



Registration Document

SFL Corporation Ltd.

18 December 2019

Important notice

This registration document (the "**Registration Document**") has been prepared by the Company to provide information about the Group and its business in connection with the listing of the Bonds on Oslo Børs, and is based on sources such as annual reports and publicly available information. This Registration Document has been prepared solely in the English language.

A prospective investor should consider carefully the factors set forth in chapter 1 "Risk Factors", and elsewhere in this Registration Document, and should consult his or her own expert advisers as to the suitability of an investment in the Bonds.

The Arranger and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Arrangers corporate finance department may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

The information contained herein is current as of the date of this Registration Document and subject to change, completion or amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Registration Document, which may affect the assessment of securities and which arises or is noted between the time when this Registration Document is approved by the Norwegian FSA and the listing of the Bonds on Oslo Børs, will be mentioned in a supplement to this Registration Document without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Registration Document.

Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States other than on the Issuer's web page. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States.

Other than in compliance with applicable United States securities laws, no solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The distribution of the Registration Document may be limited by law also in other jurisdictions, for example in Canada, Japan and in the United Kingdom. No measures have been taken to obtain authorisation to distribute the Registration Document in any jurisdiction where such action is required.

This Registration Document shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Registration Document.

The Registration Document together with the securities note (the "**Securities Note**") constitutes this prospectus (the "**Prospectus**").

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1. Risk factors

1.1 General

Investing in bonds and other securities issued by the Company involves inherent risks. As the Company is the parent company of the Group, the risk factors for the Company and the Group are deemed to be equal for the purpose of this Registration Document. Prospective investors should consider, among other things, the risk factors set out in the Prospectus before making an investment decision. An investment in the Bonds is only suitable for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The risks and uncertainties described in this section 1 "Risk Factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks associated with this type of investment.

The risk factors included in this section 1 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries, and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. The Company's risk exposure is analyzed and evaluated to ensure sound internal control and appropriate risk management based on the Company's values, policies and code of ethics. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Bonds, resulting in loss of all or part of an investment in the Bonds. The factors affecting the supply and demand for vessels are outside of the Company's control, and the nature, timing and degree of changes in industry conditions are unpredictable.

1.2 Market risk

Cyclical and volatility within the maritime industry

The international seaborne transportation industry is both cyclical and volatile in terms of charter rates and profitability. The degree of charter rate volatility for vessels has varied widely. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for energy resources, commodities, semi-finished and finished consumer and industrial products internationally carried at sea. The supply of vessels generally increases with deliveries of new vessels and decreases with the scrapping of older vessels, conversion of vessels to other uses, such as floating production and storage facilities, and loss of tonnage as a result of casualties. If the Company enters into a charter when charterhire rates are low, the Company's revenues and earnings will be adversely affected. In addition, a decline in charterhire rates is likely to cause the market value of the Company's vessels to decline. The Company cannot assure that it will be able to successfully charter its vessels in the future or renew its existing charters at rates sufficient to allow it to operate its business profitably, or a reduced or unprofitable rates or may not be able to charter its vessels at all, meet its obligations or pay dividends to its shareholders. The factors affecting the supply and demand for vessels are outside of the Company's control, and the nature, timing and degree of changes in industry conditions are unpredictable.

Factors that influence demand for vessel capacity include:

- supply and demand for energy resources, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration for and production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- the location of regional and global production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, semi-finished and finished consumer and industrial products;
- the globalization of production and manufacturing;

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- global and regional economic and political conditions, including armed conflicts, terrorist activities, embargoes and strikes;
- developments in international trade;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other regulatory developments;
- currency exchange rates; and
- weather and natural disasters.

Factors that influence the supply of vessel capacity include:

- the number of newbuilding deliveries;
- the scrapping rate of older vessels;
- conversion of vessels to other uses, such as floating production and storage facilities;
- the price of steel and vessel equipment;
- changes in environmental and other regulations that may limit the useful lives of vessels;
- vessel casualties;
- the number of vessels that are out of service; and
- port or canal congestion.

The Company has leased two of its drilling units to two subsidiaries of Seadrill, namely Seadrill Deepwater Charterer Ltd., or Seadrill Deepwater, and Seadrill Offshore AS, or Seadrill Offshore. In addition, the Company has chartered one drilling unit to North Atlantic Linus Charterer Ltd., or North Atlantic Linus, which is a subsidiary of North Atlantic Drilling Limited, or NADL. The performance under the above leases is guaranteed by Seadrill, and Seadrill Deepwater, Seadrill Offshore and North Atlantic Linus are collectively referred to as the Seadrill Charterers. Following the 2008 peak in the oil price of around USD 140 per barrel, there was a period of high utilization and high dayrates, which prompted industry participants to increase the supply of drilling units by ordering the construction of new drilling units. The reduction in oil prices since 2014 has resulted in reduced demand for drilling units, which may adversely affect the Seadrill Charterers' ability to secure drilling contracts and, therefore, their ability to make lease payments to the Company and may cause them to terminate or renegotiate their charter agreements to our detriment. One of the rigs leased to the Seadrill Charterers, the *West Taurus*, is currently idle, as the Seadrill Charterers have not been able to secure new drilling contracts in the current market. In the event that the Seadrill Charterers' default on their obligations under the leases and the drilling units are redelivered to us, there is a significant risk that we would not be able to secure new employment for the rigs, which may have a material adverse effect on our business and our ability to pay dividends.

Demand for the Company's vessels and charter rates are dependent upon, among other things, seasonal and regional changes in demand and changes to the capacity of the world fleet. The Company believe the capacity of the world fleet is likely to increase, and there can be no assurance that global economic growth will be at a rate sufficient to utilize this new capacity. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates, and therefore have a material adverse effect on the Company's business, results of operations and ability to pay dividends.

As stated above, the charter-free market value of the Company's vessels and drilling units may increase or decrease depending on the level of supply and demand for vessels and drilling units. Furthermore, the charter-free market value may be affected by a number of other factors, including, but not limited to, the prevailing level of charter rates and dayrates, general economic and market conditions affecting the international shipping and offshore drilling industries, types, sizes and ages of vessels and drilling units, availability of or developments in other modes of transportation, competition from other companies, cost of newbuildings, governmental or other regulations and technological advances.

Financial instability

Global financial markets and economic conditions have been, and continue to be, volatile. The amount of available capital from commercial lenders remains below levels seen before the global financial crisis. There has been a general decline in the willingness by banks and other financial institutions to extend credit, particularly in the shipping industry, due to the historically volatile asset values of vessels. As the shipping industry is highly dependent on the availability of credit to finance and expand operations, it has been and may continue to be negatively affected by this decline.

The Company has significant indebtedness outstanding under its NOK500 million Senior Unsecured Bonds due 2020, NOK700 million Senior Unsecured Bonds due 2023, NOK700 million Senior Unsecured Bonds due 2024, 5.75% Convertible Senior Notes due 2021 and 4.875% Convertible Senior Notes due 2023. The Company has also entered into bank loan facilities that it has used to refinance existing indebtedness and to acquire additional vessels. The Company may need to refinance some or all of its indebtedness on maturity of its convertible notes, bonds or bank loan facilities, to acquire additional vessels in the future or for general corporate purposes. The Company cannot assure that it will be able to do so on terms acceptable to itself or at all, and as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the availability and cost of obtaining money from the credit markets has become more difficult as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that financing will be available if needed and to the extent required on acceptable terms. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to enhance our existing business, complete additional vessel acquisitions, otherwise take advantage of business opportunities as they arise, or the Company will have to dedicate some or all of its cash flows, and it may be required to sell some of its assets, to pay the principal and interest on its indebtedness.

Further, the Company's debt service obligations require the Company to dedicate a substantial portion of its cash flows from operations to required payments on indebtedness and could limit its ability to obtain additional financing, make capital expenditures and acquisitions, and carry out other general corporate activities in the future. These obligations may also limit the Company's flexibility in planning for, or reacting to, changes in its business and the shipping and offshore industry or detract from its ability to successfully withstand a downturn in its business or the economy generally. This may place the Company at a competitive disadvantage to other less leveraged competitors.

The uncertainty surrounding the future of the credit markets in the United States, Europe and the rest of the world has resulted in increased risk related to access to credit worldwide. As of December 31, 2018 had total outstanding indebtedness of \$2.1 billion under our various credit facilities and bond loans, including our equity-accounted subsidiaries and a further \$1.2 billion of capital lease obligations.

Risks of terrorism and political and social unrest

Continuing conflicts and recent developments in the Middle East, parts of Africa and elsewhere, and the presence of United States and other armed forces in Afghanistan and other countries, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect the Company's ability to obtain financing on terms acceptable to itself or at all. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea the Gulf of Aden off the coast of Somalia and off the coast of Nigeria. Any of these occurrences, or the perception that the Company's vessels are potential terrorist targets, could have a material adverse impact on the Company's business, financial condition, results of operations and ability to pay coupons, debt installments and/or dividends.

1.3 Legal and regulatory risk

Risks related to changes in legal and regulatory regulations

SFL's operations are affected by extensive and changing international, national, state and local laws, regulations, treaties, conventions and standards in force in international waters, the jurisdictions in which the Company's tankers and other vessels operate, and the country or countries in which such vessels are registered, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, and water discharges and ballast and bilge water management.

In addition, vessel classification societies and the requirements set forth in the IMO's International Management Code for the Safe Operation of Ships and for Pollution Prevention, or the ISM Code, also impose significant safety and other requirements on the Company's vessels. In complying with current and future environmental requirements, vessel owners and operators may also incur significant additional costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future and require the Company to incur significant capital expenditures on its vessels to keep them in compliance, or even to scrap or sell certain vessels altogether.

Risks related to environmental regulations

Under local, national and foreign laws, as well as international treaties and conventions, the Company could incur material liabilities, including cleanup obligations, natural resource damages and third-party claims for personal injury or property damages, in the event that there is a release of petroleum or other hazardous substances from the Company's vessels or otherwise in connection with the Company's current operations. The Company could also incur substantial penalties, fines and other civil or criminal sanctions, including in certain instances seizure or detention of its vessels, as a result of violations of or liabilities under environmental laws, regulations and other requirements. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the Company to liability without regard to whether the Company was negligent or at fault.

Coastal states in the United States have enacted pollution prevention liability and response laws, many providing for unlimited liability. Furthermore, the 2010 explosion of the drilling rig *Deepwater Horizon*, which is unrelated to SFL, and the subsequent release of oil into the Gulf of Mexico, or other events, may result in further regulation of the shipping and offshore industries and modifications to statutory liability schemes, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. An oil spill could also result in significant liability, including fines, penalties, criminal liability and remediation costs for natural resource damages under other international and U.S. federal, state and local laws, as well as thirdparty damages, and could harm the Company's reputation with current or potential charterers of its vessels. The Company is required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. Although it has arranged insurance to cover certain environmental risks, there can be no assurance that such insurance will be sufficient to cover all such risks or that any claims will not have a material adverse effect on the Company's business, results of operations, cash flows and financial condition and available cash.

Litigation

The Company may, from time to time, be involved in various litigation matters. The Company cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on the Company. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on the Company's financial condition.

1.4 Operational risk

Counterparties

From time to time, the Company enters into, among other things, charter parties with its customers, newbuilding contracts with shipyards, credit facilities with banks, guarantees, interest rate swap agreements, currency swap agreements, total return bond swaps, and total return equity

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swaps. Such agreements are subject the Company to counterparty risks. The ability of each of the Company's counterparties to perform its obligations under a contract with SFL will depend on a number of factors that are beyond the Company's control and may include, among other things, general economic conditions, the condition of the maritime and offshore industries, the overall financial condition of the counterparty, charter rates and dayrates received for specific types of vessels and drilling units, and various expenses. In addition, in depressed market conditions, the Company's charterers and customers may no longer need a vessel or drilling unit that is currently under charter or contract, or may be able to obtain a comparable vessel or drilling unit at a lower rate. As a result, charterers and customers may seek to renegotiate the terms of their existing charter parties and drilling contracts, or avoid their obligations under those contracts. Should a counterparty fail to honor its obligations under agreements with the Company, SFL could sustain significant losses which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

The charters, management agreements, charter ancillary agreements and the other contractual agreements the Company has with companies affiliated with Hemen were made in the context of an affiliated relationship. Although every effort was made to ensure that such agreements were made on an arm's-length basis, the negotiation of these agreements may have resulted in prices and other terms that are less favorable to the Company than terms it might have obtained in arm's-length negotiations with unaffiliated third parties for similar services.

