



To: The Irish Stock Exchange plc
28 Anglesea Street
Dublin 2
Ireland

Date: 15 March 2017

Far East Capital Limited S.A. (the “**Issuer**”)

USD\$550,000,000 8.0% Senior Secured Notes due 2018
(ISIN: XS0920334900)

USD\$325,000,000 8.75% Senior Secured Notes due 2020
(ISIN: XS0920335030)

being together, the “**Eurobonds**”.

The Eurobonds are admitted to trading on the Global Exchange Market of the Irish Stock Exchange plc, a multilateral trading facility as defined in Article 4(1) point 15 of Directive 2004/39/EC.

Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) (the “Market Abuse Regulation”) requires disclosure of inside information relating to the Issuer and the Eurobonds.

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation and is disclosed in accordance with the Issuer’s obligations under Article 17 of the Market Abuse Regulations.

The Issuer forms part of the FESCO Transportation Group.

Source: http://www.fesco.ru/upload/news/financial/2017_03_06_FESCO_Monthly%20Report_ENG.pdf.

FESCO Announces December 2016 and Twelve Months Year-to-Date Trading Update

FESCO Transportation Group (the “Group”, the “Company” or “FESCO”) reports the Group’s preliminary key operating metrics and market indicators for December 2016 and the twelve months ended December 31, 2016 (the “Monthly Update”). The purpose of the Monthly Update is to provide

investors with key operational results on a regular basis. The information in this Monthly Update has been prepared and based on preliminary operating results. More detailed analysis and discussions regarding FESCO's operational and financial performance is disclosed on a quarterly basis.

Following recent macroeconomic trends, the Russian transportation market demonstrated signs of a modest recovery in volumes during the second half of 2016. However, this modest recovery did not fully compensate for the decline in volumes during the first part of the year. It is also important to note that the recovery in volumes did not translate into improved financial performance, as average tariff rates remained low due to a high level of competition among market players and excessive spare capacity in the Far East region with respect to both port and shipping operations. To reflect current market trends, this trading update also includes specific financial indicators and charts, which illustrate the dynamics of trading volumes in relation to average tariff rates in particular business divisions.

FESCO's intermodal service via Vladivostok and the Trans-Siberian railway is competing with the deep-sea route between Asia and European Russia. The seasonal surge in deep-sea rates in January and February 2017 is explained by the pre-Chinese New Year rush in loadings to all European destinations and temporary lack of shipping capacity. Recently the spread between all-in rates on both deep-sea and FESCO's Trans-Siberian routes has returned to near historic lows, reducing the relative attractiveness of the Company's East-West-East transit corridor. As excess shipping and port capacity persists in the markets the Company serves, the Group's management does not expect a meaningful recovery of tariffs in the near future.

Key Market Indicators¹

	December 2016	November 2016	Change, % MoM	December 2015	Change, % YoY	12M December 31, 2016	12M December 31, 2015	Change, %
Container throughput in Far Eastern ports (ths TEU) ²	85.5	86.7	-1.4	81.1	5.4	904.5	920.8	-1.8
General cargo and non-container throughput in Far Eastern ports (ths tonnes) ³	1,155	1,266	-8.8	1,236	-6.6	15,668	14,724	6.4
Export-import sea container transportation volumes in the Far East (ths TEU) ⁴	46.5	47.0	-1.1	42.9	8.4	496.2	478.5	3.7
Rail container transportation volumes on the East-West-East route (ths TEU) ⁵	29.8	32.6	-8.6	26.8	11.2	326.9	326.6	0.1

¹ Provided data is based on a preliminary assessment of the market dynamics and may be reviewed and updated at a later date

² Source: Morcenter -TEK – calculation is based on key Far East ports only

³ Source: Morcenter -TEK – calculated for Far East basin excluding cargo in containers, RO-RO cargo, liquid cargo, float board cargo, coal and coke

⁴ Source: Morcenter -TEK – calculation is based on key Far East ports, loaded export and import containers only

⁵ Source: Russian Railways – calculated for loaded dry containers on the Russian Far East - Moscow route

