



Prospectus Supplement

**to Registration Document
dated 29 May 2018**

Ship Finance International Limited

30 October 2018

Words with a capital initial letter in this prospectus supplement (the "**Prospectus Supplement**") are defined under "Definitions" in section 3 in the Registration Document for Ship Finance International Limited dated 29 May 2018 (the "**Registration Document**"), except for the following definition:

The Bonds - The Company's NOK 600,000,000 Senior Unsecured Bond Issue due 2023 with ISIN NO 0010831597

1. Risk factors

(to amend certain paragraphs in section 1.5 "Financial risks" of the Registration Document)

Foreign currency risk management

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 NOK 900 million senior unsecured bonds due 2019, the NOK 500 million senior unsecured bonds due 2020 and the NOK 600 million Senior Unsecured Bonds due 2023.

Borrowing and leverage

The Company has significant indebtedness outstanding under its NOK 900 million Senior Unsecured Bonds due 2019, NOK 500 million Senior Unsecured Bonds due 2020, 5.75% Convertible Senior Notes due 2021, 4.875% Convertible Senior Notes due 2023 and NOK 600 million Senior Unsecured Bonds due 2023. The Company has also entered into bank loan facilities that it has used to refinance existing indebtedness and to acquire additional assets. The Company may need to refinance some or all of its indebtedness on maturity of its convertible notes, bonds or bank loan facilities and to acquire additional assets in the future. The Company cannot assure that it will be able to do so on terms acceptable to itself or at all. If the Company cannot refinance its indebtedness, it 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. In such a case, the Company may not be able to pay dividends to its shareholders and may not be able to grow its asset base as planned. The Company may also incur additional debt in the future.

2. Information about the Issuer

(to amend certain paragraphs in section 5.1 "General" of the Registration Document)

As of the date of this Prospectus Supplement, the Company's main assets consist of 86 vessels, including 6 crude oil tankers (VLCC and Suezmax), 2 chemical tankers, 2 product tankers, 22 dry-bulk carriers, 43 container vessels, 2 car carriers, 5 offshore supply vessels, 2 jack-up drilling rigs and 2 ultra-deepwater semi-submersible drilling rigs. The Company's oil tankers and chemical tankers are all double-hull vessels.

(to amend certain paragraphs in section 5.2 "Organizational structure" of the Registration Document)

Below is a list of the Company's significant subsidiaries as of the date of this Prospectus Supplement:

Name	Vessel / Activity	Incorporation	Ownership Percentage
Rig Finance Ltd.	Soehanah	Bermuda	100 %
Front Baldur Inc.	Everbright	Liberia	100 %
Front Falcon Corp.	Front Falcon	Liberia	100 %
Front Heimdall Inc	Glorycrown	Liberia	100 %
Hitachi Hull # 4983 Corporation	Front Hakata	Liberia	100 %
Ship Finance Management AS	Management company	Norway	100 %
Ship Finance Management (UK) Limited	Management company	United Kingdom	100 %
Ship Finance 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 (ex Sea Alfa)	Malta	100 %
SFL Ace II Ltd.	Green Ace (ex Sea Beta)	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.	Glovis 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.	Sinchart 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 Skarstind	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 %

(to amend certain paragraphs in section 5.3 "History" of the Registration Document)

In April 2018, 15 feeder size container vessels were delivered to the Company ranging in size from 1,100-4,400 TEU. Upon delivery, the vessels immediately commenced seven year fixed rate bareboat charters with an unrelated third party.

In April and May 2018, the Company issued \$164 million aggregate principal amount of Convertible Senior Notes due 2023. The notes pay interest quarterly in arrears at a rate of 4.875% per annum, have a term of five years, 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 April 2018, the Company awarded employees with options to acquire 83,000 shares. The options have a five year term and a three year vesting period and the first options will be exercisable from April 2019 onwards. The initial strike price is \$14.67 per share.

