TORM achieves Court approval to convene creditor meetings relating to Scheme of Arrangement to implement Restructuring Agreement

With reference to announcement no. 10 of 12 May 2015, TORM is seeking to implement a transaction restructuring its debt and capital structure in accordance with the commercial terms agreed pursuant to the terms of the Restructuring Agreement dated 27 March 2015, primarily via an English law Scheme of Arrangement (the "Restructuring"). A hearing took place at the High Court in London today at which TORM presented evidence detailing the terms of the Restructuring and obtained the Court's permission to convene creditor meetings for the approval of the Restructuring. This company announcement provides a summary of the terms of the Restructuring.

Commercial rationale for the Restructuring Agreement
The Restructuring will recapitalize TORM's balance sheet, reducing its existing debt from approximately USD 1.4bn to an expected range of USD 570m to USD 784m, with a maximum debt level of 65% of the value of the vessels pledged as security for the new debt. The combination with the fleet of 25 on-the-water and six newbuilding product tankers owned by certain funds managed by Oaktree Capital Management ("Oaktree") will create one of the largest owner-operators of product tankers globally with:

- A portfolio of 74 owned product tanker vessels including LR2, LR1, MR and Handysize vessels with an average age of 10 years
- Cash generative business benefiting from strong industry fundamentals, significant operational leverage, large on-the-water fleet, and scale across different vessel segments
- A strong balance sheet providing flexibility to fund future fleet investment
- Restructured debt with attractive terms, flexibility and repayment profile

The combination with Oaktree reflects the value of each of TORM's and Oaktree's contributed net assets. For the purpose of determining the relative values at which the Oaktree and TORM assets will be combined, TORM's vessels and Oaktree's vessels were appraised by three independent ship brokers on arm's length market terms as at 27 March 2015. In addition, the non-vessel assets and liabilities of TORM and Oaktree have been valued independently according to an agreed methodology. As part of the Restructuring, TORM will also enter into a new working capital facility of USD 75m with a group of its Lenders.

The main components of the Restructuring

The Restructuring comprises five main components:

1. *Lender debt write-down to current asset values against issuance of warrants*TORM's Lenders will write down more than USD 0.5bn of the current debt, which will reduce TORM's existing debt to an estimated USD 873m and give a loan to value ratio of approximately 100% (including vessel and non-vessel values).

   In consideration for the write-down, the Lenders will receive warrants representing 7.5% of the share capital of TORM at completion of the Restructuring with a strike price of 110% of the notional share value of TORM on completion.

2. *Conversion of debt into equity*
   Following the mandatory debt write-down, TORM's Lenders may elect to exchange further debt for new equity in TORM. The maximum aggregate debt exchanged through this optional exchange will be 50% of the remaining debt then outstanding. This step is

voluntary and each Lender may decide in its own discretion whether or not to convert additional debt into equity. TORM's current expectation is that the Lenders in aggregate will elect to equitize approximately 35% of the debt remaining after the mandatory debt write-down. Those Lenders not participating in this optional exchange with at least 5% of their debt will receive their pro rata portion of reinstated debt equal to 99% of their proportionate vessel value.

The debt remaining after the optional exchange will be reinstated on the terms agreed to in a new term loan facility. The new term loan facility will benefit from first priority security over the existing TORM vessels and certain of the unencumbered vessels to be contributed by Oaktree (see below). The debt will have a maturity of six years from closing of the Restructuring.

3. *Oaktree asset contribution*
In connection with the transaction, Oaktree will contribute to TORM 25 product tankers appraised at USD 501m as of 27 March 2015 and six MR newbuildings with delivery in 2015-2016 appraised at USD 223m as of 27 March 2015. The average broker values for TORM's fleet are USD 821m (excl. financial lease) as per 27 March 2015.

The Oaktree newbuildings are currently not subject to mortgages, however, the Oaktree asset contribution has been calculated after taking into account USD 143m of remaining capital expenditures related to the newbuildings yet to be made as at 28 February 2015.

The Oaktree asset contribution also takes into account USD 142m of Oaktree contributed debt as at 28 February 2015, benefitting from a mortgage over 13 of the 25 contributed vessels. The debt matures in 2019.

In exchange for this contribution, TORM will issue to Oaktree shares in TORM so that Oaktree holds the same percentage of the outstanding shares of TORM as its contributed net assets (adjusted for remaining capital expenditures related to the newbuildings) comprise of the total net asset value of TORM.

Oaktree will be a majority shareholder in TORM following the completion of the Restructuring. The precise shareholdings in TORM will depend on the elections made by the Scheme Creditors participating in the Optional Exchange described above. Following the Restructuring, the current shareholders in TORM will retain less than 1% of the enlarged share capital.

4. *Provision of new Working Capital Facility*
On completion of the Restructuring, certain of the Existing Lenders will provide a USD 75 million New Working Capital Facility. The New Working Capital Facility will be secured by the same assets as the New Term Facility but it will rank ahead of the New Term Facility with respect to the proceeds of enforcement of the collateral.

5. *New Corporate Governance*
As part of the Restructuring, new corporate governance provisions will be adopted by TORM to afford appropriate minority shareholder protection. The key provisions of the new corporate governance to be adopted are:

- Appointment of a Minority Director with approval rights over certain Reserved Matters, which can only be overruled in certain circumstances
- Appointment of alternates and a Board Observer
- Protection against related-party transactions

- Pre-emption rights and other protections for shareholders to preserve shareholding proportions (subject to certain exceptions)

TORM will hold an Extraordinary General Meeting prior to the completion of the Restructuring to seek the necessary shareholder approval for the adoption of the new corporate governance terms.

After the completion of the Restructuring, TORM will hold an Extraordinary General Meeting to elect new members to the Board of Directors.

Issuance of shares and warrants
The issuances of shares and warrants will be completed pursuant to the authorizations given to the Board of Directors at TORM's Annual General Meeting on 26 March 2015. The new shares in TORM issued in connection with the Restructuring will be listed on NASDAQ OMX Copenhagen.

As soon as practicable following completion of the Restructuring, TORM intends to implement a share consolidation so as to reduce its total number of issued shares and thereby facilitate the quotation of the Shares on NASDAQ OMX Copenhagen. More information on the share consolidation (including expected scale and timeline) will be provided on or prior to the completion of the Restructuring.

Conditions precedent and time line
TORM has already obtained the required minimum Lender consent of 75% by value and a majority in number of the relevant classes of TORM's Lenders who attend and vote at meetings to be held in connection with the Scheme in order to implement the Restructuring.

The implementation of the Restructuring is subject to certain conditions precedent and terms including, amongst other things:

- Receipt of relevant approvals and confirmations from tax, competition and other regulatory authorities
- Receipt of relevant contractual counterparty waivers or approvals
- Payment of the costs of the Restructuring
- The amendment of TORM's articles of association to implement the agreed corporate governance and minority protection provisions
- The sum of the aggregate principal amount of the new term facility and working capital facility will not be more than 65% of the value of the combined TORM and Oaktree vessels pledged as security for the new term and working capital facility
- Certain milestones set forth in the Restructuring Agreement

In addition, the Restructuring is subject to the Danish Financial Supervisory Authority having confirmed that it will grant an exemption to Oaktree from the Danish mandatory takeover rules following the completion of the Restructuring.

The completion date of the Restructuring is anticipated to take place in July.

The basis of the Board of Directors' decision
Since August 2013, TORM has retained the assistance of the international financial advisor Moelis & Company UK LLP to assist with the identification and negotiation of the Restructuring. In addition, the Board of Directors has obtained a fairness opinion from PwC with respect to the debt conversion and the issue of the new shares to be issued to the

Lenders in connection with the Restructuring. The par lenders, representing c. 61% of TORM's debt have received financial advice from Lazard & Co. Limited, an ad hoc group of lenders have received financial advice from Houlihan Lokey Capital, Inc. and Oaktree has received financial advice from Evercore Partners International LLP.

Having carefully considered the financial and operational position of TORM and the fairness opinion, and having explored all options available to TORM, it is the Board of Directors' assessment that it is in the best interests of TORM, its shareholders, creditors, and other stakeholders to proceed with the implementation of the proposed Restructuring.

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About TORM
TORM is one of the world's leading carriers of refined oil products as well as a player in the dry bulk market. The Company operates a fleet of approximately 80 modern vessels with a strong commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. The Company conducts business worldwide and is headquartered in Copenhagen, Denmark. TORM's shares are listed on NASDAQ OMX Copenhagen (ticker: TORM). For further information, please visit www.torm.com.

Safe Harbor statements as to the future
Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward- looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "ton miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

Forward-looking statements are based on management's current evaluation, and TORM is only under an obligation to update and change the listed expectations to the extent required by law.