Operational and Financial Indicators by Business Division

	December 2016	November 2016	Change, % MoM	December 2015	Change, % YoY	12M December 31, 2016	12M December 31, 2015	Change, %
Liner and Logistics								
Intermodal freight container transportation (ths TEU)	17.1	16.7	3.0	12.6	36.6	164.5	163.7	0.5
Average intermodal services rate (USD / TEU) ⁶						814.0	827.1	-1.6
Export-import sea container trade (ths TEU)	22.9	22.3	2.4	23.0	-0.5	257.4	306.7	-16.1
Average export-import freight rates (USD / TEU) ⁷						483.3	525.3	-8.0
Domestic sea container trade (ths TEU)	5.5	6.5	-15.4	6.0	-9.7	59.4	59.9	-0.7
Average domestic freight rates (USD / TEU) ⁸						658.0	701.0	-6.1
Port operations								
VMTP container throughput (ths TEU)	32.6	32.0	1.7	30.6	6.5	330.1	345.0	-4.3
Average container handling rate (USD / TEU) ⁹						203.4	227.7	-10.7
VMTP general cargo throughput (ths tonnes)	220.7	181.7	21.4	100.8	118.9	2,470.7	2,027.8	21.8
Average general cargo handling rate (USD / t) ¹⁰						9.8	9.9	-1.1
Rail transportation								
Rail container transportation (excl. «Russkaya Troyka», ths TEU)	18.2	18.3	-0.6	14.9	22.2	191.2	174.6	9.5
Rail shipments in box cars (units)	1,524	1,531	-0.5	1,339	13.8	17,975	13,993	28.5
Shipping								
Transportation fleet (units)	19	19	0.0	22	-13.6	19	22	-13.6
Available days ¹¹	624.1	494.0	26.3	669.7	-6.8	7,155.8	7,840.7	-8.7
Ice-breakers (units)	1	3	-66.7	4	-75.0	1	4	-75.0
Available days	0	17.0	-100.0	80.0	-100.0	632.2	808.8	-21.8
Bunkering								
Bunkering volumes (ths tonnes)	8.2	15.4	-46.8	14.7	-44.3	108.6	430.3	-74.8

⁶ The average intermodal services rates are calculated as revenue from intermodal services divided by the volume of intermodal freight container transportation for the period

⁷ The average export-import freight rates are calculated as revenue from international sea lines divided by the volume of international sea container trade for the period

⁸ The average domestic freight rates are calculated as revenue from domestic marine lines divided by the volume of international sea container trade for the period