In general the holders of the Company's common shares and other securities have no step in right nor direct right to enforce the obligations of the counterparties of the company, or any of the Company's other customers under the charters, or any of the other agreements to which the Company is a party. Accordingly, if any of those counterparties were to breach their obligations to SFL under any of these agreements, the Company's shareholders and bondholders would have to rely on SFL to pursue its remedies against those counterparties.

Operational risks that may not be covered by insurance

The Company's vessels and their cargoes are at risk of being damaged or lost, due to events such as marine disasters, bad weather, mechanical failures, human error, environmental accidents, diseases, war, terrorism, piracy, political circumstances and hostilities in foreign countries, labor strikes and boycotts, changes in tax rates or policies, and governmental expropriation of the Company's vessels. Any of these events may result in loss of revenues, increased costs and decreased cash flows to the Company's customers, which could impair their ability to make payments to the Company under its charters.

In the event of a casualty to a vessel or other catastrophic event, the Company will rely on its insurance to pay the insured value of the vessel or the damages incurred. Through the agreements with the Company's vessel managers, SFL procures insurance for most of the vessels in its fleet employed under time charters against those risks that the Company believe the shipping industry commonly insures against. These insurances include marine hull and machinery insurance, protection and indemnity insurance, which include pollution risks and crew insurances, and war risk insurance. Currently, the amount of coverage for liability for pollution, spillage and leakage available to the Company on commercially reasonable terms through protection and indemnity associations and providers of excess coverage is USD 1 billion per vessel per occurrence.

The Company cannot assure you that it will be adequately insured against all risks. The Issuer's vessel managers may not be able to obtain adequate insurance coverage at reasonable rates for its vessels in the future. For example, in the past more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Additionally, the Company's insurers may refuse to pay particular claims. For example, the circumstances of a spill, including non-compliance with environmental laws, could result in denial of coverage, protracted litigation, and delayed or diminished insurance recoveries or settlements. Any significant loss or liability for which the Company is not insured could have a material adverse effect on its financial condition. Under the terms of the Company's bareboat charters, the charterer is responsible for procuring all insurances for the vessel.

Risks associated to older and second-hand vessels

In general, the costs to maintain a vessel in good operating condition increase as the vessel ages. Due to improvements in engine technology, older vessels are typically less fuel-efficient than more recently constructed vessels. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety, environmental or other equipment standards related to the age of tankers and other types of vessels may require expenditures for alterations or the addition of new equipment to the Company's vessels to comply with safety or environmental laws or regulations that may be enacted in the future. These laws or regulations may also restrict the type of activities in which the Company's vessels may engage or prohibit their operation in certain geographic regions. The Issuer cannot predict what alterations or modifications its vessels may be required to undergo as a result of requirements that may be promulgated in the future, or that as the Company's vessels age market conditions will justify any required expenditures or enable the Company to operate its vessels profitably during the remainder of their useful lives.

SFL's current business strategy includes additional growth through the acquisition of both newbuildings and second-hand vessels. Although the Company generally inspects second-hand vessels prior to purchase, this does not normally provide the Company with the same knowledge about the vessels' condition that it would have had if such vessels had been built for and operated exclusively by itself. Therefore, the Company's future operating results could be negatively affected if the vessels do not perform as the Company expects. Also, the Issuer does not receive the benefit of warranties from the builders if the vessels the Company buys are older than one year.

1.5 Financial risk

Interest rate risk

The Company is exposed to fluctuations in interest rates with its diversified debt portfolio which varies from shorter floating interest to longer fixed interest. The Company uses interest rate swaps to manage its interest rate exposure and has interest rate adjustment clauses in some of its chartering agreements. For a portion of the Company's floating rate debt, if interest rates rise, interest payments on the Company's floating rate debt that it has not swapped into effectively fixed rates would increase.

An increase in interest rates could cause the Company to incur additional costs associated with its debt service, which may materially and adversely affect the results of its operations. The interest rate swaps that have been entered into by the Company and its subsidiaries are derivative financial instruments that effectively translate floating rate debt into fixed rate debt. US GAAP requires that these derivatives be valued at current market prices in the Company's financial statements, with increases or decreases in valuations reflected in the income statement or, if the instrument is designated as a hedge, in other comprehensive income. Changes in interest rates give rise to changes in the valuations of interest rate swaps and could adversely affect the results of its operations and other comprehensive income.

Foreign currency risk

The majority of the Company's transactions, assets and liabilities are denominated in U.S. dollars, the functional currency of the Company. Though, The Company has entered into currency swap transactions, involving the payment of U.S. dollars in exchange for Norwegian kroner, which are designated as hedges against the NOK500 million senior unsecured bonds due 2020, the NOK700 million senior unsecured bonds due 2023 and the NOK700 million senior unsecured bonds due 2024. However, NOK is sensitive to e.g. fluctuations in the U.S dollars oil price, as there is a risk that currency fluctuations could have an adverse effect on the Company's cash flows, financial condition and results of operations. The Company has not entered into forward contracts for either transaction or translation risk. Accordingly, there is a risk that currency fluctuations could have an adverse effect on the Company's cash flows, financial condition and results of operations.

Credit risk

Credit risk exists to the extent that the Company's counterparties are unable to perform or unwilling to honor under the contracts, could have an adverse effect on the Company's cash flows, financial condition and results of operations.

Restrictions in the Company's financial indebtedness

The Company's loan facilities and the indentures for its convertible notes and bonds contain conditions which limits the Company's business and future financing activities. For example, the Company's may not make distributions to its shareholders if it does not satisfy certain financial covenants or receive waivers from its lenders. The Company cannot assure you that it will be able to satisfy these covenants in the future. As a consequence, due to these restrictions, the Company may need to seek permission from its lenders in order to engage in some corporate actions. The Company's lenders' interests may be different from the Company's and SFL cannot guarantee that

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it will be able to obtain its lenders' permission when needed. This may prevent the Company from taking actions that are in its best interests.

Market value of vessels

During the period a vessel or drilling unit is subject to a charter, the Company will not be permitted to sell it to take advantage of increases in vessel or drilling unit values without the charterers' agreement. Conversely, if the charterers were to default under the charters due to adverse market conditions, causing a termination of the charters, it is likely that the charter-free market value of the Company's vessels or drilling units would also be depressed. The charter-free market values of SFL's vessels and drilling units have experienced high volatility in recent years. The charter-free market value of the Company's vessels and drilling units may increase and decrease depending on a number of factors, as further described in section 1.2.

In addition, as vessels and drilling units grow older, they generally decline in value. If the charter-free market values of the Company's vessels and drilling units decline, the Company may not be in compliance with certain provisions of its credit facilities and it may not be able to refinance its debt, obtain additional financing or make distributions to its shareholders. Additionally, if the Company sell one or more of its vessels or drilling units at a time when vessel and drilling unit prices have fallen and before it have recorded an impairment adjustment to its consolidated financial statements, the sale price may be less than the vessel's or drilling unit's carrying value on the balance sheet of the Company's consolidated financial statements, resulting in a loss and a reduction in earnings. Furthermore, if vessel and drilling unit values fall significantly, the Company may have to record an impairment adjustment in its financial statements, which could adversely affect the financial results and condition.

2. Persons responsible

2.1 *Persons responsible for the information*

Persons responsible for the information given in this Registration Document are as follows:

SFL Corporation Ltd.
Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda
Post Address: P.O. Box HM 1593, Hamilton, HM08, Bermuda.

2.2 *Declaration by persons responsible*

This Registration Document has been prepared by SFL Corporation Ltd. in connection with the listing of the Company's bonds. We confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

18 December 2019

SFL Corporation Ltd.

3. Definitions

| | | |
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| Registration Document | - | This document dated 18 December 2019 |
| The Parent / Issuer / The Company | - | SFL Corporation Ltd. |
| The Group / SFL | - | SFL Corporation Ltd. with subsidiaries |
| AHTS | - | Anchor Handling Tug Supply vessel |
| Bareboat | - | Form of chartering a vessel or rig under which the respective charterer will bear all operating and maintenance expenses |
| The Bonds | - | The Company's NOK 700,000,000 Senior Unsecured Bond Issue due 2024 with ISIN NO 0010853609 |
| BS | - | Country code; Bahamas |
| Fleet | - | The vessels and rigs of the Company |
| Frontline Charterers | - | Tanker vessels charter agreement to subsidiaries of Frontline Ltd., namely Frontline Shipping Ltd. |
| Golden Ocean Charters | - | Dry-bulk vessels charter agreement to subsidiaries of Golden Ocean Group Ltd. |
| GAAP | - | Generally Accepted Accounting Practices and Principles in the United States, or if implemented by the Issuer, the IFRS and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time |
| Hemen | - | Our principal shareholders Hemen Holding Ltd. and Farahead Investment Inc., which we refer to jointly as Hemen, are indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family |
| HK | - | Country code; Hong Kong |
| IMO | - | International Maritime Organisation, a United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships |
| ISIN | - | International Securities Identification Number (The identification number of the Bonds) |
| ISM Code | - | International Safety Management Code, means the International Management Code for the Safe Operation of Ships and for Pollution Prevention |
| LIB | - | Country code; Liberia |
| MI | - | Country code; Marshall Islands |
| MSPC | - | Moore Stephens P.C. |
| NOK | - | The Norwegian Krone, the official currency of the Kingdom |

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| | | of Norway |
| NYSE | - | The New York Stock Exchange |
| OSE | - | The Oslo Stock Exchange |
| Prospectus | - | The Registration Document together with the Securities Note |
| PSV | - | Platform Supply Vessel |
| Registration Document | - | This document |
| Rig Charterers | - | Drilling units charter agreements with subsidiaries of Seadrill, NADL |
| Seadrill Charterers | - | Drilling units charter agreement to two subsidiaries of Seadrill Limited, namely Seadrill Deepwater Charterer Ltd. and Seadrill Offshore AS |
| Securities Note | - | The document to be prepared for each new issue of bonds under the Prospectus |
| SFL | - | SFL Corporation Ltd., a public limited liability company incorporated under the laws of Bermuda with registered offices in Hamilton, Bermuda |
| SING | - | Country code; Singapore |
| Suezmax | - | Crude oil tanker vessel of the maximum size that sail through the Suez Canal |
| TEU | - | Twenty-foot equivalent units, used to describe the maximum number of standard twenty foot containers that the vessel can carry |
| UDW | - | Ultra Deep Water |
| USD | - | United States dollars, the lawful currency of the United States of America |
| VLCC | - | Very Large Crude Carrier |

4. Presentation of information

4.1 Approval of the Registration Document

This Registration Document has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Registration Document has been approved on 18 December 2019 by the Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Registration Document.

4.2 Statutory auditors

The Company's auditor for the period covered by the historical financial information in this Registration Document has been Moore Stephens P.C. ("**MSPC**").

MSPC has its registered address at 546 Fifth Avenue 6th Floor, 10036-5000, New York, New York, USA, with telephone number +1 212 682 1234 and fax number +1 212 687 8846. MSPC is a member of the American Institute of Certified Public Accountants.

MSPC has audited the Company's consolidated financial statements as of and for the years ended 31 December 2017 and 2018. Other than this, MSPC has not audited or reviewed any other information in this Registration Document.

5. Information about the Issuer

5.1 General

SFL Corporation Ltd., a Bermuda domiciled exempt limited liability company existing under the Bermuda Companies Law of 1981, was incorporated on 10 October 2003 under the laws of Bermuda with business registration EC-34296 and its LEI code is 549300RLYYPSB0C7RH77.

