

TO THE SHAREHOLDERS OF
FARSTAD SHIPPING ASA



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Farstad Shipping ASA will be held at the company's premises, Skansekaia 4A, Aalesund, on **Thursday 12 May 2016 at 16.00 hrs.**

The Agenda is as follows:

1. Opening of the Annual General Meeting by the Chairman of the Board of Directors and registration of attending shareholders and proxies.
2. Election of Chairman of the Meeting and two shareholders to co-sign the minutes.
3. Approval of the Notice of Meeting and the Agenda.
4. Annual Report 2015
 - Director's Report
 - Auditor's Report
 - Approval of the Company's and the Group's Income Statement and Statement of Financial Position.
 - Approval of the proposal by the Board of Directors for coverage of the year deficit.
The Board of Directors has proposed that no dividend should be paid for the financial year 2015.

5. Approval of remuneration to the Board of Directors, Compensation Committee and Audit Committee for the financial year 2015.

The Board of Directors suggests that the General Meeting decides that the Board of Directors' remuneration is as follows:

Chairman of the Board:	NOK 798.300,-	(10% decrease from 2014)
Members of the Board:	NOK 242.100,-	(10% decrease from 2014)

The Board of Directors suggests that the General Meeting decides that the remuneration of the Compensation Committee (3 members) is: NOK 20.000,- to each member (NOK 20.000,- in 2014)

The Board of Directors suggests that the General Meeting decides that the remuneration of the Audit Committee (3 members) is: NOK 50.000,- to each member (NOK 50.000,- in 2014)

6. Approval of remuneration to the Auditor.
The Board of Directors suggests the following decision:
"The auditor of the Company, Ernst & Young AS, receives remuneration as per services rendered during the financial year of 2015."
7. Statement concerning the remuneration of the Management. (See enclosure)
8. Corporate Governance Report according to the Accounting Act sec. 3-3b. Please see www.farstad.com.
9. Renewal of authority to the Board of Directors to increase the share capital by issuing up to 3.9 million shares, for which settlement may also be made other than in cash. The proposal requires shareholders to relinquish preferential rights under sec. 10-4 of the Public Limited Liability Companies Act. (See enclosure)

FARSTAD SHIPPING ASA

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The Register of Business Enterprises:
NO 934 021 592 MVA
www.farstad.com



10. Renewal of authority to the Board of Directors to acquire the Company's treasury shares. (See enclosure)

11. Election of Members of the Board of Directors.

The following Members of the Board are up for election and are proposed re-elected for a period of 2 years:
Chairman Sverre A. Farstad, Deputy Chairman Per Norvald Sperre and Director Gro Bakstad.

12. Information about the Company by Karl-Johan Bakken, CEO.

Farstad Shipping has a share capital of NOK 39,000,000 divided on 39,000,000 shares each with a face value of NOK 1.00. Farstad Shipping holds no own (treasury) shares. One share entitles its holder to one ordinary vote at the General Meeting.

A Shareholder may vote for as many shares as he owns and which are registered with the Norwegian Registry of Securities (VPS) at the date of the General Meeting, cf. the Public Limited Liability Companies Act sec. 4-2. If a shareholder has acquired shares and the acquisition has not been registered, voting rights for such shares cannot be exercised, unless the acquisition is reported and documented. A shareholder may be accompanied by advisors and may allow one advisor to speak at the meeting.

If the shares are registered on a nominee account, cf. the Public Limited Liability Companies Act sec. 4-10, and the ultimate owner wishes to attend the meeting and vote for his shares, such owner must attach to the attendance slip a confirmation in writing from the nominee to the effect that he is the ultimate owner of the shares and a statement from himself that he is the ultimate owner, and also present such documentation at the meeting.

A shareholder has the right to put forth a motion to amend the Agenda. The motion must be submitted in writing to the Board of Directors within seven days prior to the deadline for Notice of the General Meeting, together with the proposed decision or a reason why the matter should be put on the Agenda. The General Meeting cannot in general deal with other matters than those included in the notice.

