

Breda, 9 May 2012



**STRICTLY PRIVATE**  
**AND CONFIDENTIAL**

Fairstar Heavy Transport N.V.  
for attention: Mr F.W. van Riet, Chairman of the Supervisory Board  
and for attention: Mr P.J. Adkins, CEO  
Weena 316 - 318  
3012 NJ Rotterdam  
The Netherlands

Re: Fairstar – further acquisitions by DW – mandatory offer – next steps

Dear Mr. Van Riet, dear Frits,  
Dear Mr Adkins, dear Philip,

I refer to our previous correspondence and discussions.

Today, Dockwise has issued another press release regarding the outcome of today's Dockwise AGM, Dockwise increasing its ownership in Fairstar to 54% and the next steps.

As you can see in the press release, Dockwise will launch a mandatory, unconditional offer for the remaining Fairstar shares as soon as possible, the expected launch date is Tuesday 15 May 2012 (the "Offer"). The main terms of the Offer are included in this letter.

We also have noted the Fairstar press release of today announcing the "re-opening" of the 27 April 2012 AGM. This in our view is not possible. We will respond to this matter separately.

Dockwise once again reiterates its wish and its willingness to continue discussions with the both of you on the Offer, with a view to reaching agreement on the various outstanding issues as per the agenda of our first conversation on 22 April 2012.

Today, at the Dockwise AGM, we briefly spoke to Mr Cees de Bruin. It was discussed with him that a good route to resume the discussions might be to contact Mr Van Riet.

Jaap van Wiechen and I spoke with Mr Van Riet tonight and I tried to make an appointment to resume the discussions. However, Mr Van Riet indicated that he is not interested in any discussions with Dockwise, unless and until Dockwise is willing to increase the offer price.

Dockwise hopes that you will reconsider your position.

Dockwise believes it is possible to reach agreement with you on all relevant topics other than the offer price. Given the facts as they are, Dockwise believes it is in the best interests of Fairstar and its stakeholders to resume on the shortest possible notice, and endeavour to reach the agreement described above prior to the mandatory offer document being released next week.

In view of the above, Dockwise would like to discuss the following topics with you.

### Proposed transaction and consequences for stakeholders Fairstar

As noted before, Dockwise is convinced that the Offer will be beneficial for all stakeholders of Fairstar.

- Fairstar employees: Dockwise repeats that it is fully committed to a fair treatment of the Fairstar employees. Existing contracts will be honoured and no forced redundancies among the Fairstar workforce are expected. In addition, Dockwise currently has no plans to consolidate the operations at Fairstar's Rotterdam headquarters into Dockwise's Breda headquarters and it does not intend to change the current flag state and crew arrangements of Fairstar's vessels for the foreseeable future. Execution of Fairstar's Gorgon and Ichthys contracts will most likely be exclusively performed through the existing Fairstar organisation. Furthermore, it should be noted that a successful combination can be expected to be more able to attract, develop and retain employees as there will be greater and more international career opportunities in a secure and professional environment with a higher profile brand name for all employees as the company becomes globally more prominent. In all, Dockwise firmly believes that the proposed combination of Dockwise and Fairstar would be beneficial for Fairstar's employees. As you know we would very much welcome the opportunity to present our intentions to the much appreciated and valuable Fairstar team.
- Clients and other contracting parties: Dockwise will stand by its obligations under the offer. If and when change of control clauses under certain agreements between Fairstar and third parties would be triggered as a result of the completion of the offer, Dockwise if required intends to assist Fairstar in dealing with issues that may arise with respect to these agreements.
- Fairstar shareholders: As for the offer price of NOK 9.30 per share, Dockwise continues to believe that the price offered is fair. Dockwise will not raise the price. However, given your statements in that respect it may prove to be difficult to come to an agreement on price. Still, we would very much welcome your recommendation.
- Financing partners: On the basis of publicly available information, it is Dockwise's assessment that Fairstar will need to strengthen its balance sheet and that it in particular will require new capital in the range of USD 50 million to USD 100 million to comply with its financial obligations, including - among others - the capital expenditure obligations relating to the FORTE and FINESSE vessels. Once the acquisition of Fairstar would be successfully completed, Dockwise would be ready to strengthen the Fairstar balance sheet by injecting USD 50 – 100 million in cash, subject to Dockwise being satisfied with the information then disclosed by Fairstar as set out hereinafter and in any case in the sole discretion of Dockwise.