The Company has registered and principal executive offices at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM 08, Bermuda. Phone +1 441 295 9500, Fax: +1 441 295 3494. The address of SFL Management AS is Bryggegata 3, 0250 Oslo, Norway, with postal address P.O. Box 1327 Vika, 0112 Oslo, Norway. Phone: + 47 23 11 40 00 Fax: + 47 23 11 40 40. The Company's website address is www.sflcorp.com (the information on the website does not form part of the Prospectus, except for the documents listed in section 10).

The Company's legal name is SFL Corporation Ltd., and its commercial name is SFL.

SFL is an international ship owning and chartering company with a large asset base across the maritime and offshore industries. The Company currently operates in several sectors of the shipping and offshore industry, including vessels for oil transportation, drybulk shipments, chemicals transportation, container transportation, car transportation and drilling rigs and offshore supply vessels. SFL operates through subsidiaries located in Bermuda, Cyprus, Malta, Liberia, Norway, Singapore, the United Kingdom and the Marshall Islands.

As of 18 December 2019, the Company's assets consist of 92 vessels, including 8 crude oil tankers (VLCC and Suezmax), 2 chemical tankers, 2 product tankers, 22 dry-bulk carriers, 48 container vessels, 2 car carriers, 5 offshore supply vessels, 1 jack-up drilling rig and 2 ultra-deepwater semi-submersible drilling rigs. The Company's oil tankers and chemical tankers are all double-hull vessels.

The Company's primary objectives are to profitably grow its business and increase long term distributable cash flow by pursuing the following strategies: expand the asset base, diversify the asset base, expand and diversify the customer relationships, and pursue medium to long term fixed-rate charters. The Company seeks to continue to grow its business through accretive acquisitions across a diverse range of marine and offshore asset classes.

5.2 Organizational structure

SFL is the parent company of the Group, and the Company is dependent on the other subsidiaries in the Group. SFL owns 100% of all of its subsidiaries. The majority of the earnings in the Company originates from its subsidiaries. There are customary cross default provisions in the parent company and group of subsidiaries whereby in the event of a default on financial debt exceeding certain thresholds, a default on other financial debt in the Group of the parent company and its subsidiaries, including this bond, would be triggered. Substantially all assets are owned by separate subsidiaries, and a large amount of the debt is towards subsidiaries with limited guarantee from SFL.

SFL has its own independent and dedicated management team through its 100% owned subsidiaries, SFL Management AS and Ship Finance Management (UK) Ltd. The Company's main objective is to engage in cost efficient ownership and chartering out of vessels. The day to day operation of the vessels is either done by the Company's clients or by third party ship managers appointed by SFL. Such managers are currently mainly Seateam Pte. Ltd., Enesel Limited, Wilhelmsen Ship Management Singapore Pte. Ltd., International Tanker Management Limited, Dubai branch, OSM Ship Management Pte. Ltd., Thome Ship Management Pte. Ltd. and Bernhard Schulte Shipmanagement Pte. Ltd. The ship management contracts are based on actual cost achieved plus a fixed fee and has no expiry date, but can be terminated at any time following a pre-agreed notification period.

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Below is a list of the Company's significant subsidiaries:

| Name | Vessel / Activity | Incorporation | Ownership Percentage |
|--------------------------------------|------------------------------|----------------------|-----------------------------|
| Front Baldur Inc. | Everbright | Liberia | 100 % |
| Front Heimdall Inc | Glorycrown | Liberia | 100 % |
| Hitachi Hull # 4983 Corporation | Front Hakata | Liberia | 100 % |
| SFL Management AS | Management company | Norway | 100 % |
| Ship Finance Management (UK) Limited | Management company | United Kingdom | 100 % |
| SFL Management (Bermuda) Ltd. | Management company | Bermuda | 100 % |
| SFL Bulk Holding Ltd. | Intermediate holding company | Bermuda | 100 % |
| SFL Container Holding Limited | Intermediate holding company | Bermuda | 100 % |
| SFL Capital I Ltd. | Financing | Bermuda | 100 % |
| SFL Capital II Ltd. | Financing | Bermuda | 100 % |
| SFL Hudson Inc | SFL Hudson | Liberia | 100 % |
| SFL Yukon Inc | SFL Yukon | Liberia | 100 % |
| SFL Sara Inc | SFL Sara | Liberia | 100 % |
| SFL Humber Inc | SFL Humber | Liberia | 100 % |
| SFL Kate Inc | SFL Kate | Liberia | 100 % |
| SFL Clyde Inc | Western Houston | Liberia | 100 % |
| SFL Dee Inc | Western Copenhagen | Liberia | 100 % |
| SFL Trent Inc | SFL Trent | Liberia | 100 % |
| SFL Medway Inc | SFL Medway | Liberia | 100 % |
| SFL Spey Inc | SFL Spey | Liberia | 100 % |
| SFL Kent Inc | SFL Kent | Liberia | 100 % |
| SFL Tyne Inc | SFL Tyne | Liberia | 100 % |
| Alice Container Inc. | MSC Alice | Liberia | 100 % |
| SFL Sea Cheetah Limited | Sea Cheetah | Cyprus | 100 % |
| SFL Sea Halibut Limited | Sea Halibut | Cyprus | 100 % |
| SFL Sea Pike Limited | Sea Pike | Cyprus | 100 % |
| SFL Sea Jaguar Limited | Sea Jaguar | Cyprus | 100 % |
| SFL Sea Leopard Limited | Sea Leopard | Cyprus | 100 % |
| SFL Chemical tanker Ltd. | Maria Victoria V | Marshall Islands | 100 % |
| SFL Chemical tanker II Ltd. | SC Guangzhou | Marshall Islands | 100 % |
| SFL Ace I Ltd. | Heung-A Green | Malta | 100 % |
| SFL Ace II Ltd. | Green Ace | Malta | 100 % |
| SFL Hercules Ltd. | West Hercules | Bermuda | 100 % |
| SFL Deepwater Ltd | West Taurus | Bermuda | 100 % |
| SFL Linus Ltd | West Linus | Bermuda | 100 % |
| SFL Composer Inc. | Glovis Composer | Liberia | 100 % |
| SFL Conductor Inc. | SFL Conductor | Liberia | 100 % |
| SFL Loire Inc. | San Felipe | Liberia | 100 % |
| SFL Seine Inc. | San Felix | Liberia | 100 % |
| SFL Somme Inc. | San Fernando | Liberia | 100 % |
| SFL Taurion Inc. | San Francisca | Liberia | 100 % |
| SFL Kenai Inc. | Sinochart Beijing | Liberia | 100 % |
| SFL Crollly Inc. | Min Sheng 1 | Liberia | 100 % |
| SFL Energy Inc. | Front Energy | Marshall Islands | 100 % |
| SFL Force Inc. | Front Force | Marshall Islands | 100 % |
| SFL Rufina Inc | MSC Arushi R. | Liberia | 100 % |
| SFL Rosanna Inc. | MSC Vaishnavi R. | Liberia | 100 % |
| SFL Romana Inc. | MSC Julia R. | Liberia | 100 % |
| SFL Roberta Inc. | Santa Roberta | Liberia | 100 % |
| SFL Ricarda Inc. | Santa Ricarda | Liberia | 100 % |
| SFL Rebecca Inc. | Santa Rebecca | Liberia | 100 % |
| SFL Rafaela Inc. | Santa Rafaela | Liberia | 100 % |
| SFL Victoria Inc. | MSC Vidhi | Liberia | 100 % |
| SFL Virginia Inc. | MSC Margarita | Liberia | 100 % |
| SFL Tagus Inc. | MSC Anna | Liberia | 100 % |
| SFL Tiber Inc. | MSC Viviana | Liberia | 100 % |
| SFL Beijing Inc. | Golden Beijing | Liberia | 100 % |
| SFL Zhoushan Inc. | Golden Zhoushan | Liberia | 100 % |

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| | | | |
|-------------------------|------------------------------|-----------------|-------|
| SFL Magnum Inc. | Golden Magnum | Liberia | 100 % |
| SFL Battersea Inc. | Battersea | Liberia | 100 % |
| SFL Belgravia Inc. | Belgravia | Liberia | 100 % |
| SFL Zheijang Inc. | Golden Zheijang | Liberia | 100 % |
| SFL Future Inc. | Golden Future | Liberia | 100 % |
| SFL China Inc. | KSL China | Liberia | 100 % |
| SFL Trinity Inc. | SFL Trinity | Liberia | 100 % |
| SFL Sabine Inc. | SFL Sabine | Liberia | 100 % |
| SFL Sarat Inc. | Maersk Sarat | Liberia | 100 % |
| SFL Skartind Inc. | Maersk Skartind | Liberia | 100 % |
| SFL Shivling Inc. | Maersk Shivling | Liberia | 100 % |
| SFL Tanker Holding Ltd. | Intermediate holding company | Bermuda | 100 % |
| SFL Axia Inc. | Thalassa Axia | Liberia | 100 % |
| SFL Doxa Inc. | Thalassa Doxa | Liberia | 100 % |
| SFL Tyhi Inc. | Thalassa Tyhi | Liberia | 100 % |
| SFL Mana Inc. | Thalassa Mana | Liberia | 100 % |
| SFL Capsan Holding Ltd. | Intermediate holding company | Marshall Island | 100 % |
| SFL Lazaro Inc. | Cap San Lazaro | Marshall Island | 100 % |
| SFL Juan Inc. | Cap San Juan | Marshall Island | 100 % |
| SFL Vincent Inc. | Cap San Vincent | Marshall Island | 100 % |
| SFL TEU Capital Ltd. | Intermediate holding company | Bermuda | 100 % |
| SFL Samara Inc. | MSC Erica | Liberia | 100 % |
| SFL Tino Inc. | MSC Reef | Liberia | 100 % |
| SFL Atla Inc. | Hunter Atla | Marshall Island | 100 % |
| SFL Saga Inc. | Hunter Saga | Marshall Island | 100 % |
| SFL Laga Inc. | Hunter Laga | Marshall Island | 100 % |

For further information about the Company's vessels, see section 6.1 below.

5.3 History

SFL was formed in 2003 as a wholly owned subsidiary of Frontline, a major operator of large crude oil tankers. On 28 May 2004, Frontline announced the distribution of 25% of SFL's common shares to its ordinary shareholders in a partial spin off, and the Company's common shares commenced trading on the New York Stock Exchange, or the NYSE, under the ticker symbol "SFL" on June 17 2004. Frontline subsequently made six further dividends of SFL's shares to its shareholders and its ownership in the Company is now less than one percent.

Pursuant to an agreement entered into in December 2003, SFL purchased from Frontline, effective January 2004, a fleet of 47 vessels, comprising 23 Very Large Crude Carriers, or VLCCs, including an option to acquire one VLCC, 16 Suezmax tankers and eight oil/bulk/ore carriers, or OBOs. Since 2006, the Company has sold all 18 of the non-double hull tankers it owned, and the tanker fleet now consists solely of double hull vessels.

The Company has diversified its asset base and now have nine asset types, which comprise crude oil tankers, chemical tankers, product tankers, container vessels, car carriers, dry bulk carriers, jack-up drilling rigs, ultra-deepwater drilling units and offshore support vessels.

Three of our VLCCs are chartered to Frontline Shipping under longer term time charters that have remaining terms ranging from five to eight years. Frontline Shipping, in turn, charters our vessels to third parties. Under the original charter agreements, the daily base charter rates payable to us were fixed in advance and decreased as our vessels aged. In December 2011, in response to a restructuring of Frontline necessitated by an extended period of low charter rates for oil tankers, amendments were made to the original charter agreements with Frontline Shipping and Frontline Shipping II Limited, or Frontline Shipping II, together the Frontline Charterers, relating to 28 double-hull vessels, whereby we received a compensation payment of USD 106 million and agreed to temporarily reduce by USD 6,500 per day the base charter rates payable on each vessel. The temporary reduction originally applied from January 1, 2012, until December 31, 2015, and thereafter the base charter rates were to revert to the original agreed levels. For the duration of the temporary reduction, we were entitled to receive 100% of any excess above the reduced charter rates earned by the Frontline Charterers on our vessels, calculated annually on an average

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daily TCE basis and subject to a maximum excess of USD 6,500 per day per vessel. Amounts received under this arrangement were classified as "cash sweep" income.

