

Ship Finance International LTD  
Form 424B5  
September 29, 2016  
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Registration No. 333-213782

**The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to the notes has become effective under the Securities Act of 1933, as amended. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION**

**PRELIMINARY PROSPECTUS SUPPLEMENT DATED SEPTEMBER 29, 2016**

## **PROSPECTUS SUPPLEMENT**

(To Prospectus dated September 26, 2016)

**\$200,000,000**

### **Ship Finance International Limited**

#### **% Convertible Senior Notes due 2021**

We are offering \$200,000,000 aggregate principal amount of our % Convertible Senior Notes due 2021 (the notes ). The notes will bear interest at a rate equal to % per year. Interest on the notes will be payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year, beginning January 15, 2017. Interest will accrue on the notes from the last date on which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, October , 2016. Unless earlier converted, redeemed or repurchased, the notes will mature on October 15, 2021. At maturity, we will pay the principal amount per note plus accrued and unpaid interest in whole in cash, or in part in common shares and in part in cash, at our election, as described in this prospectus supplement.

You may convert your notes, at your option, at any time prior to the close of business on the second scheduled trading day prior to the maturity date. Upon conversion, we will satisfy our conversion obligation by paying or delivering, as the case may be, cash, common shares or a combination of cash and our common shares, at our election, all as described in Description of Notes Conversion Rights Settlement upon Conversion.

The conversion rate will initially equal \_\_\_\_\_ of our common shares per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$ \_\_\_\_\_ per common share), and will be subject to adjustment as described in this prospectus supplement. In addition, we will, in certain circumstances, increase the conversion rate for holders who convert their notes in connection with a make-whole fundamental change. See Description of Notes Conversion Rights Adjustment to Shares Delivered upon Conversion upon a Make-Whole Fundamental Change.

If 90% or more of the aggregate principal amount of the notes issued on the date of original issuance of the notes have been converted or repurchased, we may, at any time prior to the 61st scheduled trading day immediately preceding the stated maturity date and subject to certain exceptions, redeem all but not part of the remaining outstanding notes at a redemption price of 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date.

If a fundamental change occurs, you will have the right, at your option, to require us to repurchase your notes in cash at a price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The notes will be our senior, unsecured obligations and will rank equal in right of payment with our existing and future senior, unsecured debt, and will be senior in right of payment to any future debt that is expressly subordinated to the notes. The notes will be structurally subordinated to all debt and other liabilities and commitments of our subsidiaries, including trade payables and any guarantees that they may provide with respect to any of our existing or future debt, and will be effectively subordinated to any secured debt that we have incurred or may incur to the extent of the assets securing such debt.

Concurrently with this offering, up to 8,000,000 of our common shares will be offered, by means of a separate prospectus supplement and accompanying prospectus, by selling shareholders, who will borrow such shares through a lending arrangement from Jefferies LLC, or Jefferies, one of the underwriters in this offering, which is borrowing the shares from an affiliate of Jefferies, which in turn is borrowing the shares from SFL Capital II Ltd., our wholly-owned subsidiary, which we refer to herein as SFLC. None of the borrowed shares are newly-issued common shares, instead, SFLC is borrowing the shares it lends from Hemen Holding Ltd., a company related to us and our largest shareholder, which we refer to as Hemen. We expect that the selling shareholders will use the short position created by the short sales of the borrowed shares to hedge their respective investments in the notes. The selling shareholders may effect such transactions by selling the borrowed shares at various prices from time to time through Jefferies. The selling shareholders will receive all of the proceeds from the sale of the borrowed shares, and neither we, SFLC nor Hemen will receive any of those proceeds.

The notes will not be listed on any national securities exchange. Currently, there is no public market for the notes. Our common shares are listed on The New York Stock Exchange under the symbol SFL. The last reported sale price of our common shares on The New York Stock Exchange on September 28, 2016 was \$14.57 per share.

**Investing in the notes involves a high degree of risk. Please read Risk Factors beginning on page S-14 of this prospectus supplement and similar sections in our filings with the Securities and Exchange Commission, or the SEC, incorporated by reference herein.**

**Neither the SEC nor any state securities commission has approved or disapproved the issuance of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>PUBLIC OFFERING PRICE <sup>(1)</sup></b>	<b>UNDERWRITING DISCOUNT</b>	<b>PROCEEDS, BEFORE EXPENSES, TO US</b>
<b>Per note</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

<sup>(1)</sup> Plus accrued interest, if any, from \_\_\_\_\_, 2016 to the date of delivery.

**The underwriters expect to deliver the notes sold on \_\_\_\_\_, 2016.**

*Joint Book-Running Managers*

**Jefferies**

**ABG Sundal Collier**  
Prospectus Supplement dated \_\_\_\_\_, 2016

**Morgan Stanley**

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