Notice of Annual General Meeting including registration, proxy and advance voting forms are submitted to all shareholders based on addresses registered in the Norwegian Registry of Securities (VPS) no later than 21 days before the General Meeting. The Notice is also available on the company's website.

Farstad Shipping's Annual Report 2015 (containing Directors' Report including Corporate Governance Report and Declaration from the Board and the CEO regarding the annual accounts, Annual Financial Statements and Auditor's Report) are available on the company's website <https://www.farstad.com/business/investors>

Pursuant to sec. 6 of the Company's Articles of Association, there will be an opportunity to vote in advance. Shareholders who wish to attend the Annual General Meeting in person or through a proxy, or wish to vote in advance, are asked to notify the Company's account manager, Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway, **by no later than 16:00 CET on 10 May 2016**. Please use the enclosed registration, proxy or advance voting forms, which contain detailed instructions. The forms can also be completed online on www.farstad.com or VPS Investorservice.

Aalesund, 5 April 2016

Sverre A. Farstad
Chairman of the Board



ANNUAL GENERAL MEETING 12 MAY 2016

Item 7 – Statement to the Annual General Meeting 2016 of Farstad Shipping ASA concerning the remuneration of the Management

INTRODUCTION/AUTHORITY

This statement is presented to the Annual General Meeting 2016 of Farstad Shipping ASA pursuant to sec. 6-16a of the Public Limited Liability Companies Act, which mandates the Board of Directors to present such a statement.

THE COMPANY'S MANAGEMENT REMUNERATION POLICY

Farstad Shipping ASA is a major international player within the offshore service vessel industry, and remuneration of Management in the Company takes into account the competitive situation in this market segment.

The Company's remuneration of the Management shall correspond to the assumed market level where the relevant function is exercised. The Company's Management remuneration policy also means that compensation for work (pay) is primarily fixed in money and not in the form of natural benefits, share options and similar. Customary additional benefits such as a company car/compensation for the use of one's own car and similar, are accepted.

The Board recognises the importance of having an incentive scheme for those who form the Company's Management Team.

A bonus scheme for the Company's Management has been in place since 1993. The bonus scheme is limited upwards to 40 % of the basic salary for CEO. The bonus for other members of Management is limited on the basis of job category and responsibility, and cannot exceed 30 % of basic salary. The bonus includes achievement of financial and strategic objectives as well as HSEQ results. The bonus scheme is reviewed by the Board of Directors annually. In addition, the Board can consider using bonus schemes for specific strategical projects.

The Management Team are members of the Company's pension schemes on a par with other employees. Special agreements have been established for CEO and CFO concerning mutual access to choose early retirement. Please see Note 26 in the Annual Report for more information.

Pay after termination of employment schemes of shorter duration could be established linked to confidentiality clauses and competition limiting clauses in the individual's contract of employment. Pay after termination of employment schemes shall in principle contain provisions concerning deductions for income earned in other manners during the pay after termination of employment period.

REMUNERATION POLICY DURING PREVIOUS FINANCIAL YEAR (2015)

The remuneration of the Management in 2015 concurred with the principles that will also apply for 2016.



PROCEDURE FOR THIS STATEMENT

This statement will be emitted together with the Notice to the shareholders for the Company's Annual General Meeting. The statement shall be dealt with as a separate item in the Annual General Meeting.

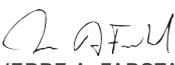
An advisory vote shall be conducted concerning the Board's guidelines as they are presented above.

The following motion is proposed for the advisory vote:

"The Annual General Meeting gave its support to the Board's guidelines for the remuneration of the Management for the financial year 2016."

Aalesund, 5 April 2016

The Board of Directors of Farstad Shipping ASA


SVERRE A. FARSTAD
CHAIRMAN

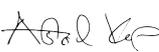

PER NORVALD SPERRE
DEPUTY CHAIRMAN


GRO BAKSTAD
DIRECTOR


LEIF-ARNE LANGØY
DIRECTOR


JANNE-GRETHE STRAND AASNÆS
DIRECTOR


MADS ANDERSEN
DIRECTOR


ASTRID KOPPERNÆS
DIRECTOR



ANNUAL GENERAL MEETING 12 MAY 2016

Item 9 - Renewal of Authority to the Board of Directors to be able to increase the share capital

At the Annual General Meeting on 12 May 2015 the Board of Directors was given authority to increase the share capital by the issue of up to 3.9 million shares. This authority has not been used.