In June 2015, further amendments were made to the charter agreements with the Frontline Charterers, whereby we agreed to reduce time charter rates from July 1, 2015, to fixed non-decreasing rates of USD 20,000 per day for each of the VLCCs and USD 15,000 per day for each of the Suezmax tankers until the charter expiry dates, which remain as in the original charters. The charters for three of the vessels were transferred from Frontline Shipping II to Frontline Shipping, which is now the charter counterpart for all of the vessels. As part of the amended agreement, Frontline was released from its guarantee obligations under the charters and in exchange a cash reserve of \$2 million per vessel has been built up in Frontline Shipping as security for its obligations under the charters. As part compensation for the amendments to the charters, we received 55 million shares in Frontline. Since December 2011, 25 vessels have been sold, leaving three crude oil tankers currently chartered to Frontline Shipping. In February 2016, Frontline enacted a 1-for-5 reverse stock split and our shareholding in Frontline now consists of 11 million ordinary shares.

In addition to the base charter rates, with effect from July 1, 2015, Frontline Shipping will pay us a profit sharing amount equal to 50% of the charter revenues they realize above the revised fixed time charter rates, payable quarterly and calculated on an average daily TCE basis. Previously, from January 1, 2012 to June 30, 2015, the profit sharing rate was 25% of the charter revenues realized above specified threshold levels, of which \$50 million was prepaid in December 2011, and before that until December 31, 2011, the profit sharing rate was 20%. The cash sweep arrangement, originally set to expire on December 31, 2015, was superseded by the amended agreements effective from July 1, 2015.

We have also entered into agreements with Frontline Management to provide fixed rate operation and maintenance services for the vessels on time charter to Frontline Shipping, and for administrative support services. These agreements enhance the predictability and stability of our cash flows, by fixing substantially all of the operating expenses of our crude oil tankers on charter to Frontline Shipping. As part of the amendments to the agreements made in June 2015, the fixed daily management fee per vessel payable to Frontline Management was increased from \$6,500 per day to \$9,000 per day with effect from July 1, 2015.

In September 2017, the Company amended agreements relating to the five offshore supply vessels previously employed under long term bareboat charters to a fully guaranteed subsidiary of Deep Sea Supply Plc. The amendments were agreed in June 2017, subject to certain conditions, in connection with the merger between Deep Sea Supply Plc., Solstad Offshore ASA and Farstad Shipping ASA. The new listed entity is called Solstad Offshore ASA. The amendments include amongst others a reduction of the charter rates, an extension of the charters and the introduction of put options at the expiry of the charters. Following the merger, Solship Invest 3 AS, a wholly owned subsidiary of Solstad Offshore ASA, acts as charter guarantor under our agreements. Concurrently, the banks who finance the vessels agreed to extend the loan period by approximately three years. The five offshore support vessels in our fleet are chartered to a subsidiary of Solstad Offshore ASA ("Solstad"). The market for offshore support vessels is very challenging and the vessels remain in lay-up. In light of the difficult market, Solstad has announced that they will have to restructure their balance sheet, and there is a standstill agreement with multiple lenders and other stakeholders, including SFL, until March 2020.

In September 2017, Seadrill announced that it has entered into a restructuring agreement (the "**Restructuring Plan**") with more than 97% of its secured bank lenders, approximately 40% of its bondholders and a consortium of investors led by its largest shareholder, Hemen Holding Ltd, who is also the largest shareholder in the Company. The Company and three of the Company's subsidiaries, who own and lease the drilling rigs *West Linus*, *West Hercules* and *West Taurus* to subsidiaries of Seadrill, have also entered into the Restructuring Plan. The Restructuring Plan was implemented by way of prearranged chapter 11 cases. As part of the Restructuring Plan, SFL and its relevant subsidiaries have agreed to reduce the contractual charter hire payable by the relevant Seadrill subsidiaries by approximately 29% for a 5-year period starting from 2018, with the reduced amounts added back in the period thereafter. The call options on behalf of the Seadrill subsidiaries under the relevant leases have also been amended as part of the Restructuring Plan. The leases for *West Hercules* and *West Taurus* were also extended for a period of 13 months until December 2024, with amended purchase obligations at the new expiry of the charters. Concurrently, the banks who finance the three rigs have agreed to extend the loan period by approximately four years under each of the facilities, with reduced amortization in the extension

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period compared to the current amortization. On July 2, 2018, Seadrill announced that it had emerged from Chapter 11 after successfully completing its reorganization pursuant to the Restructuring Plan. Under the Restructuring Plan, the Company agreed to restructure the lease payments to its 100% equity-accounted subsidiaries with economic effect from January 1, 2018.

In October 2017, the Company entered into separate agreements with certain holders of its 3.25% senior unsecured convertible bonds due 2018 to convert a portion of the outstanding bonds into common shares of the Company. Approximately USD 121 million in aggregate principal amount of the bonds was converted into common shares of the Company at prevailing market prices and approximately 9.4 million new common shares were issued.

In April and May 2018, the Company issued \$164 million aggregate principal amount of convertible senior notes due 2023. The notes, which have a term of five years, pay interest quarterly in arrears at a rate of 4.875% per annum, and are convertible into the Company's common stock at an initial conversion rate of 52.8157 common shares per \$1,000 principal of notes, which is equivalent to an initial conversion price of approximately \$18.93 per share.

In August 2018, the Company issued NOK 600 million five-year senior unsecured bonds, equivalent to approximately \$71.9 million. The bonds bear interest at NIBOR plus a margin. The proceeds from the bond issue will be used for refinancing of existing debt and general corporate purposes.

In July 2019, the Company announced that it had completed a tap issue of NOK 100 million (equivalent to approximately USD 11 million) under its existing NOK 600 million senior unsecured bonds issued in August 2018, due September 2023, by way of a private placement of newly issued bonds. The bonds carry a coupon of NIBOR plus a margin and were priced at 101.625% of par value. The outstanding amount under the bond issue after the tap issue is NOK 700 million and the net proceeds from the bond issuance will be used for general corporate purposes.

Currently, 29 vessels in our fleet are scheduled to be upgraded with scrubbers in the preparation for IMO 2020. Some of the scrubbers will be installed by our customers at their own expense while SFL will pay for others. We have currently committed approximately \$50 million towards scrubber instalments, and continue discussions with customers for retrofitting additional units. Some of the capital expenditure is expected to be financed by senior bank debt.

6. Business overview

6.1 Principal activities

SFL Corporation Ltd. is a major vessel owning company incorporated on Bermuda and listed on the New York Stock Exchange. As of this date, and adjusted for acquisitions/disposal to be delivered, the Company has a fleet of 92 vessels, including 8 crude oil tankers (VLCC and Suezmax), 2 chemical tankers, 2 product tankers, 22 dry-bulk carriers, 48 container vessels, 2 car carriers, 5 offshore supply vessels, 1 jack-up drilling rig and 2 ultra-deepwater semi-submersible drilling rigs.

THE FLEET



- 3 drilling units
 - 1 x Jack-up drilling rigs
 - 2 x UDW semi-submersible



- 50 liner vessels
 - 48 x Container vessels
 - 2 x Car carriers



- 12 tankers
 - 6 x VLCC
 - 2 x Suezmax
 - 2 x Chemical
 - 2 x Product tankers



- 22 dry bulk carriers



- 5 offshore supply vessels;
 - 3 x AHTS
 - 2 x PSV

FLEET LIST**Suezmax**

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Hull</i> | <i>Dwt</i> |
|---------------|------------------|-------------|--------------|-------------|------------|
| Glorycrown | Short term | MI | 2009 | DH | 156 000 |
| Everbright | Short term | MI | 2010 | DH | 156 000 |

VLCC

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Hull</i> | <i>Dwt</i> |
|---------------|------------------|-------------|--------------|-------------|------------|
| Front Hakata | Frontline (T/C) | BS | 2002 | DH | 298 465 |
| Front Force | Frontline (T/C) | MI | 2004 | DH | 305 422 |
| Front Energy | Frontline (T/C) | MI | 2004 | DH | 305 318 |
| Hunter Atla | Hunter (B/B) | MI | 2019 | DH | 300 000 |
| Hunter Saga | Hunter (B/B) | MI | 2019 | DH | 300 000 |
| Hunter Laga | Hunter (B/B) | MI | 2019 | DH | 300 000 |

Product Tankers

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Dwt</i> |
|---------------|-------------------|-------------|--------------|------------|
| SFL Sabine | Phillips 66 (T/C) | MI | 2017 | 114 000 |
| SFL Trinity | Phillips 66 (T/C) | MI | 2017 | 114 000 |

Dry Bulk

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Dwt</i> |
|-------------------|------------------|-------------|--------------|------------|
| SFL Tyne | Short term (T/C) | HK | 2012 | 32 000 |
| SFL Clyde | Short term (T/C) | HK | 2012 | 32 000 |
| SFL Dee | Short term (T/C) | HK | 2013 | 32 000 |
| SFL Spey | Short term (T/C) | HK | 2011 | 34 000 |
| SFL Medway | Short term (T/C) | HK | 2012 | 34 000 |
| SFL Kent | Short term (T/C) | HK | 2012 | 34 000 |
| SFL Trent | Short term (T/C) | HK | 2012 | 34 000 |
| SFL Hudson | Glovis (T/C) | MI | 2009 | 57 000 |
| SFL Yukon | Short term (T/C) | HK | 2010 | 57 000 |
| SFL Sara | Short term (T/C) | HK | 2011 | 57 000 |
| SFL Kate | Glovis (T/C) | HK | 2011 | 57 000 |
| SFL Humber | Glovis (T/C) | HK | 2012 | 57 000 |
| Sinochart Beijing | Sinotrans (T/C) | HK | 2012 | 82 000 |
| Min Sheng 1 | Sinotrans (T/C) | HK | 2012 | 82 000 |
| Golden Beijing | Golden Ocean | HK | 2010 | 176 000 |
| Golden Zhoushan | Golden Ocean | HK | 2011 | 175 835 |
| Golden Magnum | Golden Ocean | HK | 2009 | 179 788 |
| Battersea | Golden Ocean | MI | 2009 | 169 391 |
| Belgravia | Golden Ocean | MI | 2009 | 169 332 |
| Golden Zheijang | Golden Ocean | HK | 2010 | 175 834 |

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|---------------|--------------|----|------|---------|
| Golden Future | Golden Ocean | HK | 2010 | 176 000 |
| KSL China | Golden Ocean | HK | 2013 | 179 109 |

Container

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Size</i> |
|-------------------------------------|-------------------|-------------|--------------|-----------------|
| Green Ace | Heung-A (B/B) | Malta | 2005 | 1,700 TEU |
| Heung-A Green | Heung-A (B/B) | Malta | 2005 | 1,700 TEU |
| MSC Alice | MSC (B/B) | LIB | 2003 | 1,700 TEU |
| MSC Vaishnavi R. | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| MSC Julia R. | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| MSC Arushi R. | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| Santa Rebecca | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| Santa Roberta | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| Santa Ricarda | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| Santa Rafaela | MSC (B/B) | LIB | 2002 | 4,100 TEU |
| MSC Vidhi | MSC (B/B) | LIB | 2001 | 5,800 TEU |
| MSC Margarita | MSC (B/B) | LIB | 2002 | 5,800 TEU |
| San Felipe | Maersk Line (T/C) | MI | 2014 | 8,700 TEU |
| San Felix | Maersk Line (T/C) | MI | 2014 | 8,700 TEU |
| San Fernando | Maersk Line (T/C) | MI | 2015 | 8,700 TEU |
| San Francisca | Maersk Line (T/C) | MI | 2015 | 8,700 TEU |
| Maersk Sarat | Maersk Line (T/C) | LIB | 2015 | 9,500 TEU |
| Maersk Skarstind | Maersk Line (T/C) | LIB | 2016 | 9,500 TEU |
| Maersk Shivling | Maersk Line (T/C) | LIB | 2016 | 9,300 TEU |
| MSC Anna | MSC (B/B) | LIB | 2016 | 19,200 TEU |
| MSC Viviana | MSC (B/B) | LIB | 2017 | 19,200 TEU |
| Thalassa Axia | Evergreen (T/C) | LIB | 2014 | 13,800 TEU |
| Thalassa Tyhi | Evergreen (T/C) | LIB | 2014 | 13,800 TEU |
| Thalassa Mana | Evergreen (T/C) | LIB | 2014 | 13,800 TEU |
| Thalassa Doxa | Evergreen (T/C) | LIB | 2014 | 13,800 TEU |
| Cap San Vincent | Maersk Line (T/C) | MI | 2015 | 10,600 TEU |
| Cap San Lazaro | Maersk Line (T/C) | MI | 2015 | 10,600 TEU |
| Cap San Juan | Maersk Line (T/C) | MI | 2015 | 10,600 TEU |
| MSC Erica | MSC (B/B) | LIB | 2016 | 19,400 TEU |
| MSC Reef | MSC (B/B) | LIB | 2016 | 19,400 TEU |
| 18 Container Vessels ⁽¹⁾ | | | | 1,100-4,400 TEU |

