

Sale of the Compass and Compassion

Singapore, 24 December 2020

In September 2016, Hafnia Limited ("Hafnia") sold the two 2006 built Panamax vessels Compass and Compassion, in a sale and leaseback ("SLB") transaction at USD 26 million per vessel. The rationale of the original deal was the cash release of USD 9.1 million per vessel by selling them above market. Under the terms of the SLB transaction, Hafnia has the residual value risk in the form of a repurchase obligation at the end of the leaseback period. Alternatively, Hafnia may pay a termination fee.

The leaseback period will expire in 2021. Due to the high bareboat hire payable under the SLB transaction terms, the age of vessels and upcoming CAPEX needed for dry-docking and installation of a water ballast treatment system, Hafnia has decided to exercise an early purchase option and has subsequently sold the vessels. The purchase and sale of Compass and Compassion will negatively impact Hafnia's result in Q4, 2020 by an amount of USD 7.9 million per vessel or a total of USD 15.9 million.

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About Hafnia

Hafnia is one of the world's leading oil product tanker owners and operators. The Company provides transportation of oil and oil products to leading national and international oil companies, major chemical companies, as well as trading and utility companies. Hafnia operates a fleet of 178 vessels in pools including newbuilds, of which 103 are owned or chartered-in, including six owned LR2s, 35 owned and chartered-in LR1s, 48 owned and chartered-in MRs and 14 owned Handy vessels. The Company has a net asset value in excess of USD 1bn and is fully financed with a strong balance sheet providing financial flexibility.

Hafnia has a solid history in chartering, operations and technical management and strives to always offer customers the best solution for their transportation needs. This solution-focused approach has resulted in a strong reputation and the Company remain firmly committed to being a responsible member of the industry and operating according to the highest ethical standards.

Hafnia is a global company with offices in Singapore, Copenhagen and Houston and presence in Mumbai. The Company is part of BW Group, an international shipping group that has worked in oil and gas transportation, floating gas infrastructure, environmental technologies and deep-water production for over 80 years.

This information is subject to disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.