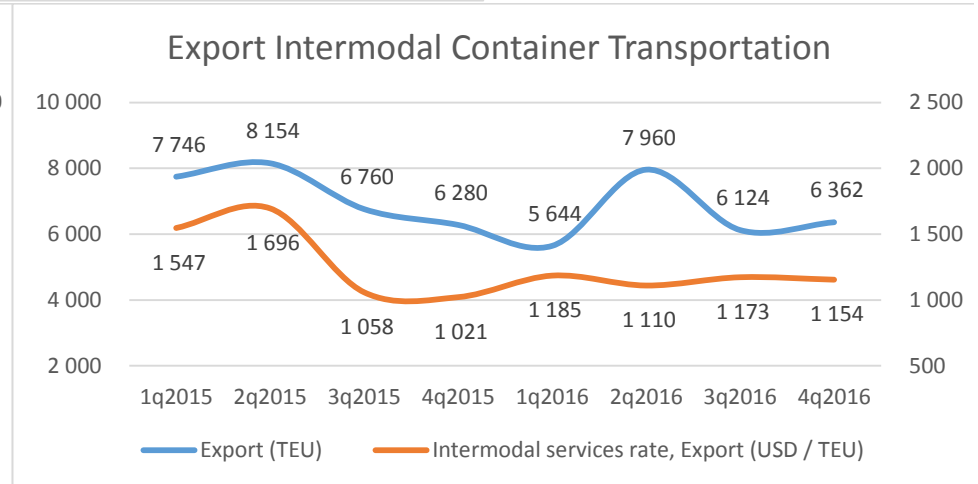
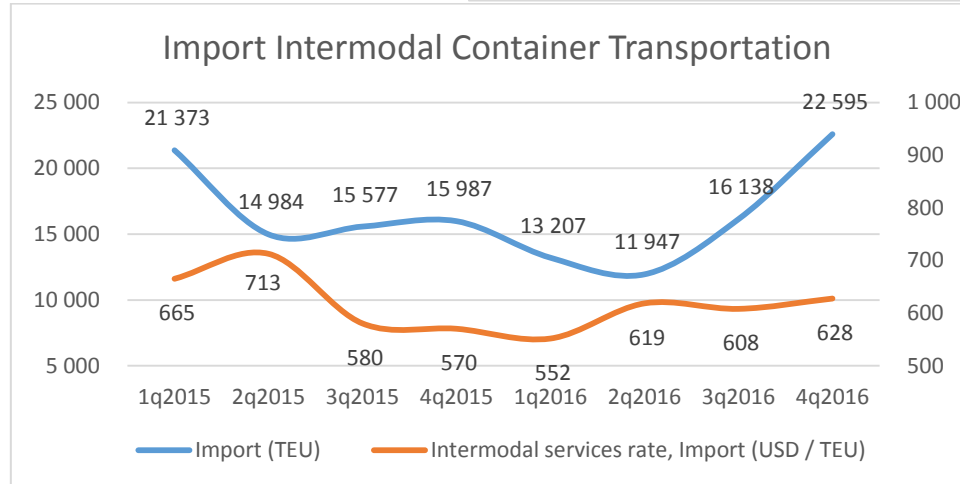
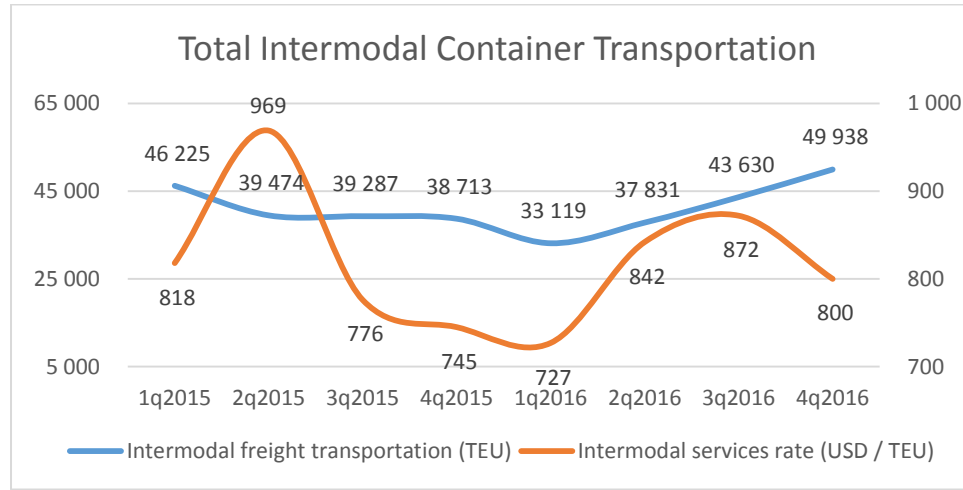
⁹ The average container handling rates are calculated as revenue from container handling divided by VMTP container throughput volume for the period

¹⁰ The average general cargo handling rate are calculated as revenue from general cargo handling (including oil products) divided by VMTP general cargo throughput volume for the period

¹¹ The total days that a vessel is available for employment, net of off-hire days associated with major repairs, upgrades, dry dockings or special or intermediate surveys

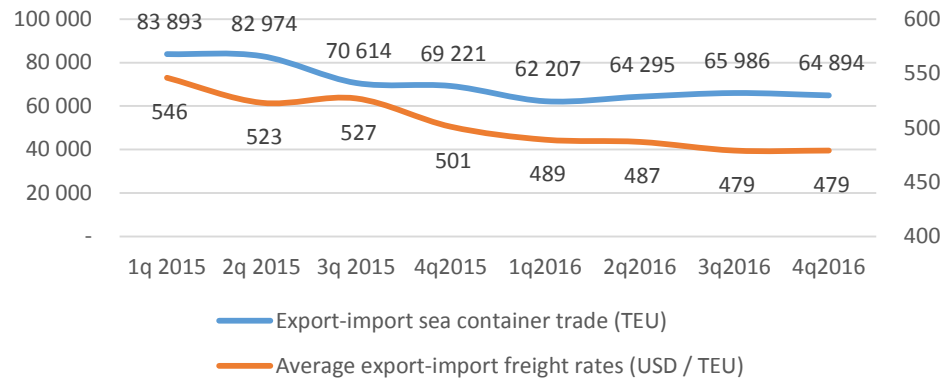
Cargo Throughput Volumes vs. Average Freight Rates by Division