In May 2018, the Company closed the sale of the 1,700 TEU container vessel *SFL Avon* and delivered the vessel to an unrelated third party for proceeds of approximately \$12.5 million.

In May 2018, the Company acquired and took delivery of four 2014 built container vessels, each with approximately 14,000 TEU carrying capacity. The vessels are employed under long term time-charters to an unrelated third party. Consideration paid includes cash and approximately 4 million newly issued shares in the Company.

On July 2, 2018, Seadrill announced that it had emerged from Chapter 11 after successfully completing its reorganization pursuant to its Chapter 11 plan of reorganization (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 July 2018, the Company agreed to sell its fully owned subsidiary, Rig Finance Limited to an unrelated third party. Rig Finance Limited owns the jack up drilling rig *Soehanah*, which is currently employed under a bareboat charter until June 2019. Delivery to the new owner is expected to occur at a later point in time.

In July 2018, the Company agreed to sell the three 2002-built VLCCs, *Front Page*, *Front Stratus* and *Front Serenade* to ADS Crude Carriers Ltd. ("ADS"), a newly established company in which Ship Finance has acquired a 17% interest. Net proceeds from the sale were approximately \$77.6 million, including \$10.1 million charter termination compensation received from Frontline Ltd. in the form of interest-bearing loan notes. The vessels were delivered to ADS in July, August and September 2018, respectively.

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In July 2018, the Company and other financial creditors entered into a restructuring agreement with a subsidiary of Solstad where 50% of the agreed charter hire for the two vessels *Sea Cheetah* and *Sea Jaguar* will be received until the end of 2019. All other payments under the respective charters, including the remaining 50% on *Sea Cheetah* and *Sea Jaguar*, will be deferred until the end of 2019.

In August 2018, the Company agreed to acquire three 10,600 TEU container vessels in combination with long term charters to Maersk, two of which were delivered in September and one which was delivered in October, 2018. In connection with the acquisition, the Company entered into a \$200 million intermediary secured credit facility to part finance the acquisition. The facility bears interest at LIBOR plus a margin and has a term of 13 months.

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.

On August 22, 2018, the Board of Directors of the Company declared a dividend of \$0.35 per share, which was paid in cash on or around September 27, 2018.

In October, 2018 the Company announced that it had agreed to sell the 2001-built VLCC *Front Ariake* and delivered the vessel to an unrelated third party.

3. Business overview

(to amend certain paragraphs in section 6.1 "Principal activities" of the Registration Document)

Ship Finance International Limited is a major maritime asset owning company incorporated on Bermuda and listed on the New York Stock Exchange. As of this date, the Company has a fleet of 86 vessels, including 6 crude oil tankers (VLCC and Suezmax), 2 chemical tankers, 2 product tankers, 22 dry-bulk carriers, 43 container vessels, 2 car carriers, 5 offshore supply vessels, 2 jack-up drilling rigs and 2 ultra-deepwater semi-submersible drilling rigs.

THE FLEET



- 4 drilling units
 - 2 x Jack-up drilling rigs
 - 2 x UDW semi-submersible



- 45 liner vessels
 - 43 x Container vessels
 - 2 x Car carriers



- 10 tankers
 - 4 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 Falcon	Frontline (T/C)	BS	2002	DH	308 875
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

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 Triniyt	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
Western Houston	Western Bulk (T/C)	HK	2012	32 000
Western Copenhagen	Western Bulk (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	Glovis (T/C)	HK	2010	57 000
SFL Sara	Glovis (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	Sinochart (T/C)	HK	2012	82 000
Min Sheng 1	Sinochart (T/C)	HK	2012	82 000

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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 Zhejiang	Golden Ocean	HK	2010	175 834
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	Hamburg Süd (T/C)	MI	2014	8,700 TEU
San Felix	Hamburg Süd (T/C)	MI	2014	8,700 TEU
San Fernando	Hamburg Süd (T/C)	MI	2015	8,700 TEU
San Francisca	Hamburg Süd (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
15 Container Vessels ⁽¹⁾				1,100-4,400 TEU