Offshore

| <i>Type</i> | <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Size</i> |
|------------------|---------------|------------------|-------------|--------------|-------------|
| Semi-submersible | West Taurus | Seadrill (B/B) | Panama | 2008 | 10 000 ft. |
| Semi-submersible | West Hercules | Seadrill (B/B) | Panama | 2008 | 10 000 ft. |
| Jack Up | West | North Atlantic | Norway | 2014 | 450 ft |

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|------|-------------|--------------------------------------|--------|------|------------|
| | Linus | Drilling (B/B) | | | |
| PSV | Sea Pike | Subsidiary of Solstad Offshore (B/B) | Cyprus | 2007 | UT755L |
| PSV | Sea Halibut | Subsidiary of Solstad Offshore (B/B) | Cyprus | 2007 | UT755L |
| AHTS | Sea Leopard | Subsidiary of Solstad Offshore (B/B) | Cyprus | 1998 | 15 000 BHP |
| AHTS | Sea Cheetah | Subsidiary of Solstad Offshore (B/B) | Cyprus | 2007 | 15 000 BHP |
| AHTS | Sea Jaguar | Subsidiary of Solstad Offshore (B/B) | Cyprus | 2007 | 15 000 BHP |

Chemical

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Dwt</i> |
|------------------|------------------|-------------|--------------|------------|
| Maria Victoria V | Sinochem (B/B) | Panama | 2008 | 17 000 |
| SC Guangzhou | Sinochem (B/B) | Panama | 2008 | 17 000 |

Car Carriers

| <i>Vessel</i> | <i>Charterer</i> | <i>Flag</i> | <i>Built</i> | <i>Size</i> |
|-----------------|------------------|-------------|--------------|-------------|
| SFL Conductor | Glovis (T/C) | Panama | 2006 | 6,500 CEU |
| Glovis Composer | Glovis (T/C) | HK | 2005 | 6,500 CEU |

(1) In April 2018, the Company took delivery of the previously announced block acquisition of 15 feeder size container vessels, ranging from 1,100 TEU to 4,400 TEU, which immediately commenced their seven-year bareboat charter to a leading container line. In July 2019, the Company took delivery of additional three vessels under the sale leaseback arrangement.

6.2 Operations

As of 30 September 2019, the fixed rate charter backlog from the Company's fleet of then 92 vessels and rigs was approximately USD 3.7 billion, with an average remaining charter term of approximately 4.7 years, or 7.8 years if weighted by charter revenue. Some of the charters include purchase options which, if exercised, may reduce the fixed rate charter backlog and the average remaining charter term, but will increase capital available for new investments. Additionally, several charters include a profit sharing feature that may increase our operating results.

SFL owns a number of vessels, including offshore support vessels, container vessels, car carriers, chemical tankers and dry bulk carriers. The majority of The Company's vessels and rigs are chartered out on long term, fixed-rate contracts that provide the Company with stability in cash flow and earnings, irrespective of fluctuations in the short term charter market.

The charters for one jack-up drilling rig, two ultra deepwater drilling units, five offshore support vessels, three VLCC vessels, two chemical tankers and 34 of the container vessels are all on bareboat terms, under which the respective charterer bears all operating and maintenance expenses.

Tankers

As of the date of this Prospectus, and adjusted for acquisitions/disposal to be delivered, the Company's fleet consists of 12 tankers which includes six VLCC tankers, two Suezmax tankers, two product tankers and two chemical tankers.

Three of the Company's VLCC tanker vessels are hired out on long term fixed rate time charters to Frontline Shipping Limited ("**Frontline**"), while three are chartered out on bareboat contracts to

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Hunter Group ASA "Hunter". The Company has entered into fixed rate management agreements with Frontline Management, a wholly owned subsidiary of Frontline Ltd. (NYSE: FRO). Under the management agreements, Frontline Management is responsible for all technical management of the vessels on charter to Frontline, including crewing, maintenance, repair, capital expenditures, drydocking, vessel taxes, maintaining insurance and other vessel operating expenses.

The Company's two Suezmax tankers are deployed in a pool with two sister vessels owned by Frontline Ltd. The vessels are undertaking spot and short term time charter voyages under this pool arrangement.

In August 2017, the Company took delivery of two 114,000dwt LR2 product tankers. Both vessels commenced their respective seven year time charters to Phillips 66 immediately upon delivery, with options for the charterer to extend the period up to 12 years.

The vessels are managed by independent ship management companies. Pursuant to management agreements, each of the independent ship management companies provides operations, ship maintenance, crewing, technical support, shipyard supervision and related services to Frontline Management. A central part of the strategy is to benchmark operational performance and cost level among the ship managers.

Independent ship managers provide crewing for the vessels. Currently, most vessels are crewed entirely with full crews from Russia, India or the Philippines, or crews that are comprised of a combination of these nationalities.

The accounting management services for each of the vessel owning subsidiaries of the Company are provided by the ship managers.

The chemical tanker vessels are chartered out on bareboat contracts, which means that the charterer is responsible for the technical and operational management of them.

The Company took delivery of three 300,000dwt VLCC tankers, between September and November 2019. All three vessels are employed on 5-year bareboat charters to an affiliate of Hunter Group ASA.

The charters for the tanker vessels are generally contracted to expire between within one and nine years from now.

Liner Vessels

As of the date of this Prospectus, SFL has a fleet of 48 container vessels and two car carriers. All container vessels are employed on long term charters.

The container vessels Heung-A Green and Green Ace are chartered to an Asian regional container operator on bareboat basis which means that the Charterer will be responsible for the technical and operational management of the vessels.

The four 8,700 TEU container vessels, are currently on long term time-charters to Maersk Line A/S.

The seven 4,100 TEU, two 5,800 TEU, two 19,200 TEU and one 1,700 TEU container vessels on charter to Mediterranean Shipping Company (MSC) are on bareboat contracts and the charterer takes on all costs related to managing and operating these vessels.

The container vessel Maersk Sarat was delivered in November 2015, a 9,500 TEU vessel, currently on time charter to Maersk Line A/S until 2020. Maersk Skarstind, a 9,500 TEU vessel, and Maersk Shivling, a 9,300 TEU vessel, were delivered to the Company in February and May 2016, respectively. The vessels are on time charters until 2021 to Maersk Line A/S.

In March 2018, SFL agreed to acquire a fleet of 15 feeder size container vessels on the water. The vessels are ranging from 1,100-4,400 TEU in size and were delivered in April 2018, whereupon they immediately commenced their 7-year bareboat charters. In July 2019, the Company took delivery of additional three vessels which were added to this sale leaseback arrangement.

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The three 10,600 TEU Container vessels delivered in 2018 are on long term time charter to Maersk Line A/S for a period of minimum six years from delivery.

In December 2018, the Company took delivery of two 19,400 TEU container vessels built in 2016. The vessels are chartered out on long term contracts to MSC, the world's second largest container line, for a period of approximately 15 years from delivery.

In addition to the container vessels, SFL owns two car carriers that are currently employed under one year charters with Hyundai Glovis.

Dry Bulk Vessels

As of the date of this Prospectus, the Company's fleet consists of 22 dry bulk vessels which includes eight Capesize, five Supramax, seven Handysize and two Kamsarmax vessels.

All of the Company's Capesize vessels are hired out on long term fixed rate time charters to Golden Ocean Management. The Company has entered into fixed rate management agreements with Golden Ocean Management, a wholly owned subsidiary of Golden Ocean Group Ltd. (NASDAQ: GOGL). Under the management agreements, Golden Ocean Management is responsible for all technical management of the vessels, including crewing, maintenance, repair, capital expenditures, drydocking, vessel taxes, maintaining insurance and other vessel operating expenses.

15 of the Company's dry bulk vessels are on long term time charters and 7 of the dry bulk vessels are traded in the spot market. Apart from the eight Capsize vessels, the Company has outsourced the technical management of the remaining vessels to unrelated technical managers, and SFL will cover costs incurred. A central part of the strategy is to benchmark operational performance and cost level between the ship managers.

The vessels are managed by independent ship management companies. Pursuant to management agreements, each of the independent ship management company provides operations, ship maintenance, crewing, technical support, shipyard supervision and related services to Golden Ocean Management.

Independent ship managers provide crewing for the vessels. Currently, most vessels are crewed entirely with full crews from Russia, India or the Philippines, or crews that are comprised of a combination of these nationalities.

The accounting management services for each of the vessel owning subsidiaries of the Company are provided by the ship managers.

Offshore Vessels and Drilling Units

The Company owns five offshore supply vessels and three drilling rigs. All offshore supply vessels are bareboat chartered on long term charters until 2027 to Deep Sea Supply Shipowning II AS, a subsidiary of Solstad Offshore ASA. The vessels are currently idle.

The Company's drilling units have been chartered out on long term fixed-rate bareboat contracts to subsidiaries of Seadrill Limited (NYSE: SDRL), which means that the charterer is responsible for the technical and operational management of the rigs. The semi-submersible drilling rig *West Hercules* is constantly sub chartered to Equinor on short term contracts under their drilling program in the Norwegian C Shelf/North Sea ("NCS").

The hash environment jack-up rig *West Linus* is sub-chartered to ConocoPhillips for operating on the NCS, and in April 2017, Seadrill announced an extension of its sub-charter until the end of 2028.

6.3 Financing

As of 31 December 2018, the Company had total short term and long term debt principal outstanding of USD 1.5 billion.

The Company's outstanding debt as of 31 December 2018 is repayable as follows:

| <i>(in thousands of \$)</i> | 2018 | 2017 |
|--|------------------|-------------------------|
| Long-term debt: | | |
| 3.25% senior unsecured convertible bonds due 2018 | — | 63,218 |
| Norwegian kroner 900 million senior unsecured floating rate bonds due 2019 | 77,722 | 92,477 |
| Norwegian kroner 500 million senior unsecured floating rate bonds due 2020 | 57,829 | 61,001 |
| 5.75% senior unsecured convertible bonds due 2021 | 212,230 | 225,000 |
| Norwegian kroner 600 million senior unsecured floating rate bonds due 2023 | 69,395 | — |
| 4.875% senior unsecured convertible bonds due 2023 | 151,700 | — |
| U.S. dollar denominated floating rate debt due through 2025 | 891,471 | 1,081,204 |
| Total debt principal | 1,460,347 | 1,522,900 |
| Less: unamortized debt issuance costs | (23,267) | (18,893) |
| Less: current portion of long-term debt | (267,149) | (313,823) |
| Total long-term debt | 1,169,931 | 1,190,184 |
| Year ending December 31, | | <i>(in thousands of</i> |
| 2019 | | 267,149 |
| 2020 | | 196,093 |
| 2021 | | 463,516 |
| 2022 | | 199,466 |
| 2023 | | 321,830 |
| Thereafter | | 12,293 |
| Total debt principal | | 1,460,347 |

The weighted average interest rate for consolidated floating rate debt denominated in U.S. dollars and Norwegian kroner (NOK) as at December 31, 2018, was 4.22% per annum including margin (2017: 4.26%). This rate takes into consideration the effect of related interest rate swaps. At December 31, 2018, the three month US Dollar London Interbank Offered Rate (LIBOR) was 2.808% (2017: 1.694%) and the three month Norwegian Interbank Offered Rate (NIBOR) was 1.27% (2017: 0.81%).