Directed issue of shares might be an appropriate instrument to be used in connection with strategic investments and acquisitions. In order to ensure the necessary flexibility, the Board proposes to the Annual General Meeting to renew the authority for one more year. This argument is also the reason why the Board proposes that the shareholders' preferential rights are deviated.

The Board therefore proposes the following to the Annual General Meeting:

"The Board of Directors is given authority to increase the share capital by up to NOK 3.9 million through the issue of up to 3.9 million shares.

The authority also includes an increase in capital for a consideration other than cash, so that the Board may carry out mergers, purchases of businesses, assets etc. The authority also permits the Board to establish the terms for issuing the shares.

The shares shall rank equally with existing shares at the date of issue.

The authority shall apply until the Annual General Meeting in 2017.

The shareholders relinquish their preferential subscription rights of shares in connection with any increases in capital pursuant to this authority."

Item 10 - Renewal of Authority to the Board of Directors to acquire the Company's treasury shares

At the Annual General Meeting on 12 May 2015 the Board of Directors was given authority to acquire on behalf of the Company up to 10% of the Company's treasury shares, at prices between NOK 5,- and NOK 150,-. The authority means that the Board of Directors can acquire up to 3.9 million treasury shares. This authority is valid until the Annual General Meeting in 2016. After the Annual General Meeting in 2015 the Company has not acquired any treasury shares.

The Board has resolved to propose to the Annual General Meeting that the Board is given a similar authority.

The Board therefore proposes the following to the Annual General Meeting:

"The Company authorises the Board to acquire on behalf of the Company up to 10% of the Company's treasury shares.

The highest face value of the shares that can be acquired pursuant to this authority is NOK 3.900.000,-. The lowest and highest amount that can be paid for the shares is NOK 1,- and NOK 50,- per share.

If the Company's treasury shares are sold, this authority shall also include the purchase of new shares as compensation of those sold, provided that the total amount of the Company's treasury shares do not exceed 10% of the present share capital.

Within the limitations of the other provisions of The Companies Act, the Board is free to determine how acquisition and disposal of the Company's treasury shares shall take place. This authority shall apply until the Annual General Meeting in 2017."



FARSTAD SHIPPING ASA ANNUAL GENERAL MEETING 2016

The Annual General Meeting of Farstad Shipping ASA will be held on Thursday 12 May 2016 at 16:00 at the company's premises, Skansekaia 4A, Aalesund, Norway.

REGISTRATION

Pin-code:

Ref-no:

Farstad Shipping ASA - Annual General Meeting 2016

Notice that you would like to attend the Annual General Meeting may be given on this registration form, which has to be received by Nordea Bank Norge ASA **no later than 16:00 (CET) on 10 May 2016**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, NO-0107 Oslo. Fax: +47 22 36 97 03. You may also register on the website www.farstad.com or by telephone +47 22 48 62 62 by the same deadline. If you are prevented from attending after registering, a written and dated proxy may be submitted at the Annual General Meeting.

Admission cards and voting materials will be distributed at the Annual General Meeting.

The undersigned will attend the Annual General Meeting of Farstad Shipping ASA on **Thursday 12 May 2016** and

(please tick)

- vote for my/our shares (in total _____ shares), and/or
- vote for other shares in accordance with the enclosed proxy(ies)

Date

Shareholder's signature

(Should only be signed when attending in person. If attending by proxy or voting in advance, special forms should be used.)



PROXY

Pin-code:

Ref-no:

Farstad Shipping ASA - Annual General Meeting 12 May 2016

If you are unable to attend the Annual General Meeting yourself, you may be represented by proxy. You can then use this proxy form. If you do not enter a name, then the proxy will be given to the Chairman of the Board Sverre A. Farstad, or the person whom the Chairman of the Board appoints to attend on his behalf.