Offshore

Type	Vessel	Charterer	Flag	Built	Size
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 Linus	North Atlantic Drilling (B/B)	Norway	2014	450 ft
Jack Up	Soehanah	Short term (B/B)	Panama	2007	375 ft
PSV	Sea Pike	Subsidiary of Solstad Farstad (B/B)	Cyprus	2007	UT755L
PSV	Sea Halibut	Subsidiary of Solstad Farstad (B/B)	Cyprus	2007	UT755L
AHTS	Sea Leopard	Subsidiary of Solstad Farstad (B/B)	Cyprus	1998	15 000 BHP
AHTS	Sea Cheetah	Subsidiary of Solstad Farstad (B/B)	Cyprus	2007	15 000 BHP
AHTS	Sea Jaguar	Subsidiary of Solstad Farstad (B/B)	Cyprus	2007	15 000 BHP

Chemical

Vessel	Charterer	Flag	Built	Size
Maria Victoria V	Sinochem (B/B)	Panama	2008	17 000
SC Guangzhou	Sinochem (B/B)	Panama	2008	17 000

Car Carriers

Vessel	Charterer	Flag	Built	Size
Glovis 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.

(to amend certain paragraphs in section 6.2 "Operations" of the Registration Document)

As of 30 June 2018, and adjusted for subsequent acquisitions and divestments, the fixed rate charter backlog from the Company's fleet of 86 vessels and rigs was approximately \$3.6 billion, with an average remaining charter term of 5 years, or nearly 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.

Tankers

As of the date of this Prospectus Supplement, as the Company subsequent to 30 June 2018 has divested of four tanker vessels, the Company's fleet consists of 10 tankers which includes four VLCC tankers, two Suezmax tankers, two product tankers and two chemical tankers.

Liner Vessels

As of the date of this Prospectus Supplement, as the Company subsequent to 30 June 2018 has acquired three vessels, the Company has a fleet of 43 container vessels and two car carriers. All container vessels are employed on long term charters.

In May 2018, the Company acquired and took delivery of four 2014 built container vessels, each with approximately 14,000 TEU carrying capacity. The vessels are employed under long term time charters to Evergreen.

In August 2018, the Company agreed to acquire three 10,600 TEU container vessels in combination with long term charters, two of which were delivered during September and one which was delivered in October, 2018.

Offshore Vessels and Drilling Units

The Company owns five offshore vessels and four drilling rigs. All offshore vessels are chartered on long term charters until 2027 to Deep Sea Supply Shipowning II AS, an indirect wholly owned subsidiary of Solship Invest 3 AS which is in turn a wholly owned subsidiary of Solstad Farstad ASA ("**Solstad Farstad**"). The vessels are currently idle or sub-contracted by Deep Sea Supply in the spot market.

(to amend certain paragraphs in section 6.3 "Financing" in the Registration Document)

As of 30 June 2018, the Company had total short term and long term debt principal outstanding of USD 1.9 billion.

The outstanding debt as of 30 June 2018 is repayable as follows:

<i>(in thousands of \$)</i>	June 30, 2018	December 31, 2017
Long-term debt:		
3.25% senior unsecured convertible bonds due 2018	—	63,218
NOK900 million senior unsecured floating rate bonds due 2019	92,867	92,477
5.75% senior unsecured convertible bonds due 2021	225,000	225,000
NOK500 million senior unsecured floating rate bonds due 2020	61,259	61,001
4.875% senior unsecured convertible bonds due 2023	164,000	—
\$320 million unsecured intermediary loan facility	320,000	—
Total Fixed Rate Debt	863,126	441,696
U.S. dollar denominated floating rate debt (LIBOR plus margin) due through 2025	1,080,978	1,081,204
Total debt principal	1,944,104	1,522,900
Less: Unamortized debt issuance costs	(27,974)	(18,893)
Less: Current portion of long-term debt	(734,438)	(313,823)
Total long-term debt	1,181,692	1,190,184
2018 (remaining six months)		207,005
2019		600,532
2020		197,683
2021		474,447
2022		197,626
Thereafter		266,811
Total debt principal		1,944,104