3.25% senior unsecured convertible bonds due 2018

On January 30, 2013, the Company issued a senior unsecured convertible bond loan totaling \$350.0 million. Interest on the bonds is fixed at 3.25% per annum and is payable in cash quarterly in arrears on February 1, May 1, August 1 and November 1. Subject to adjustment for any dividend payments in the future, the conversion price at the time of issue was \$21.945 per share which represented a premium of approximately 33% to the share price at the time.

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In October 2017, the Company entered into separate privately negotiated transactions with certain holders of the bonds and converted principal amounts totaling \$121.0 million of the outstanding bonds into 9,418,798 common shares. The Company had previously purchased and cancelled bonds with principal amounts totaling \$165.8 million in October 2016. The net amount outstanding at December 31, 2018, was \$nil (2017: \$63.2 million). No gain or loss was recorded in the year ended December 31, 2018 in respect of the equity conversions (2017: a loss of \$1.5 million was recorded in the year ended December 31, 2017 on the purchase and cancellation of bonds; 2016: \$8.8 million).

In conjunction with the bond issue, the Company loaned up to 6,060,606 of its common shares to an affiliate of one of the underwriters of the issue, in order to assist investors in the bonds to hedge their position. The shares that were lent by the Company were borrowed from Hemen, the largest shareholder of the Company, for a one-time loan fee of \$1.0 million.

In February 2018, the Company redeemed the full outstanding amount of \$63.2 million. This was fully paid in cash, and the premium settled in common shares with the issuance of 651,365 new shares.

As required by ASC 470-20 "Debt with conversion and Other Options", the Company calculated the equity component of the convertible bond, taking into account both the fair value of the conversion option and the fair value of the share lending arrangement. The equity component was valued at \$20.7 million in 2013 and this amount was recorded as "Additional paid-in capital", with a corresponding adjustment to "Deferred charges", which are amortized to "Interest expense" over the appropriate period. The amortization of this item amounted to \$0.1 million in the year ended December 31, 2018 (2017: \$1.8 million). The equity component of the converted bonds in 2018 was valued at \$nil (2017: \$16.4 million for the purchased and cancelled bonds) and this amount has been deducted from "Additional paid-in capital".

NOK 900 million senior unsecured bonds due 2019

On March 19, 2014, the Company issued a senior unsecured bond loan totaling NOK 900 million in the Scandinavian credit market. The bonds bear quarterly interest at NIBOR plus a margin and were redeemed in full on March 19, 2019. The net amount outstanding at December 31, 2018, was NOK672.0 million, equivalent to \$77.7 million (2017: NOK758.0 million, equivalent to \$92.5 million).

NOK 500 million senior unsecured bonds due 2020

On June 22, 2017, the Company issued a senior unsecured bond loan totaling NOK 500 million in the Norwegian credit market. The bonds bear quarterly interest at NIBOR plus a margin and are redeemable in full on June 22, 2020. The net amount outstanding at December 31, 2018, was NOK500 million, equivalent to approximately \$57.8 million (2017: NOK500 million, equivalent to approximately \$61.0 million).

5.75% senior unsecured convertible bonds due 2021

On October 5, 2016, the Company issued a senior unsecured convertible bond loan totaling \$225 million. Interest on the bonds is fixed at 5.75% per annum and is payable in cash quarterly in arrears on January 15, April 15, July 15 and October 15. The bonds are convertible into SFL Corporation Ltd. common shares and mature on October 15, 2021. The net amount outstanding at December 31, 2018 was \$212.2 million (2017: \$225.0 million). The initial conversion rate at the time of issuance was 56.2596 common shares per \$1,000 bond, equivalent to a conversion price of approximately \$17.7747 per share. The conversion rate is adjusted for dividends in excess of \$0.225 per common share per quarter. Since the issuance, dividend distributions have increased the conversion rate to 62.9233 common shares per \$1,000 bond, equivalent to a conversion price of approximately \$15.8924 per share. Based on the closing price of our common stock of \$10.53 on December 31, 2018, the if-converted value was less than the principal amounts by \$77.5 million. In December 2018, the Company repurchased bonds with principal amounts totaling \$12.8 million (2017: \$nil) resulting in a gain of \$0.9 million being recorded (2017: \$nil; 2016: \$nil).

In conjunction with the bond issue, the Company loaned up to 8,000,000 of its common shares to an affiliate of one of the underwriters of the issue, in order to assist investors in the bonds to hedge their position. The shares that were lent by the Company were initially borrowed from Hemen, the largest shareholder of the Company. In November 2016, the Company issued 8,000,000 new shares to replace the shares borrowed from Hemen.

As required by ASC 470-20 "Debt with conversion and Other Options", the Company calculated the equity component of the convertible bond, taking into account both the fair value of the conversion option and the fair value of the share lending arrangement. The equity component was valued at \$4.6 million in 2016 and this amount was recorded as "Additional paid-in capital", with a corresponding adjustment to "Deferred charges", which are amortized to "Interest expense" over the appropriate period. The equity component was valued at \$4.1 million in 2018. The amortization of this item amounted to \$0.9 million in the year ended December 31, 2018 (2017: \$0.9 million). As a result of the purchase of bonds with principal amounts totaling \$12.8 million (2017: \$nil), a total of \$0.5 million (2017: \$nil) was allocated as the reacquisition of the equity component.

NOK 700 million senior unsecured bonds due 2023

On September 13, 2018 the Company issued a senior unsecured bond totaling NOK600 million in the Norwegian credit market. The bonds bear quarterly interest at NIBOR plus a margin and are redeemable in full on September 13, 2023. The net amount outstanding at December 31, 2018, was NOK600 million, equivalent to \$69.4 million (2017: NOKnil, equivalent to \$nil).

In July 2019, the Company raised approximately \$11 million (NOK 100 million) through a tap issue on NOK 600 million bond loan with maturity in 2023. The bonds were issued at a premium to par value, and the new outstanding amount after the tap issue is NOK700 million. The incremental amount has been swapped to USD at a fixed interest rate of approximately 5.9%.

4.875% senior unsecured convertible bonds due 2023

On April 23, 2018, the Company issued a senior unsecured convertible bond totaling \$150.0 million. Additional bonds were issued on May 4, 2018 at a principal amount of \$14.0 million. Interest on the bonds is fixed at 4.875% per annum and is payable in cash quarterly in arrears on February 1, May 1, August 1 and November 1. The bonds are convertible into SFL Corporation Ltd. common shares and mature on May 1, 2023. The net amount outstanding at December 31, 2018 was \$151.7 million (December 31, 2017: \$nil). The initial conversion rate at the time of issuance was 52.8157 common shares per \$1,000 bond, equivalent to a conversion price of approximately \$18.93 per share. Since the issuance, dividend distributions have increased the conversion rate to 58.7171 common shares per \$1,000 bond, equivalent to a conversion price of approximately \$17.03 per share. Based on the closing price of our common stock of \$10.53 on December 31,

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2018, the if-converted value was less than the principal amounts by \$65.5 million. In December 2018, the Company purchased bonds with principal amounts totaling \$12.3 million (2017: \$nil). A gain of \$0.4 million was recorded on the transaction (2017: \$nil; 2016: \$nil).

In conjunction with the bond issue, the Company agreed to loan up to 7,000,000 of its common shares to affiliates of the underwriters of the issue, in order to assist investors in the bonds to hedge their position. As at December 31, 2018, a total of 3,765,842 shares were issued from up to 7,000,000 shares issuable under a share lending arrangement.

As required by ASC 470-20 "Debt with conversion and Other Options", the Company calculated the equity component of the convertible bond, taking into account both the fair value of the conversion option and the fair value of the share lending arrangement. The equity component was valued at \$7.9 million at issue date and this amount was recorded as "Additional paid-in capital", with a corresponding adjustment to "Deferred charges", which are amortized to "Interest expense" over the appropriate period. The amortization of this item amounted to \$1.0 million in the year ended December 31, 2018 (2017: \$nil). As a result of the purchase of bonds with principal amounts totaling \$12.3 million (2017: \$nil), a total of \$0.6 million (2017: \$nil) was allocated as the reacquisition of the equity component.

\$50 million secured term credit facility

In June 2018, 15 wholly-owned subsidiaries of the Company entered into a \$50 million secured term loan facility with a bank, secured against 15 feeder size container vessels. The 15 vessels were delivered in April 2018. The Company has provided a corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of seven years. The net amount outstanding at December 31, 2018, was \$46.9 million (2017: \$nil).

\$17.5 million secured term loan facility due 2023

In December 2018, two wholly-owned subsidiaries of the Company entered into a \$17.5 million secured term loan facility with a bank, secured against two Supramax dry bulk carriers. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of approximately five years. The net amount outstanding at December 31, 2018, was \$17.5 million (2017: \$nil).

\$43 million secured term loan facility

In February 2010, a wholly-owned subsidiary of the Company entered into a \$42.6 million secured term loan facility with a bank, bearing interest at LIBOR plus a margin and with a term of approximately five years. The facility is secured against a Suezmax tanker. In November 2014, the terms of the loan were amended and restated, and the facility now matures in November 2019. The net amount outstanding at December 31, 2018, was \$17.8 million (2017: \$20.6 million).

\$43 million secured term loan facility

In March 2010, a wholly-owned subsidiary of the Company entered into a \$42.6 million secured term loan facility with a bank, bearing interest at LIBOR plus a margin and with a term of approximately five years. The facility is secured against a Suezmax tanker. In March 2015, the terms of the loan were amended and restated, and the facility now matures in March 2020. The net amount outstanding at December 31, 2018, was \$17.8 million (2017: \$20.6 million).

\$54 million secured term loan facility

In November 2010, two wholly-owned subsidiaries of the Company entered into a \$53.7 million secured term loan facility with a bank, secured against two Supramax dry bulk carriers. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and had a term of approximately eight years. This loan was fully repaid in December 2018. The net amount outstanding at December 31, 2018, was \$nil (2017: \$26.3 million).

\$75 million secured term loan facility

In March 2011, three wholly-owned subsidiaries of the Company entered into a \$75.4 million secured term loan facility with a bank, secured against three Supramax dry bulk carriers. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of approximately eight years. The net amount outstanding at December 31, 2018, was \$32.7 million (2017: \$39.0 million).

\$171 million secured term loan facility

In May 2011, eight wholly-owned subsidiaries of the Company entered into a \$171.0 million secured loan facility with a syndicate of banks. The facility is supported by China Export & Credit Insurance Corporation, or SINOSURE, which provides an insurance policy in favor of the banks for part of the outstanding loan. The facility is secured against a 1,700 TEU container vessel and seven Handysize dry bulk carriers. The facility bears interest at LIBOR plus a margin and has a term of approximately ten years from delivery of each vessel. The net amount outstanding at December 31, 2018, was \$73.7 million (2017: \$98.0 million).

\$45 million secured term loan and revolving credit facility

In June 2014, seven wholly-owned subsidiaries of the Company entered into a \$45.0 million secured term loan and revolving credit facility with a bank, secured against seven 4,100 TEU container vessels. The facility bears interest at LIBOR plus a margin and has a term of five years. At December 31, 2018, the available unutilized amount under the revolving part of the facility was \$nil (2017: \$9.0 million). The net amount outstanding at December 31, 2018, was \$45.0 million (2017: \$36.0 million).

\$101 million secured term loan facility

In August 2014, six wholly-owned subsidiaries of the Company entered into a \$101.4 million secured term loan facility with a syndicate of banks, secured against six offshore support vessels. One of the vessels was sold in February 2016 and the facility now relates to the remaining five vessels. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of five years. In October 2017, certain amendments were made to the agreement, including an extension of the final maturity date until January 2023. The net amount outstanding at December 31, 2018, was \$44.1 million (2017: \$44.1 million).

