

**PRELIMINARY INDICATIVE TERMSHEET  
(FOR INFORMATIVE PURPOSE ONLY, Please see page 2.)**

**Mare Baltic PCC Limited**

**Class A Floating Rate Limited Recourse Secured Asset Backed Notes due  
2010/2015**

Issuer:	<b>2005-1 Cell of Mare Baltic PCC Limited, Guernsey</b> , a company incorporated under the Guernsey Companies Laws and the Protected Cell Companies Ordinances.	<b>Senior</b>
Series:	Series <b>2005-1 ISIN 0030015128</b>	
Arranger:	HSH Nordbank AG, Copenhagen Branch	<b>Mezz.</b>
Dealer:	HSH Nordbank AG, Copenhagen Branch	
Paying, Issue and VP Agent:	HSH Nordbank AG, Copenhagen Branch	<b>Junior</b>
Custodian:	HSH Nordbank AG, Copenhagen Branch	
Listing Agent:	HSH Nordbank AG, Copenhagen Branch	
Note Trustee:	Law Debenture Trust Corporation p.l.c. England	
Corporate Administrator & Servicer:	Newhaven Trust Company (CI) Limited, Guernsey	
Face Value:	Senior tranche, EUR 201,600,000	
Form of certificate:	Negotiable Dematerialised Notes	
Ranking:	- Senior to the Class B 2% Limited Recourse Secured Mezzanine Notes due 2010/2015 and - Senior to the Class C 2% Limited Recourse Secured Junior Notes due 2010/2015	
Denomination & size:	EUR 0.01	
Issue price:	Par	
Redemption price:	100	
Term:	The Issuer has a call option on the bond at par in November 2010 (5 years) and on each interest payment date thereafter until the final maturity date in November 2015. One or more of the underlying assets can prolong until November 2015 based on higher interest rates and amended conditions.	
Effective date:	1 November 2005	
Maturity:	1 November 2015 (callable from 1 November 2010)	
Coupon frequency:	Semi-annual	
Collateral:	The Notes will be limited in recourse to the proceeds of 22 subordinated term-loans to Nordic financial institutions, (the "Repackaging Assets")	
Coupon:	6 months Euribor + 0.38 b.p. for the first 5 years paid semi-annually. Step-up after year 5. Size of step-up's is dependent upon number of borrowers deciding not to prepay the Repackaging Assets and EURIBOR level at that point in time. (Currently expected to be between 0%-1% per annum)	
Interest Payment Date:	1 May and 1 November	
Day Count Fraction:	Actual / 360	
Business Day Convention:	Modified Following Business Day Convention	
Documentation:	Available 3 November 2005	
Provisional Rating:	Aa2 by Moody's Investor Service	
Tax Advisors/Accountants:	KPMG, Copenhagen, Denmark & KPMG, Guernsey	
Clearing:	VP Securities Services	
Applied for listing:	Copenhagen Stock Exchange and Channel Islands Stock Exchange	
Law:	UK law. However, the Security Documents will be subject to Danish, Icelandic, Norwegian and Swedish law.	
Legal Advisors:	Slaughter and May, England as to English law, Gorrissen Federspiel Kierkegaard, Denmark as to Danish Law and Ozannes, Guernsey as to Guernsey law	

**Note page:**

Note 1). The last 5 years will have a step-up margin depending on whom and how many of the Repackaging Assets that prolongs for the last 5 years and the EURIBOR level at that point in time. The **Senior** tranche is expected to have a step-up margin between 0% - 1% p.a. over and above 6 month Euribor.

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Investment in the ScandiNotes® III is only suitable for investors who:

- (i) have the requisite knowledge and experience in financial and business matters, and access to and knowledge of appropriate analytical resources to evaluate the merits and risks of an investment in the ScandiNotes® III in the context of such investors' financial position and circumstances; and
- (ii) are capable of bearing the economic risk of an investment in the ScandiNotes® III until the maturity of the ScandiNotes® III; and
- (iii) have read the Prospectus for the Notes and are aware of the risks involved in investment in the Notes stipulated in the Prospectus. The Prospectus for the Notes is currently being drafted, and will be available from Mare Baltic or HSH Nordbank AG upon request in November 2005.

Further, each prospective investor in the ScandiNotes® III must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the ScandiNotes® III and the accounting, commercial, taxation, regulatory and legal consequences thereof (i) are fully consistent with its needs, objectives and conditions and (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it and that the ScandiNotes® III are a fit, proper and suitable investment for it, notwithstanding the risks inherent in investing in or holding the ScandiNotes® III.

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