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The weighted average interest rate for floating rate debt denominated in U.S. dollars and Norwegian kroner was 4.45% per annum at 30 June 2018 (31 December 2017: 4.26%). This rate takes into consideration the effect of related interest rate swaps. At 30 June 2018, the three month US Dollar London Interbank Offered Rate, or LIBOR, was 2.336% (31 December 2017: 1.694%) and the Norwegian Interbank Offered Rate, or NIBOR, was 0.98% (31 December 2017: 0.81%).

In addition to the bond loans listed in section 6.3 of the Registration Document, the Company has issued the following bond loans:

4.875% senior unsecured convertible bonds due 2023

On 23 April 2018, the Company issued a senior unsecured convertible bond loan totaling \$150.0 million. Additional bonds were issued on 4 May 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 1 February, 1 May, 1 August and 1 November. The bonds are convertible into Ship Finance International Limited common shares and mature on 1 May 2023. The net amount outstanding at 30 June 2018 was \$164.0 million (31 December 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 and as of 30 June 2018, the conversion rate was 54.0658, equivalent to a conversion price of approximately \$18.50 per share.

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 30 June 2018, a total of 3,765,842 shares were lent out from this share lending facility.

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 \$0.3 million in the six months ended 30 June 2018 (31 December 2017: \$nil).

\$320 million unsecured intermediary loan facility

In May 2018, four wholly-owned subsidiaries of the Company entered into a \$320.0 million unsecured loan facility provided by Sterna Finance Ltd., an affiliate of Hemen Holdings Ltd., a related party. The unsecured intermediary loan facility was entered into to partly fund the acquisition of four 14,000 TEU container vessels acquired in May 2018. The Company has provided a corporate guarantee for this loan facility, which has a fixed interest rate, is non-amortizing and has a term of 13 months from the drawdown date of the loan.

\$50 million secured term credit facility

In June 2018, 15 wholly-owned subsidiaries of the Company entered into a \$50.0 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.

4. Administrative, management and supervisory bodies

(to amend certain paragraphs in section 7.1 "The Board of Directors" in the Registration Document)

As of the date of this Prospectus Supplement, the Company's Board of Directors consists of the following five members:

Director of the Company – Harald Thorstein

Mr. Thorstein is currently employed by Seatankers Consultancy Services in London. Mr. Thorstein's experience includes corporate finance advisory services in DNB Markets, a part of DNB Bank ASA, where he focused on the offshore and shipping sectors. Prior to that Mr. Thorstein was partner in the strategic advisory firm Arkwright. Mr. Thorstein has a Master of Science degree within Industrial Economics and Technology Management from the Norwegian University of Technology and Science.

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. Mr. Bekker currently serves as a director of Seadrill Partners LLC.

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.

(to amend certain paragraphs in section 7.3 "Audit committee" in the Registration Document)

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 26 March 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.

5. Major shareholders

(to amend certain paragraphs in section 8 "Major shareholders" in the Registration Document)

As of the date of this Prospectus Supplement, the Company has 415 holders of record in the United States. The Company has a total of 119,372,364 Common Shares outstanding as of this date, including up to 15 000 000 treasury shares issued as part of share lending arrangements in connection with the Company's offering of the 2021 Convertible Notes and the 2023 Convertible Notes respectively.

