to use fuel oil with a sulphur content no higher than 0.1%. Since then Eimskip has charged a low sulphur surcharge or LSS.

As of January 1, 2020, new international rules will apply for sulphur emissions in fuel oil in ships outside of the ECA area. The maximum sulphur emission in fuel oil will be 0,5% instead of 3,5%.

The regulation originates from the UN's resolution on more environmentally friendly marine shipping, which is implemented by the International Maritime Organization. The object of the regulation is to make shipping operations more environmentally friendly by reducing the sulphur content of fuel oils.

This map shows this change in more detail:



Blue area is 0,1% SOx from 1.1.2015.

White area is 3,5% SOx until 1.1.2020 and 0,5% after that.

Due to these changes the cost of oil will increase and inevitably mean recalculation of the low sulphur surcharge (LSS). Eimskip must prepare the ships for these changes by cleaning the fuel tanks before the new regulation is implemented. Therefore, the new rates will take effect as of December 1, 2019.

Eimskip strives to be a leading shipping service company, and it is therefore both our duty and the company's intention to be responsible in this field and to develop with global demands in environmental matters.

Further information on these changes will be announced when the time comes. Further information on rules regarding sulphur content in fuel oil for ships may be found through the following link:

[http://www.imo.org/OurWork/Environment/PollutionPrevention/AirPollution/Pages/Sulphur-oxides-\(SOx\)-%E2%80%93-Regulation-14.aspx](http://www.imo.org/OurWork/Environment/PollutionPrevention/AirPollution/Pages/Sulphur-oxides-(SOx)-%E2%80%93-Regulation-14.aspx)

Respectfully,

Eimskipafélag Íslands hf. and Eimskip Norway