

SONGA BULK ASA (SBULK): Songa Bulk to merge with Axxis Geo Solutions AS

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, JAPAN, HONG KONG, THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO BUY, SELL OR SUBSCRIBE FOR ANY SECURITIES DESCRIBED HEREIN.

16 April 2019: Songa Bulk ASA ("**Songa Bulk**") and Axxis Geo Solutions AS ("**AGS**") have today entered into a joint merger plan (the "**Merger Plan**"), pursuant to which Songa Bulk will assume the assets, rights and obligations of AGS against issuance of shares in Songa Bulk to existing shareholders of AGS (the "**Merger**").

Key terms of the Merger and timeline:

The exchange ratio in the Merger is based on an equity value of Songa Bulk of NOK 17.93 million, corresponding to a price per share of NOK 0.5, and an equity value of AGS of NOK 514.82 million, corresponding to a price per share of NOK 0.7.

The shareholders of AGS will receive 1.4 shares of Songa Bulk per one (1) share in AGS, meaning that the shareholders of AGS upon completion of the Merger will receive a total of 1,029,636,885 shares in Songa Bulk, representing 96.6% of all issued shares in Songa Bulk immediately following completion of the Merger. The consideration shares issued will be ordinary shares in Songa Bulk, and shall be equal to all other issued and outstanding shares in Songa Bulk. Further details regarding the valuations and the exchange ratio is included in the Merger Plan which will be attached to the notice for the extraordinary general meeting Songa Bulk, expected to be held on or about 16 May 2019 (the "**EGM**").

Following completion of the Merger, AGS will constitute 96.6% of the combined company, implying that the combined entity will for all practical reasons be transformed into a pure play ocean bottom node seismic company. Songa Bulk proposes to change its name to Axxis Geo Solutions ASA upon completion of the Merger.

The Merger Plan and the issuance of the consideration shares are subject to approval by the EGM with at least two-thirds majority of the votes cast and of the share capital represented at the EGM.

The completion of the Merger is also conditional upon satisfaction of a number of closing conditions, including but not limited to approval by the general meetings in Songa Bulk and AGS, necessary consents from third parties, continued listing of Songa Bulk on Oslo Axess and expiry of the creditor notice period without any creditor claims being made.

The completion of the Merger and the issuance of the consideration shares are expected to take place shortly after expiry of the creditor notice period in June 2019, subject to the abovementioned conditions being fulfilled.

Following the issuance of the considerations shares, there will be 1,065,498,885 shares outstanding in Songa Bulk. Songa Bulk further proposes a 1:10 reverse share split, to be completed after issue of the consideration shares.

AGS' business:

AGS is a leading pure play ocean bottom node seismic company uniquely positioned to pursue both contract and multiclient seismic. The company specializes on delivering tailored seismic solutions and flexible hands-on project management and execution. Its operation is based on a scalable asset light strategy through chartering of vessels and nodes to complete seismic surveys. The management of the Company has completed more than 100 seismic acquisition projects in more than 20 countries totalling in excess of USD 1 billion in revenues over the last 10 years.

A presentation of the combined entity is attached to this announcement and will be published on www.songabulk.no and www.axxisgeo.com. Investors are invited to a company presentation on 24 April 2019 at 12:00 CEST at Felix Conference Centre, Bryggetorget 3, Aker Brygge, in Oslo, Norway. in Oslo.

Questions to AGS may be directed to Lee Parker (CEO): lee.parker@axxisgeo.com.

Key financial information of AGS:

Please see attachment.

Strategic rationale:

Following completion of the transaction with Star Bulk pursuant to which Songa Bulk sold all its vessels against consideration in cash and consideration shares in Star Bulk and the subsequent distributions of shares in Star Bulk and cash to the shareholders in Songa Bulk, Songa Bulk has been a listed entity without any operations and with limited assets. AGS' strategy has been to seek a listing on a regulated market in the near future. Through the Merger, AGS will obtain a listing of its operations and a larger shareholder base. For Songa Bulk, the Merger will contribute to a realisation of the remaining shareholder value in the Company.

Other key information relating to the Merger:

The Merger will be carried out as a merger pursuant to chapter 13 of the Norwegian Public Limited Liability Companies Act, whereby Songa Bulk will assume the assets, rights and obligations of the AGS as a whole against issuance of the consideration shares. Following approval by the EGM of the Merger Plan and registration of the Merger with the Norwegian Register of Business Enterprises, a six week creditor notice period will apply. Following expiry of the creditor notice period and subject to the fulfilment of the conditions for completion of the Merger, the Merger will be registered as completed in the Norwegian Register of Business Enterprises. AGS will be dissolved upon completion of the Merger, and the share capital of Songa Bulk will be increased at the same time by way of issuance of the consideration shares to the shareholders of AGS.

AGS has issued 35,067,112 options to its key employees and directors under a share based incentive scheme. The incentive scheme will be continued in Songa Bulk following completion of the Merger adjusting the number of shares in the combined entity to be received upon exercise and the terms of the options to ensure the options maintain their value.

No agreements have been or is expected to be entered into by Songa Bulk in connection with the Merger for the benefit of any Songa Bulk or AGS board members or senior employees.

Songa Bulk intends to continue its listing on Oslo Axess following completion of the Merger and will publish an information memorandum with respect to the Merger in accordance with section 3.5 of Oslo Børs' Continuing Obligations, expected to be published before the end of Q2 2019.

Wikborg Rein has acted as legal advisor to Songa Bulk. ABG Sundal Collier ASA and Carnegie AS have acted as financial advisors and Schjødt as legal advisor to AGS.

For further information, please contact: Thomas Rønningen tr@blystad.no