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

(to amend certain paragraphs in section 9 "Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses" in the Registration Document)

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

The financial information in the Registration Document has been updated and been incorporated by reference in this Prospectus Supplement; please see the cross reference list in section 7 in this Prospectus Supplement, to as follows:

	Financial reports			
	2016	2017	Q1 2018	Q2 2018
Ship Finance International Ltd.				
Income statement	Page F-3/F-4	Page F-4/F-5	Page 7	Page 7
Balance sheet	Page F-5	Page F-6	Page 8	Page 8
Cash flow statement	Page F-6/F7	Page F-7	Page 9	Page 9
Notes	Page F-10 → F-46	Page F-10 → F-53		
Accounting principles	Page F-10 → F-16	Page F-10 → F-16		
Auditors report	Page F-2	Page F-2	Unaudited	Unaudited

2016: <http://hugin.info/134876/R/2096134/793068.pdf>

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

Q1 2018: <http://hugin.info/134876/R/2196467/851226.pdf>

Q2 2018: <http://hugin.info/134876/R/2212261/862447.pdf>

The Company's historical annual financial information as of, and for the years ended 31 December 2016 and 2017 has been audited. The historical financial information for the interim reports for Q1 2018 and Q2 2018 has not been audited.

The Company's auditor, Moore Stephens P.C, has audited the Company's financial statements as of, and for the years ended 31 December 2016 and 2017. Other than this, Moore Stephens P.C has not audited or reviewed any other information in this Supplement Prospectus.

The Company has not sourced any information in this Supplement Prospectus from third parties.

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.

7. Cross reference list

In section 6 in this Prospectus Supplement, the financial information is incorporated by reference as follows:

	Financial reports			
	2016	2017	Q1 2018	Q2 2018
Ship Finance International Ltd.				
Income statement	Page F-3/F-4	Page F-4/F-5	Page 7	Page 7
Balance sheet	Page F-5	Page F-6	Page 8	Page 8
Cash flow statement	Page F-6/F7	Page F-7	Page 9	Page 9
Notes	Page F-10 → F-46	Page F-10 → F-53		
Accounting principles	Page F-10 → F-16	Page F-10 → F-16		
Auditor's report	Page F-2	Page F-2	Unaudited	Unaudited

Information concerning the Company's 2016 figures is incorporated by reference from the Company's Annual Report 2016.

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

Information concerning the Company's 2018 – Q1 figures is incorporated by reference from the Company's Q1 2018 report.

Information concerning the Company's 2018 – Q2 figures is incorporated by reference from the Company's Q2 2018 report.

Information concerning the Company's 2018 – Q1 figures is incorporated by reference from the Company's Q1 2018 report on form 6-K, as filed with the Securities and Exchange Commission on 18 July 2018.

Information concerning the Company's 2018 – Q2 figures is incorporated by reference from the Company's Q2 2018 report on form 6-K, as filed with the Securities and Exchange Commission on 21 September 2018.

The Company's financial reports are available at:

2016: <http://hugin.info/134876/R/2096134/793068.pdf>

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

Q1 2018: <http://hugin.info/134876/R/2196467/851226.pdf>

Q2 2018: <http://hugin.info/134876/R/2212261/862447.pdf>

6-K Q1 2018: <https://www.sec.gov/Archives/edgar/data/1289877/000128987718000023/sfl6k-march312018.htm>

6-K Q2 2018: <https://www.sec.gov/Archives/edgar/data/1289877/000128987718000037/sfl6k-june302018.htm>

8. Documents on display

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

- the memorandum and articles of association of the Company;
- 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 the Registration Document and the Supplement Prospectus;
- 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.shipfinance.bm> or at the Company's Bermudian office at 14 Par-la-Ville Road, Hamilton HM08, Bermuda.

9. Persons responsible

Persons responsible for the information

Persons responsible for the information given in this Prospectus Supplement are as follows:

Ship Finance International Limited
Par-la-Ville Place, 14 Par-la-Ville Road, Hamilton, HM08, Bermuda
Post Address: P.O. Box HM 1593, Hamilton, HM08, Bermuda.

Declaration by persons responsible

This Prospectus Supplement has been prepared by Ship Finance International Limited 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 Prospectus Supplement is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

30 October 2018

Ship Finance International Limited