The form must be received by Nordea Bank Norge ASA **no later than 16:00 (CET) on 10 May 2016**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, NO-0107 Oslo. Fax: +47 22 36 97 03. You may also send the proxy electronically to e-mail: **nis@nordea.com** by the same deadline.

The undersigned shareholder in Farstad Shipping ASA hereby gives:

Chairman of the Board Sverre A. Farstad Other: _____
Name of proxy or no name (in blanco)

the authority to attend and cast a vote for my/our shares at the Annual General Meeting of Farstad Shipping ASA on **Thursday 12 May 2016**.

The votes shall be cast in accordance with the instructions stated below. If there are any doubts concerning the interpretation of the instructions, the proxy will assume a reasonable interpretation when casting the vote. In the event of any unclear instructions, the proxy may abstain from voting. **Note that if a box has not been ticked off below, then this will be interpreted as an instruction to vote "in favour" of the proposals in the notice.** If a proposal is submitted in addition to, or as a replacement for, the proposals in the notice, then the proxy will be entitled to decide how to vote for these proposals. Please indicate your desired vote for the following items:

Item no.	Resolution	Proposed by	In favour	Against	Abstain	At Proxy's discretion
2	Election of Chairman of the Meeting and two shareholders to co-sign the minutes	The Board				
3	Approval of Meeting Notice and Agenda	The Board				
4	Approval of the Company's and the Group's Annual Accounts and Director's Report 2015, including coverage of the year deficit	The Board				
5	Approval of remuneration to the Board of Directors, Compensation Committee and Audit Committee	The Board				
6	Approval of remuneration to the Auditor	The Board				
7	Approval of the Board's statement concerning remuneration of the Management	The Board				
8	Corporate Governance Report	The Board				
9	Renewal of authority to the Board to increase the share capital	The Board				
10	Renewal of authority to the Board to acquire treasury shares	The Board				
11	Election of Members of the Board: Sverre A. Farstad, Chairman	The Board				
	Per Norvald Sperre, Deputy Chairman	The Board				
	Gro Bakstad, Director	The Board				

Shareholder's name and address: _____

Date: _____ Place: _____ Shareholder's signature: _____



ADVANCE VOTING

Pin-code:

Ref-no:

Farstad Shipping ASA – Annual General Meeting 12 May 2016

If you are unable to attend the Annual General Meeting yourself, you can cast your vote in advance prior to the Annual General Meeting. You can then use this form for voting in advance. The form must be received by Nordea Bank Norge ASA **no later than 16:00 (CET) on 10 May 2016**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, NO-0107 Oslo. Fax: +47 22 36 97 03. You may also send this form electronically to e-mail: nis@nordea.com by the same deadline.

Until the expiration of the deadline stated above, votes cast in advance can be amended or withdrawn. If it is unclear how the advance vote should be interpreted, then the vote will be rejected. **Note that if a vote “in favour” of or “against” has not been indicated in the boxes for an item below, then this will be interpreted as abstaining from voting on this specific item.**

Please tick the appropriate box to indicate your vote for the following items:

Item no.	Resolution	Proposed by	In favour	Against	Abstain
2	Election of Chairman of the Meeting and two shareholders to co-sign the minutes	The Board			
3	Approval of Meeting Notice and Agenda	The Board			
4	Approval of the Company's and the Group's Annual Accounts and Director's Report 2015, including coverage of the year deficit	The Board			
5	Approval of remuneration to the Board of Directors, Compensation Committee and Audit Committee	The Board			
6	Approval of remuneration to the Auditor	The Board			
7	Approval of the Board's statement concerning remuneration of the Management	The Board			
8	Corporate Governance Report	The Board			
9	Renewal of authority to the Board to increase the share capital	The Board			
10	Renewal of authority to the Board to acquire treasury shares	The Board			
11	Election of Members of the Board:				
	Sverre A. Farstad, Chairman	The Board			
	Per Norvald Sperre, Deputy Chairman	The Board			
	Gro Bakstad, Director	The Board			

Shareholder's name and address:

Date: Place: Shareholder's signature: