

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA

To the bondholders in:

ISIN: NO 001 0354632(B) - FRN Sea Production Ltd Callable Senior Secured Bond Issue 2007/2012

Oslo, 8 October 2014

Summons to Bondholders' Meeting – Charter for FPSO Front Puffin

Nordic Trustee ASA (previously Norsk Tillitsmann ASA) (the “**Bond Trustee**”) acts as trustee for the bondholders (together, the “**Bondholders**”) in the above mentioned bond issue (the “**Bonds**” or the “**Bond Issue**”), a bond loan issued by Sea Production Ltd (the “**Issuer**”) and guaranteed by the Issuer's subsidiaries Puffin Ltd and Wisdom Shipping (s) Pte. Ltd.

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 9 February 2007 (as amended from time to time) (the “**Bond Agreement**”), unless otherwise stated herein.

The information in this summons regarding the Issuer and the described transactions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

1. BACKGROUND

Puffin Ltd. has chartered out the FPSO Front Puffin to Folawiyo Aje Services Ltd (“**FASL**”) under a bareboat charter dated 7 October 2014 (the “**Charter**”) for deployment at the Aje Field, offshore Nigeria. The general commercial terms of the Charter can be summarised as follows:

- (i) Puffin Ltd. will let the FPSO Front Puffin to FASL under the Charter for a term of three years. FASL has options to extend the Charter for up to seven further years.
- (ii) Puffin Ltd will be responsible for the reinstatement of the FPSO Front Puffin, for delivering it into Nigeria and for ensuring that the FPSO Front Puffin passes certain agreed production tests (“**First Oil**”) following which hire/Day Rates will become payable. The delivery of the FPSO Front Puffin under the Charter is expected on or about November 2015. The reinstatement work must permit the FPSO Front Puffin to remain on station and in class for ten years without the need for dry-docking. Once the FPSO Front Puffin has passed these production tests, FASL will be responsible for operating and maintaining the FPSO Front Puffin and for redelivering it in the same good condition as at delivery, fair wear and tear excepted.
- (iii) The Day Rates payable for the use of the FPSO Front Puffin will be (i) US\$68,368 for the first 3 years of the Charter and (ii) US\$62,500 thereafter. In addition FASL is obliged to pay US\$18,600,000 in two instalments during the reinstatement and sailaway of the FPSO Front Puffin.

- (iv) The FPSO Front Puffin is currently flying the Maltese flag. The Charter permits FASL to effect a bareboat registration of the FPSO Front Puffin on the Nigerian flag with effect from First Oil, and it will be necessary for Puffin Ltd. to transfer the FPSO Front Puffin to another international flag that permits a dual registration of the FPSO Front Puffin under the Nigerian flag. Puffin Ltd. is currently investigating suitable potential international flags. Puffin Ltd.'s understanding is that the right to effect a dual registration on the Nigerian flag is necessary in order to enable FASL to meet the requirements of the Nigerian Cabotage Act.
- (v) FASL will be obliged to delete the Nigerian bareboat registration at the end of the Charter period. Prior to effecting the bareboat registration FASL must provide both Puffin Ltd. and the Bond Trustee, as agent for the bond holders, with pre-signed forms of deletion of the Nigerian entry and a power of attorney authorising Puffin Ltd. and the Bond Trustee to take whatever steps are reasonably necessary to delete the bareboat registration at the end of the Charter period.
- (vi) The Bond Trustee has issued a letter of quiet enjoyment in connection with the Charter, as it is permitted to do under Clause 8.8 of the Bond Agreement. A copy of the letter of quiet enjoyment is attached as Schedule B.
- (vii) Under the terms of the Charter, FASL will provide Puffin Ltd with £18.6m in mobilisation fees in order to enable Puffin Ltd to carry out certain upgrade and mobilisation works which are required in connection with the Charter (the "**Mobilisation Fees**"). The Issuer is seeking a waiver of the provisions of Clause 10.5 (cash sweep) in connection with the Mobilisation Fees and any other funds which are raised by the Issuer or Puffin Ltd in connection with the upgrade or mobilisation of FPSO Front Puffin and, in each case, which are applied towards the upgrade or mobilisation of FPSO Front Puffin (the "**Cash Sweep Waiver**").
- (viii) Puffin Ltd will assign its rights in respect of an assignment of earnings and an assignment of bank guarantee(s) under the Charter in favour of the Bond Trustee (on behalf of the Bondholders).
- (ix) The Charter will be governed by and construed in accordance with English law.

2. PROPOSED RE-FLAGGING OF THE VESSEL "FRONT PUFFIN" TO NIGERIAN FLAG

The Issuer has approached the Bond Trustee to convene a meeting of Bondholders ("**Bondholders' Meeting**") in order to authorise the Bond Trustee to, among other actions, (i) enter into an amendment agreement to reflect the proposed changes to the cash sweep mechanism; and (ii) to take the steps necessary or consequential to the re-flagging of the FPSO Front Puffin to Marshall Islands registry or another comparable internationally accepted ship registry, dual registration in Nigeria and certain other amendments to the Bond Agreement as set out below.