### Financial position and financing Fairstar

You will no doubt agree that it is in the best interests of Fairstar and its stakeholders - including Dockwise as a 54% Fairstar shareholder - that Fairstar makes timely and adequate disclosure to the market with respect to Fairstar's financial position and funding requirements.

In connection with the financial position of Fairstar we have identified the following specific topics.

- Compliance with bank covenants: Note 12 to the 2011 financial statements regarding borrowings in the audited annual report for 2011 (page 56) shows that Fairstar is in breach of its banking covenants. It is not clear to Dockwise whether this breach has been remedied and if not, whether the lenders would be inclined to initiate enforcement and/or recovery actions.
- Status of additional financing in relation to new loan facility: The going concern paragraph (page 36 of the audited annual report) confirms that Fairstar has a new credit facility in place with a bank syndicate lead by DNB Bank ASA but that to fulfil the standard market conditions precedent, it needs to obtain additional financing, e.g. down payments from customers or by entering the capital market. Dockwise is unable to assess whether such additional financing has been obtained and if not, whether any alternatives are available to Fairstar.
- Going concern qualification: The auditor states on this subject that there is significant doubt about Fairstar's ability to continue as a going concern (page 68 of the audited annual report). Dockwise wishes to gain a further understanding of this issue in order to make an independent assessment regarding Fairstar's going concern prospects.
- New equity issues: In conjunction with the unaudited version of the 2011 annual report, Fairstar announced that its annual general meeting was to be held on 27 April 2012 instead of the original planned date of 25 June 2012. The agenda for this meeting included a proposal for the AGM to authorise the board of Fairstar to issue up to 20 million new shares. The convocation notice did not divulge the purpose thereof, but instead contained a general reference to the need of financing flexibility. On 20 April 2012 (i.e. two days before Dockwise announced its intention to acquire Fairstar), Fairstar announced a special general meeting to be held on 1 June 2012. The agenda of that meeting included a proposal to authorise the Board to issue up to 30 million new shares to finance a fifth vessel, which authorisation (if adopted) would have replaced the 27 April authorisation for 20 million new shares had this resolution been put to a vote and adopted at the 27 April meeting. Dockwise is unable to identify the relationship between the two authorisations. Moreover, it is unfortunate that the Fairstar shareholders at the 27 April AGM did not get the opportunity to discuss the agenda items, including the proposed adoption of the 2011 annual accounts and annual report and the proposed authorisation for a new equity issue.
- Ordering and financing arrangements for a fifth vessel: To Dockwise's knowledge, Fairstar at present does not have adequate financial means at its disposal for the proposed fifth vessel. It would be highly irresponsible if the Fairstar boards would have committed or were to commit Fairstar for such new build vessel without having the necessary financing in place. Dockwise would want to assess such commitments, if any, and the financing component thereof. In case Fairstar entered into commitments for the new build of a fifth vessel, these should be disclosed to the market.
- Fairstar Q1 figures: Fairstar has not yet published its interim results for the first quarter of 2012. It has indicated its intent to publish these results by 29 May 2012. As you will appreciate, Fairstar's Q1 figures are of great relevance for both the market's and Dockwise's assessment of Fairstar's financial position in view of the Offer. Dockwise believes that the interests

of all Fairstar shareholders warrant the disclosure of the Q1 figures by Fairstar at an earlier date.

Corporate governance

Dockwise believes that it would be appropriate to make changes in the governance of Fairstar to cater for the changed situation as a result of the Offer. As part of that process we would wish to discuss with the current members of the Management Board and Supervisory Board about continuing their position.

Fairstar allegations

Dockwise rejects any allegations made by Mr Adkins in Fairstar's press release of 27 April 2012 and in his e-mail of 27 April 2012 to Dockwise. Dockwise confirms that it has made all required disclosures, that is has acted in compliance with all relevant rules and regulations and that it will continue to do so. Dockwise fails to see any merit in Mr Adkins' claims for grounds of liability on the part of Dockwise and it forcefully rejects all statements made by Mr Adkins in that respect.

Business in ordinary course

Finally, Dockwise highly appreciates the remark of Mr Adkins in his email of this evening "that [we] can be assured that the interests of Fairstar will continue to be managed with the skills [Dockwise holds] in such high esteem". Indeed, it goes without saying that Dockwise expects that the Fairstar business continues to be run in the best interests of Fairstar and its clients and other stakeholders.

Best regards,

Dockwise White Marlin B.V.

Peter Wit