\$20 million secured term loan facility

In September 2014, two wholly-owned subsidiaries of the Company entered into a \$20.0 million secured term loan facility with a bank, secured against two 5,800 TEU container vessels. The facility bears interest at LIBOR plus a margin and has a term of five years. The net amount outstanding at December 31, 2018, was \$20.0 million (2017: \$20.0 million).

\$128 million secured term loan facility

In September 2014, two wholly-owned subsidiaries of the Company entered into a \$127.5 million secured term loan facility with a bank, secured against two 8,700 TEU container vessels, which were delivered in 2014. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of seven years. The net amount outstanding at December 31, 2018, was \$92.4 million (2017: \$100.9 million).

\$128 million secured term loan facility

In November 2014, two wholly-owned subsidiaries of the Company entered into a \$127.5 million secured term loan facility with a bank, secured against two 8,700 TEU container vessels, which were delivered in 2015. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of seven years. The net amount outstanding at December 31, 2018 was \$95.6 million (2017: \$104.1 million).

\$39 million secured term loan facility

In December 2014, two wholly-owned subsidiaries of the Company entered into a \$39.0 million secured term loan facility with a bank, secured against two Kamsarmax dry bulk carriers. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of approximately eight years. The net amount outstanding at December 31, 2018, was \$26.7 million (2017: \$29.1 million).

\$250 million secured revolving credit facility

In June 2015, 17 wholly-owned subsidiaries of the Company entered into a \$250.0 million secured revolving credit facility with a syndicate of banks, secured against 17 tankers chartered to Frontline Shipping. Eight of the tankers were sold and delivered to their new owners prior to December 31, 2017, and the facility was secured against the remaining nine tankers at December 31, 2017. The facility bore interest at LIBOR plus a margin and had a term of three years before prepayment in December 2018. At December 31, 2018, the available amount under the facility was \$nil (2017: \$nil). The net amount outstanding at December 31, 2018, was \$nil (2017: \$149.0 million).

\$166 million secured term loan facility

In July 2015, eight wholly-owned subsidiaries of the Company entered into a \$166.4 million secured term loan facility with a syndicate of banks, secured against eight Capesize dry bulk carriers. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of seven years. The net amount outstanding at December 31, 2018 was \$117.9 million (2017: \$131.7 million).

\$210 million secured term loan facility

In November 2015, three wholly-owned subsidiaries of the Company entered into a \$210.0 million secured term loan facility with a syndicate of banks, to partly finance the acquisition of three container vessels, against which the facility is secured. One of the vessels was delivered in 2015, and the remaining two vessels were delivered in 2016. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of five years from the delivery of each vessel. At December 31, 2018, the net amount outstanding was \$173.9 million (2017: \$187.0 million).

\$76 million secured term loan facility

In August 2017, two wholly-owned subsidiaries of the Company entered into a \$76.0 million secured term loan facility with a bank, secured against two product tanker vessels. The two vessels were delivered in August 2017. The Company has provided a limited corporate guarantee for this facility, which bears interest at LIBOR plus a margin and has a term of seven years. At December 31, 2018, the net amount outstanding was \$69.5 million (2017: \$74.7 million).

The aggregate book value of assets pledged as security against borrowings at December 31, 2018, was \$1,527 million (2017: \$1,908 million).

Agreements related to long term debt provide limitations on the amount of total borrowings and secured debt, and acceleration of payment under certain circumstances, including failure to satisfy certain financial covenants. As of December 31, 2018, the Company is in compliance with all of the covenants under its long term debt facilities. In addition, the \$101.4 million secured term loan facility entered into in August 2014 contains certain financial covenants on Solship. As at December 31, 2018, Solship was in compliance with all covenants under the loan agreement.

6.4 Strategy

The Company's primary objectives are to profitably grow its business and increase long term distributable cash flow per share by pursuing the following strategies:

- *Expanding the asset base.* The Company has increased, and intend to further increase, the size of the asset base through timely and selective acquisitions of additional assets that the Company believe will be accretive to long term distributable cash flow per share. SFL seek to expand the asset base through placing newbuilding orders, acquiring new and modern second hand vessels and entering into medium or long term charter arrangements. SFL believe that by entering into newbuilding contracts or acquiring modern second hand vessels or rigs the Company can provide for long term growth of the assets and continue to increase the quality of the fleet.
- *Diversifying the asset base.* Since 1 January 2005, the Company has diversified the asset base from only crude oil tankers, to nine asset types including container vessels, car carriers, drybulk carriers, crude tankers, chemical tankers, product tankers, jack-up drilling rigs, ultra deepwater drilling units and offshore supply vessels. SFL believes that there are several attractive markets that could provide the opportunity to continue to diversify the asset base. These markets include vessels and assets that are of long term strategic importance to certain operators in the shipping industry.
- *Expand and diversify the customer relationships.* Since 1 January 2005, the Company has increased its customer base from one to diversified customer base. SFL intend to continue to expand the relationships with the existing customers and also to add new customers, as companies servicing the international shipping and offshore oil exploration markets continue to expand their use of chartered-in assets to add capacity and flexibility.
- *Pursue medium to long term fixed-rate charters.* The Company intends to continue to pursue medium to long term fixed rate charters, which provide SFL with stable future cash flows. The customers typically employ long term charters for strategic expansion as most of the assets are typically of strategic importance to certain operating pools, established trade routes or dedicated oil-field installations. In addition, SFL will also seek to enter into charter agreements that are shorter and provide for profit sharing, such that the Company can generate incremental revenue and share in the upside during strong markets.

The long term strategy of the Company is to continue building the distribution capacity on the back of an asset portfolio consisting of high-quality vessels and strong counterparties, diversified across its key market sector. The Company's diversified asset approach gives it the opportunity to

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benchmark transactions across its main markets and SFL believes this will enable the Company to generate a superior return over time compared to focusing on one sector only.

6.5 Competitive overview

The Company currently operates in several sectors of the shipping and offshore industry, including crude oil transportation, oil products, drybulk shipments, chemical transportation, container transportation, car transportation, drilling rigs and offshore supply vessels.

The markets for international seaborne oil transportation services, drybulk transportation services, and container and car transportation services are highly fragmented and competitive. Seaborne oil transportation services are generally provided by two main types of operators: major oil companies or captive fleets (both private and state-owned) and independent ship-owner fleets.

In addition, several owners and operators pool their vessels together on an ongoing basis, and such pools are available to customers to the same extent as independently owned and operated fleets. Many major oil companies and other commodity carriers also operate their own vessels and use such vessels not only to transport their own cargoes but also to transport cargoes for third parties, in direct competition with independent owners and operators.

Container vessels and car carriers are generally operated by logistics companies, where the vessels are used as an integral part of their services. Therefore, container vessels and car carriers are typically chartered more on a period basis and single voyage chartering is less common. As the market has grown significantly over recent decades, the Company expects to see more vessels chartered by logistics companies on a shorter term basis in the future, particularly smaller vessels.

The Company's jack-up drilling rigs, ultra deepwater drilling units and offshore supply vessels are chartered out on long term charters to contractors, and SFL is therefore not directly exposed to the short term fluctuation in these markets. Jack-up drilling rigs, ultra deepwater drilling units and offshore supply vessels are normally chartered by oil companies on a shorter-term basis linked to area-specific well drilling or oil exploration activities, but there have also been longer period charters available when oil companies want to cover their longer term requirements for such vessels. Offshore supply vessels, ultra deepwater drillships and semi-submersible drilling rigs are self-propelled, and can therefore easily move between geographic areas. Jack-up drilling rigs are not self-propelled, but it is common to move these assets over long distances on heavy-lift vessels. Therefore, the markets and competition for these rigs are effectively world-wide.

Competition for charters in all the above sectors is intense and is based upon price, location, size, age, condition and acceptability of the vessel/rig and its manager. Competition is also affected by the availability of other size vessels/rigs to compete in the trades in which the Company engage. Most of the Company's existing vessels are chartered at fixed rates on a long term basis and are thus not directly affected by competition in the short term. However, tankers chartered to the Frontline Charterers and drybulk carriers chartered to Golden Ocean charters are subject to profit sharing agreements, which will be affected by competition experienced by the charterers.

7. Administrative, management and supervisory bodies

7.1 The Board of Directors

As of the date of this Registration Document, the Company's Board of Directors consists of five members. The business address for each of the directors in relation to their directorships in the Company is Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM 08, Bermuda.

Director of the Company – Bert Bekker

Mr. Bekker has been a Director of the Company since May 2015. Mr. Bekker has been in the heavy marine transport industry since 1978 when he co-founded Dock Express Shipping Rotterdam, the predecessor of Dockwise Transport. He retired from his position as CEO of Dockwise Transport B.V. in May 2003. Mr. Bekker served as CEO of Cablesip Contractors N.V. Curacao from March 2001 until June 2006. In May 2006, Mr. Bekker was appointed Executive Advisor Heavy Lift of Frontline Management AS, an affiliate of Frontline, and in January 2007, he was appointed CEO of Sealift Management B.V. He held that position until its merger with Dockwise Ltd in May 2007. He served as a director of Dockwise Ltd. from June 2007 until December 2009.

Director of the Company – Gary Vogel

Mr. Vogel has been a director of the Company since December 2016. He currently serves as Chief Executive Officer and Director of Eagle Bulk Shipping Inc., a U.S listed owner and operator of geared dry bulk vessels. From 2000 to 2015, Mr. Vogel held various positions in Clipper Group Ltd., last as Chief Executive Officer. Mr. Vogel graduated from the U.S. Merchant Marine Academy in 1988 with a Bachelor of Science degree in Marine Transportation as well as a U.S. Coast Guard Unlimited Tonnage 3rd Officers License. Subsequently, he served as an officer in the U.S. Naval Reserve. Mr. Vogel is currently on the Lloyd's Register North America Advisory Committee.

Director of the Company – Keesjan Cordia

Mr. Cordia has been a Director of the Company since September 2018. Mr. Cordia is a private investor with a background in Economics and Business Administration. Mr. Cordia holds several board and advisory board positions in the Oil & Gas Industry, among which: board member of Workshops group B.V (2006), board member of Combifloat B.V (2013). and board member of Kerrco Inc (2017). He recently became Chairman of the board of Oceanteam ASA (April 2018). From 2006-2014 he was CEO at Seafox (Offshore Services). Mr. Cordia is founder and Managing Partner of Invaco Management B.V., an investment firm based in Amsterdam. He is also an advisor to Parcom Capital and member of the investor committee of Connected Capital, both Private Equity firms.

Director of the Company – James O'Shaughnessy

Mr. O'Shaughnessy has been a Director of the Company since September 2018. Mr. O'Shaughnessy has been an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited since March 26, 2012. Prior to that Mr. O'Shaughnessy has amongst other served as Chief Financial Officer in the Bermuda operations of Flagstone Reinsurance Holdings SA and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College, Cork, Ireland in the year 1981 to 1985 and is both a Fellow of the Institute of Chartered Accountants of Ireland and an Associate Member of the Chartered Insurance Institute of the UK. Mr. O'Shaughnessy earned a Master's Degree in Accounting from University College Dublin in the year 1985 to 1986.

Director of the Company – Ole B. Hjertaker

Ole B. Hjertaker has been a Director of the Company since October 2019. Mr. Hjertaker has served as Chief Executive Officer of the Company since 2009, and served as Chief Financial Officer from 2006 to 2009. Prior to joining SFL, Mr. Hjertaker was employed in the Corporate Finance division of DNB Markets, a leading shipping and offshore bank. Mr. Hjertaker has extensive corporate and investment banking experience, mainly within the Maritime and Transportation industries, and holds a Master of Science degree from the Norwegian School of Economics and Business Administration

7.2 Management

The Company's management comprises of four members. The business address of each of the below in relation to their positions in the Company is Bryggegata 3, 0112 Oslo, Norway.