The Issuer proposes the following to be adopted by the Bondholders' Meeting (the "**Proposal**"):

1. *The entering into and performance of the Charter shall not be considered a FPSO Front Puffin Deployment Event under the Bond Agreement.*
2. *The provisions of Clause 10.5 and the definition of Excess Cash shall be amended to give effect to the Cash Sweep Waiver.*

3. *Upon execution of Amendment Agreement No. 7 (as defined below), Puffin Ltd. will grant an assignment of the earnings under the Charter to the Bond Trustee (on behalf of itself and the Bondholders), and Puffin Ltd. shall give notice and obtain acknowledgements of such assignment from FASL.*
4. *Upon execution of Amendment Agreement No. 7 (as defined below), Puffin Ltd. will grant an assignment of the bank guarantee(s) provided to Puffin Ltd. in relation to the Charter to the Bond Trustee (on behalf of itself and the Bondholders), and Puffin Ltd. shall give notice and seek to obtain consent (if required) and acknowledgements of such assignment from the relevant bank.*
5. *After 1 August 2015, Puffin Ltd. and the Bond Trustee may take any steps required in relation to the reflagging the FPSO Front Puffin from its current registration in the Maltese registry (the "**Existing Registry**") to the Marshall Islands registry or other comparable internationally accepted ship registry (an "**New Registry**") pursuant to a closing memorandum reasonably acceptable to the Bond Trustee, including but not limited to (i) release and deletion of the existing Vessel Mortgage over the Front Puffin in the Existing Registry, (ii) deletion of the registration of the FPSO Front Puffin from the Existing Registry, (iii) registration of the FPSO Front Puffin in the New Registry in the name of Puffin Ltd. and (iv) granting of a new Vessel Mortgage by Puffin Ltd. in favour of the Bond Trustee (on behalf of the Bondholders) to be registered in the New Registry (the "**New Vessel Mortgage**").*
6. *After 1 August 2015, Puffin Ltd. and the Bond Trustee may take any steps required in relation to the dual registration of the FPSO Front Puffin in the New Registry and the ship registry in Nigeria (the "**Nigerian Registry**"), including but not limited to (i) bareboat registration of the FPSO Front Puffin in Nigeria and suspension of the primary registration in the New Registry.*
7. *After 1 August 2015, Puffin Ltd. and the Bond Trustee may take any steps required in relation to notation of the New Vessel Mortgage in the Nigerian Registry.*
8. *The Issuer, Puffin Ltd. and the Bond Trustee (on behalf of the Bondholders) shall enter into an amendment to the Bond Agreement in connection with documenting the decision made by this Bondholders' Meeting as set out in items 1 through 8 above ("**Amendment Agreement No. 7**").*

3. COMPENSATION

The execution of the Charter and related aspects of the Proposal will benefit the Bondholders as well as the Issuer and the Issuer is of the view that under these circumstances it is not appropriate to offer any remuneration to the Bondholders.

4. EVALUATION OF THE PROPOSAL / PRE-APPROVALS

In the Issuer's opinion, the Proposal is beneficial for both the Issuer and the Bondholders as the existence of the Charter may be of importance for the availability of refinancing of the Bonds. Bondholders holding over 80% of the Outstanding Loan have pre-approved the summons.

5. NON-RELIANCE

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall be construed as or constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

6. SUMMONS FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: **15 October 2014 at 1300 hours (Oslo time)**

Place: **The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 Oslo - 6th floor**

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of the Proposal

It is proposed that the Bondholders' meeting resolve the following:

1. *The Bondholder's Meeting approves the Proposal as described in section 2 of the summons for the Bondholders' Meeting dated 8 October 2014.*
2. *The Bond Trustee is hereby given power of attorney to prepare, finalise and enter into the necessary agreements and documents (including but not limited to the Amendment Agreement No. 7) in connection with documenting the decision made by this Bondholders' Meeting as well as to carry out the necessary completion work in connection thereto."*

To approve the above resolution, Bondholders representing a 2/3 majority of the Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting.

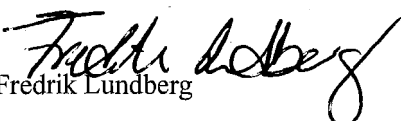
Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual Bondholder may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post to post@trustee.no, +47 22 87 94 10, or Nordic Trustee ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' Meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (as set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA


Fredrik Lundberg

Enclosed: Schedule A - Bondholder's Form
Schedule B - Letter of Quiet Enjoyment provided in relation to the Charter

EXHIBIT K – LETTER OF QUIET ENJOYMENT

Date

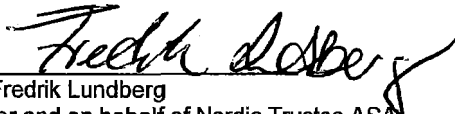
3 October 2014

Dear Sirs

Re: Quiet Enjoyment Covenant in relation to FPSO Front Puffin facilities

Reference is made to the Charter dated 7 October 2014 (the "Contract") between you and Puffin Ltd. ("Puffin"). Words and expressions defined in the Charter shall have the same meanings when used in this letter (unless the context otherwise requires).

1. We hereby covenant that, provided that the Company or if applicable its affiliates has not failed to perform its /their obligations under the Contract, we will not disturb or interfere with the quiet and peaceful use, possession and enjoyment of the Front Puffin FPSO by the Company and the Co-venturers during the term of the Contract.
2. The foregoing undertaking is not to be construed as restricting our rights to dispose of the Front Puffin FPSO, or any part of them, to such persons and on such terms as we consider appropriate. However, if we exercise such rights prior to the end of the services period while the quiet enjoyment in paragraph 1 above would apply, we shall (subject to any requirements or restrictions imposed by applicable law) dispose of the Front Puffin FPSO expressly subject to the Charter.
3. The rights conferred by this letter are granted only to the Company and the Co-venturers and do not extend to any sub-lessee or other assignee of the Company, except to an affiliate of the Company or to the operator if such affiliate or the operator is a permitted assignee under the Charter, and shall cease to be of further force and effect if the Charter ceases to be in full force and effect, either by expiration or termination, in accordance with its terms.
4. This letter shall be governed by and construed in accordance with English law.


Fredrik Lundberg
for and on behalf of Nordic Trustee ASA