

**PRELIMINARY PARAMETERS OF AMENDMENT OF CONDITIONS
OF EXCHANGE-TRADED BONDS OF FESCO (SERIES BO-02) CIRCULATION.**

Within the framework of optimization of Far-Eastern Shipping Company plc debt maturity profile FESCO proposes that all holders of exchange-traded bonds, series BO-02 (hereinafter – the “Bonds”) consider and approve amendment of conditions of the Bonds circulation (hereinafter – the “Amendment of conditions of the Bonds circulation”).

The agent for the communication with Rouble bond holders within the process of making Amendments to the terms and conditions of the Rouble Bonds circulation will be Raiffeisen Bank.

Indicative parameters of Amendment of conditions of the Bonds circulation set in this document shall not be considered in any way binding for the parties, they are submitted solely for discussion and negotiation of the project and may be further amended in the course of its consideration and structuring.

Amendment of conditions of the Bonds circulation may be arranged on condition that the form and substance of all necessary documents are agreed, due diligence with satisfactory results, as well as financial and economic analyses are conducted, and all the necessary internal approvals are received by the parties.

Each and every parameter mentioned in this document (interest rates, sums, terms etc.) and the preliminary schedule shall not be considered final and are subject to amendment in the course of deal structuring.

Amendment of conditions of the Bonds circulation is subject to approval by the General meeting of bondholders and to registration in the order established by respective applicable laws (by a majority of ¾ of votes).

PLANNED AMENDMENT OF CONDITIONS OF CIRCULATION OF EXCHANGE-TRADED BONDS OF FESCO (SERIES BO-02)

The Issuer	FESCO
Bonds	Interest-bearing documentary exchange-traded bonds of FESCO payable to bearer with obligatory centralized storage, Series BO-02 (identification number 4B02-02-00032-A dated May 5, 2010)
ISIN	RU000A0JTY24
Aggregate principal amount of the issue	5 billion rubles
Principal amount of one bond	1 000 rubles
Maturity date	November 28, 2017
Amortization (partial redemption of principal amount)	May 31, 2016 – [10]% of principal amount November 29, 2016 – [10]% of principal amount May 30, 2017– [10]% of principal amount November 28, 2017 – [70]% of principal amount
Frequency of coupon payments	6 months
Coupon	4th (current) coupon payment period – 10.25% annual yield

	<p>5th coupon payment period – Key interest rate of the Central Bank of Russia + [1]%, annual yield, but not less than 10.25% annual yield and not more than 16% annual yield</p> <p>6th coupon payment period - Key interest rate of the Central Bank of Russia + [1]%, annual yield, but not less than 10.25% annual yield and not more than 16% annual yield</p> <p>7th coupon payment period - Key interest rate of the Central Bank of Russia + [3]%, annual yield, but not less than 10.25% annual yield and not more than 15% annual yield</p> <p>8th coupon payment period - Key interest rate of the Central Bank of Russia + [3]%, annual yield, but not less than 10.25% annual yield and not more than 15% annual yield</p> <p>9th coupon payment period - Key interest rate of the Central Bank of Russia + [3]%, annual yield, but not less than 10.25% annual yield and not more than 15% annual yield</p>
Call-option (issuer's right to redeem the issue)	May 31, 2016 at the redemption price of 102% of the principal amount
Offer	Not applicable
Other conditions of the Bonds circulation	No amendments and proposed

PRELIMINARY PLAN FOR AMENDING THE CONDITIONS OF EXCHANGE-TRADED BONDS OF FESCO (SERIES BO-02) CIRCULATION

Announcement of Amendment of conditions of the Bonds circulation	February 11, 2015
Negotiations/Meetings with investors	February – 1 st half of March, 2015
Submission of the documents to National Settlement Depository for conveyance of the general meeting of the bondholders	2 nd half of February, 2015
Holding the general meeting of the bondholders/vote count	1 st half of March, 2015
Approval of the amendment of the negotiable instruments circulation and registration	2 nd half of March, 2015