



19 September 2014

Dear Shareholder:

The Annual General Meeting of Avance Gas Holding Ltd will be held on 21 October 2014 at 12:00 noon at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The matters to be addressed at the Annual General Meeting are identified in the attached Notice.

We direct your attention to Items (1) and (2) of the Agenda for the Annual General Meeting. The Board of Directors invites the Annual General Meeting to elect the six nominated directors, to authorise the Board of Directors to fill the vacancy in their number and to elect the Chairman. As reported in the Company's 2nd quarter earnings release, Mr. Peter Stokes has resigned from the Board of Directors of the Company with effect from 31 July 2014. The Company is seeking to find his replacement and the Board of Directors therefore requests that the Board of Directors be authorised to fill the vacancy on the Board of Directors by appointing such replacement as a Director of the Company in accordance with the Company's bye-laws.

We direct your attention to Item (4) of the Agenda for the Annual General Meeting, namely to consider whether or not the Company shall have a Nomination Committee. As disclosed in connection with the listing of the Company on the Oslo Stock Exchange, the Board of Directors proposed that a nomination committee be elected at the first general meeting after the listing. After having consulted with several major shareholders, it seems unlikely that a majority of the shareholders will vote in favour of a proposal to elect a nomination committee. The Board of Directors therefore proposes that the Annual General Meeting resolves whether or not the Company shall have a nomination committee. If the Annual General Meeting resolves that the Company shall not have a nomination committee, this deviation from the corporate governance code will be reflected and explained in the Company's statement relating to corporate governance to be included in the Company's Annual Report.

We also direct your attention to Item (5) of the Agenda for the Annual General Meeting, namely the election of Independent Auditors for the Company. The Audit Committee of the Company's Board of Directors is charged with the responsibility to recommend the appointment of the Company's external auditors. In this connection, the Audit Committee has recommended and the Board has proposed that PricewaterhouseCoopers AS, Oslo, be appointed as the Independent Auditors of the Company. Consistent with the Company's Bye-Laws, we also request that the Board of Directors be authorized to fix the remuneration of PricewaterhouseCoopers AS.

**Avance Gas**

Enclosed with this mailing is the Notice of Annual General Meeting of the Company, the 2013 Consolidated Financial Statements, together with a Voting Direction for your Common Shares to be represented at the Annual General Meeting. Included in the 2013 Consolidated Financial Statements is the Independent Auditors' report relating thereto. Holders of record of Common Shares at the close of business on 16 October 2014 will be entitled to vote at the Annual General Meeting.

To assure your Common Shares are voted at the Annual General Meeting, please promptly sign, date and return the enclosed Proxy Card to DNB Bank ASA, Registrars Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway or if delivery by hand to DNB Bank ASA, Registrars Dept., Dronning Eufemias gate 30, 0191 Oslo, Norway or by pdf copy to: [vote@dnb.no](mailto:vote@dnb.no) not later than 16 October 2014, 12:00 hours Central European Time so that it will be received in time.

The Company's Board of Directors recommends that you vote in favor of the matters to be considered at the meeting, other than Item (4) where the Board does not make a recommendation, and you should vote as you deem fit.

Sincerely,



Niels G. Stolt-Nielsen

Chairman of the Board

Registered Office: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