Chief Executive Officer – Ole B. Hjertaker

Mr. Hjertaker has served SFL Management AS as Chief Executive Officer since July 2009, prior to which he served as Chief Financial Officer from September 2006. Mr. Hjertaker also served SFL Management AS as Interim Chief Financial Officer between July 2009 and January 2011. Prior to joining SFL, Mr. Hjertaker was employed in the Corporate Finance division of DnB NOR Markets, a leading shipping and offshore bank. Mr. Hjertaker has extensive corporate and investment banking experience, mainly within the maritime/transportation industries.

Chief Financial Officer – Aksel C. Olesen

Mr. Olesen joined SFL in January 2019 serving as Chief Financial Officer. Prior to joining SFL, he spent 12 years at Pareto Securities where he worked in various positions in the firm's investment banking division, including as Head of Investment Banking Asia in Singapore from 2011 to 2014 and most recent as Head of Shipping and Offshore Project Finance. Mr. Olesen started his career working for the shipping company Kristian Jebsens Rederi as part of the legal, business development and finance team. Mr. Olesen holds a Law Degree from the University of Bergen.

Chief Operating Officer – Trym Otto Sjølie

Mr. Sjølie joined SFL in January 2018 as Chief Operating Officer. Mr. Sjølie has a background spanning 25 years in the shipping industry in diverse capacities, ranging from asset management, technical and operational management, chartering and engineering. Prior to joining SFL, Mr. Sjølie served as the Managing Director of a shipping fund with a diverse fleet of vessels across multiple asset classes. He previously worked for Höegh Autoliners, a leading international car carrier operator, from 1998 to 2010. Mr. Sjølie also has experience in vessel design and operations of shuttle tankers, FSOs and FPSOs. Mr. Sjølie holds a Master of Science degree in Marine engineering and Naval Architecture from the Norwegian University of Science and Technology (NTNU) and a Master of Management Degree from BI Norwegian Business School.

Chief Accounting Officer – Thecla Panagides

Mrs. Panagides joined SFL in July 2010 serving as Chief Accounting Officer. Mrs. Panagides holds an Honour's degree in Accounting and Finance from the University of Birmingham and is a member of the Institute of Chartered Accountants in England and Wales, having obtained professional qualification as a chartered accountant in 1988. Mrs. Panagides joined SFL from Frontline Corporate Services where she had served as Chief Accountant to the Group since 2008. Prior to this she was employed for five years at Coca-Cola Hellenic where she was in charge of Accounting Research for the entire group and prior to this she served as a Senior Manager in Ernst & Young where she was employed for eight years.

7.3 Audit committee

The Company's Board of Directors has established an audit committee which currently is composed by James O'Shaughnessy. The primary purposes of the audit committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance. The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

Chairperson of the Audit Committee – James O'Shaughnessy Mr. O'Shaughnessy has been a Director of the Company since September 2018. Mr. O'Shaughnessy has been an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited since March 26, 2012. Prior to that Mr. O'Shaughnessy has amongst other served as Chief Financial Officer in the Bermuda operations of Flagstone Reinsurance Holdings SA and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College, Cork, Ireland in the year 1981 to 1985 and is both a Fellow of the Institute of Chartered Accountants of Ireland and an Associate Member of the Chartered Insurance Institute of the UK. Mr. O'Shaughnessy earned a Master's Degree in Accounting from University College Dublin in the year 1985 to 1986.

The member of the audit committee can be reached at Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda.

7.4 *Shares held by the Board of Directors and the management*

The beneficial interests of the members of the Board of Directors and the management in the Company's common shares as of 26 March 2019 are as follows:

| Director or Officer | Beneficial interest in Common Shares of \$0.01 each | Additional interest in options to acquire Common Shares which have vested | Percentage of Common Shares Outstanding |
|----------------------------|--|--|--|
| James O'Shaughnessy | — | — | * |
| Gary Vogel | — | — | * |
| Bert Bekker | — | 10,000 | * |
| Ole B. Hjertaker | 91,840 | 92,333 | * |
| Keesjan Cordia | — | — | * |
| Aksel C. Olesen | — | — | * |

*Less than one percent

7.5 *Conflict of interest*

The Company's principal shareholders, Hemen Holding Ltd. and Farahead Investment Inc., which the Company refers to jointly as Hemen, are indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family. Hemen, and companies associated with Hemen, also have significant shareholdings in Frontline Ltd., Seadrill Ltd. and Golden Ocean Group Ltd., which are all SFL's customers and/or suppliers. In addition, North Atlantic Linus Ltd., which is one of the Company's customers, is a wholly-owned subsidiary of North Atlantic Drilling Ltd., itself a subsidiary of Seadrill Ltd.

The Company depends on directors who are associated with affiliated companies, which may create conflict of interest. Currently, James O'Shaughnessy is also a director of Frontline and Golden Ocean.

Mr. O'Shaughnessy owe fiduciary duties to the shareholders of each company and may have conflicts of interest in matters involving or affecting SFL and its customers. In addition, due to any ownership he may have in common shares of Frontline or Golden Ocean, the director may have conflicts of interest when faced with decisions that could have different implications for Frontline or Golden Ocean than for SFL. The Company cannot assure that any of these conflicts of interest will be resolved in the Company's favor.

Information on related party transactions is disclosed in section B on page 82 in the 2018 SFL Annual Report. Please see the cross reference list in section 11 in this Registration Document.

Other than as described above, there are no potential conflicts of interests between any duties to the Company of the members of the Board of Directors or the management, and their private interests or other duties.

7.6 Corporate governance

The Company is a Bermuda based company which is incorporated under the Bermuda Law of 1981, and is therefore not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, pursuant to Section 303.A.11 of the NYSE Listed Company Manual, the Company is required to state any significant differences between their corporate governance practices and the practices required by the NYSE. The Company believes that its established practices in the area of corporate governance are in line with the spirit of the NYSE standards and provide adequate protection to the Company's shareholders.

8. Major shareholders

The following table presents certain information as of 21 March 2019 regarding the ownership of the Company's Common Shares with respect to each shareholder whom the Company knows to beneficially own more than five percent of its outstanding Common Shares.

| Owner | Number of Common Shares | Percent of Common Shares |
|---------------------|--------------------------------|---------------------------------|
| Hemen ¹⁾ | 26,918,687 | 22.5% |

1) Reference to "Hemen" includes Hemen Holding Ltd., which is a Cyprus holding company, and Franklin Enterprises Inc. and Farahead Investment Inc., which are Liberian holding companies. All these three companies are indirectly controlled by trusts established by Mr. John Fredriksen for the benefit of his immediate family. Mr. Fredriksen disclaims beneficial ownership of the above shares of SFL's common stock, except to the extent of his voting and dispositive interests in such shares of common stock. Mr. Fredriksen has no pecuniary interest in the above shares of common stock. Related to the Company's issue in January 2013 of USD 350 million 3.25% convertible senior unsecured bonds due 2018, Hemen Holding Ltd. has loaned the Company up to 6,060,606 of its holding of SFL's shares, so that the Company could in turn lend them to an affiliate of one of the underwriters of the bond issue in order to assist investors in those bonds to hedge their position. These loaned shares were returned in 2016.

The Company's major shareholders have the same voting rights as other shareholders of the Company.

As of the date of this Prospectus, the Company has 435 holders of record in the United States. The Company has a total of 119,391,310 Common Shares outstanding as of this date, including up to 8 000 000 and 7 000 000 treasury shares issued and held by SFL as part of a share lending arrangement in connection with the Company's offering of the 2021 convertible notes and the 2023 convertible notes, respectively.

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

9. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

The consolidated financial statements of SFL are prepared in accordance with accounting principles generally accepted in the United States; US GAAP.

The financial information is incorporated by reference; please see the cross reference list in section 11 in this Registration Document, to as follows:

| | Financial reports | | | |
|-----------------------------|-------------------|------------------|-----------|-----------|
| | 2017 | 2018 | Q2 2019 | Q3 2019 |
| SFL Corporation Ltd. | | | | |
| Income statement | Page F-4/F-5 | Page F-4/F-5 | Page 8 | Page 8 |
| Balance sheet | Page F-6 | Page F-6 | Page 9 | Page 9 |
| Cash flow statement | Page F-7 | Page F-7 | Page 10 | Page 10 |
| Notes | Page F-10 → F-53 | Page F-10 → F-55 | | |
| Accounting principles | Page F-10 → F-16 | Page F-10 → F-18 | | |
| Auditors report | Page F-2 | Page F-2 | Unaudited | Unaudited |

2017: <http://hugin.info/134876/R/2179514/841226.pdf>

2018: <http://hugin.info/134876/R/2240428/883310.pdf>

Q2 2019: <https://ml-eu.globenewswire.com/Resource/Download/1e10a89b-6f48-42c4-bb4d-1bc685b9c307>

Q3 2019: <https://ml-eu.globenewswire.com/Resource/Download/4bf4a65c-4ea0-44dd-8253-2ecde715dd81>

The Company's historical annual financial information as of and for the years ended 31 December 2018 and 2017 has been audited. The historical financial information for the interim reports has not been audited. Consequently, the most recent audited financial information is the consolidated financial statements as of and for the year ended 31 December 2018.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Company and/or Group's financial position or profitability.

The Company and its ship-owning subsidiaries are routinely party, as plaintiff or defendant, to claims and lawsuits in various jurisdictions for demurrage, damages, offhire and other claims and commercial disputes arising from the operation of the vessels, in the ordinary course of business or in connection with its acquisition activities. SFL believes that resolutions of such claims will not have a material adverse effect on the Company's operations or financial conditions.

There are no significant changes in the financial or trading position of the Group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published. Furthermore, there has been no material adverse change in the prospects of the Group since the date of its last published audited financial statements.

There has been no material adverse change in the prospects of the Group since the date of its last published audited financial statements.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

The Company has not entered into material contracts outside the ordinary course of the Company's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Company's ability to meet its obligation to security holders in respect of the securities being issued.

The Company has not sourced any information in this Registration Document from third parties.

10. Documents on display

For the life of this Registration Document the following documents (or copies thereof), where applicable, may be physically inspected:

- (a) the memorandum and articles of association of the Company;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Registration Document;
- (c) the historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

The documents may be inspected at <http://www.sflcorp.com> or at the Company's Bermudian office at 14 Par-la-Ville Road, Hamilton HM08, Bermuda.

11. Cross reference list

In section 7 in this Registration Document, information on related party transactions is incorporated by reference to section B on page 82 in the Company's Annual Report for 2018.

In section 10 in this Registration Document, the financial information is incorporated by reference as follows:

| | Financial reports | | | |
|-----------------------------|-------------------|------------------|-----------|-----------|
| | 2017 | 2018 | Q2 2019 | Q3 2019 |
| SFL Corporation Ltd. | | | | |
| Income statement | Page F-4/F-5 | Page F-4/F-5 | Page 8 | Page 8 |
| Balance sheet | Page F-6 | Page F-6 | Page 9 | Page 9 |
| Cash flow statement | Page F7 | Page F-7 | Page 10 | Page 10 |
| Notes | Page F-10 → F-53 | Page F-10 → F-55 | | |
| Accounting principles | Page F-10 → F-16 | Page F-10 → F-18 | | |
| Auditor's report | Page F-2 | Page F-2 | Unaudited | Unaudited |

Information concerning the Company's 2017 figures is incorporated by reference from the Company's Annual Report 2017.

Information concerning the Company's 2018 figures is incorporated by reference from the Company's Annual Report 2018.

Information concerning the Company's 2019 – Q2 figures is incorporated by reference from the Company's Q2 2019 report.

Information concerning the Company's 2019 – Q3 figures is incorporated by reference from the Company's Q3 2019 report.

The Company's financial reports are available at:

2017: <http://hugin.info/134876/R/2179514/841226.pdf>

2018: <http://hugin.info/134876/R/2240428/883310.pdf>

Q2 2019: <https://ml-eu.globenewswire.com/Resource/Download/1e10a89b-6f48-42c4-bb4d-1bc685b9c307>

Q3 2019: <https://ml-eu.globenewswire.com/Resource/Download/4bf4a65c-4ea0-44dd-8253-2ecde715dd81>