Liner and Logistics¹²

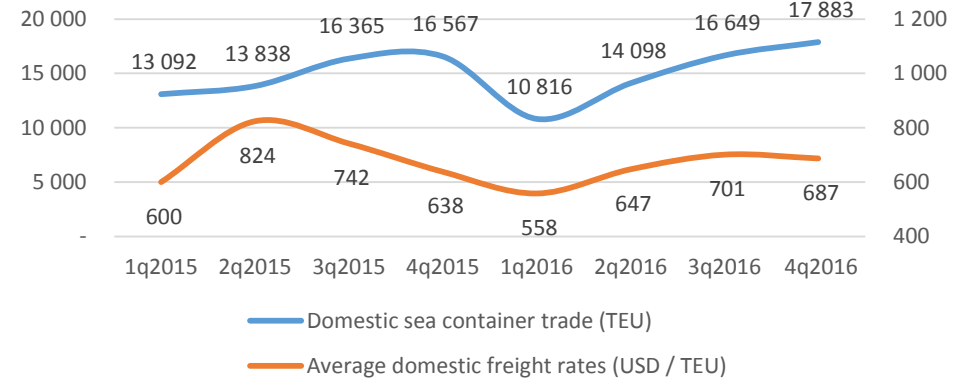


¹² Import and Export Intermodal Freight Container Transportation form a part of Total Intermodal Container Transportation

Export-import Sea Container Trade

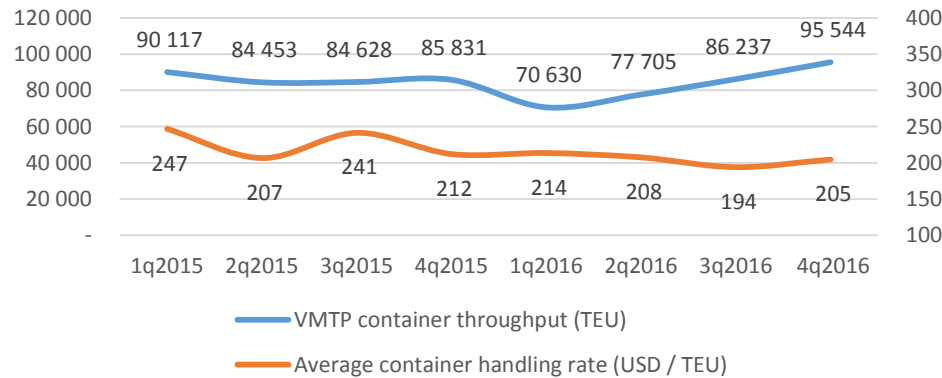


Domestic Sea Container Trade

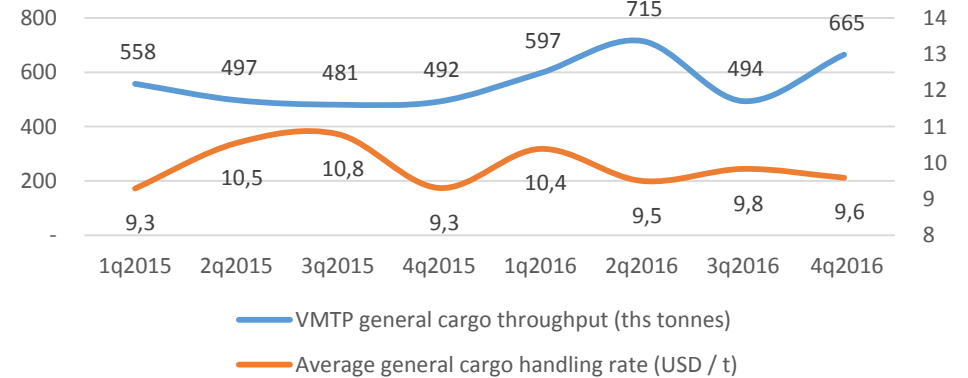


Port Operations

Container Cargo



General Cargo



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These materials may contain forward-looking statements regarding future events or the future financial performance of Far-Eastern Shipping Company PLC (the "Company"). You can identify forward looking statements by terms such as "expect", "believe", "estimate", "anticipate", "intend", "will", "could", "may", or "might", the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance or outcomes and that the Company's actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates may differ materially from those described in or suggested by the forward-looking statements contained in these materials. In addition, even if the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in these materials, those results or developments may not be indicative of results or developments in future periods. Any forward-looking statements that are made in these materials speak only as at the date of this announcement. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in forward-looking statements of the Company, including, among others, general economic and market conditions, competitive environment, risks associated with operating in the relevant jurisdictions, as well as many other risks specifically related to the Company and its operations, including those discussed in these materials.

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Contacts

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Date of notification: 15 March 2017

www.fesco.ru/en