

**To the Bondholders in:**

**ISIN: NO 001 0611031 - 13.5 per cent Jasper Explorer PLC Senior Secured Bond Issue  
2011/2016**

Oslo, 19 December 2014

## **Summons to Bondholders' Meeting**

### **1. Introduction**

Nordic Trustee ASA (formerly known as Norsk Tillitsmann ASA) (the "**Bond Trustee**" or "**Nordic Trustee**") acts as bond trustee for the holders (the "**Bondholders**") of the Senior Secured Bond Issue 2011/2016 (the "**Bonds**") issued by Jasper Explorer PLC (the "**Issuer**" or the "**Company**") and guaranteed by Jasper Offshore (Cyprus) Ltd, Jasper Explorer Pte Ltd ("**JEPL**") and Jasper Drilling Pte Ltd ("**JDPL**") (together, the "**Guarantors**" and together with the Issuer, the "**Obligors**").

All capitalised terms used but not otherwise defined herein shall have the meanings assigned to them in the bond agreement for the Bonds (the "**Bond Agreement**") between the Company and the Bond Trustee dated 26 May 2011, as amended and restated from time to time.

Bondholders are encouraged to carefully read this summons in its entirety.

The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

### **2. Background**

Jasper Investments Limited ("**JIL**") released certain announcements on the website of the Singapore Exchange Securities Trading Limited in August and September 2014 (the "**Market Announcements**"). The Market Announcements confirmed, amongst other things, that the Issuer had sought a waiver from the Bondholders in relation to the minimum liquidity maintenance requirement pursuant to Clause 13.3(d) of the Bond Agreement (the "**Liquidity Obligation**") and an extension of the due date for the coupon payment due to the Bondholders on 27 November 2014 (the "**November Coupon**"), and that these requests were rejected by the Bondholders. The Market Announcements also confirmed that JIL expected the Obligors to breach the Liquidity Obligation by 31 August 2014 and that the Obligors would be unable to pay the November Coupon in accordance with the Bond Agreement.

The Bond Trustee (on behalf of the Bondholders) granted a standstill on 9 September 2014, explaining that, assuming certain conditions were satisfied, they were supportive of the Obligors continuing to operate as a going concern and would agree not to: (i) declare the Outstanding Bonds due and payable; (ii) claim under the Guarantees; (iii) precipitate enforcement proceedings; or (iv) instigate proceedings for an insolvency or reorganisation protection in respect of any of the Obligors until further notice (the "**Standstill**").

In order to maintain stability within the Jasper group, particularly at the JEPL and JDPL level, the Bond Trustee (on behalf of the Bondholders) took certain protective measures as follows: (i) on 11

November 2014 it declared that an outstanding Event of Default was continuing under Clause 15.1(b) of the Bond Agreement on the basis of a breach of the Liquidity Obligation, and gave notice that all rights with respect to the shares of JEPL and JDPL (the “**Shares**”) would thereafter be exercised by the Bond Trustee; and (ii) on 13 November 2014, it terminated the Standstill with immediate effect, accelerated the Bonds and took protective measures to change the boards of directors of JEPL and JDPL by appointing representatives of Borrelli Walsh to these boards and removing all existing directors and the company secretary, other than Paul Pedersen. However, the Bond Trustee made it clear that these steps were being done to maintain stability and that the Bond Trustee was not going to demand immediate repayment of the Bonds or make demands under the Guarantees at that time.

### 3. **Separation Proposal and Framework Agreement**

Following extensive negotiations with JIL and in consultation with an ad hoc committee and a wider group of Bondholders, the Bond Trustee (on behalf of the Bondholders) and JIL agreed to a consensual separation of the Jasper group on the terms set out in appendix 1, subject to Bondholder approval (the “**Separation Proposal**”). It is contemplated that the Separation Proposal will be implemented via a framework agreement, in a form, and subject to any changes, to be agreed by the Bond Trustee (on behalf of the Bondholders) and JIL (the “**Framework Agreement**”).

Among other things, the Separation Proposal contemplates that JIL will transfer the shares in certain of its subsidiaries on an "as is" basis to BW Asset Management Limited (“**BWAM**”), a liquidation trust incorporated in the British Virgin Islands, for (i) US\$1 and (ii) the transfer to JIL of Bonds in a principal face amount of US\$3 million currently held in the name of JIL Limited and the Shares will be transferred to a newly incorporated Cayman Islands special purpose vehicle (“**NewCo**”), owned by NTM Refectio VIII AS for the Bondholders, for US\$1 (the “**Transfer**”).

### 4. **New Bonds**

In connection with the Transfer, it is anticipated that funding will need to be provided to NewCo to allow the short term funding requirements of JEPL and JDPL to be met. There are currently different options available to JEPL in relation to the Explorer vessel (the “**Vessel**”), including a sale of the Vessel or obtaining a contract for the Vessel. Irrespective of which option is pursued, additional funding will be necessary for JEPL and JDPL. To this end, it is contemplated that NewCo will issue new bonds (the “**New Bonds**”, and the holders thereof, the “**New Bondholders**”), first in the amount of USD 5 million (the “**Initial Issuance**”), which up to 149 Bondholders, being Bondholders owning at least USD 1.2 million of Bonds as at the date of the offer (the “**Subscription Condition**”), would be entitled to participate in, in compliance with the exemption from the prospectus requirement set out in section 7-2 of the Norwegian Securities Trading Act, at least pro rata to their existing holdings of the Bonds, subject to each Bondholder providing evidence of their current holdings of the Bonds, specifying the beneficial owner. Subscriptions without such information may be disregarded without further notice. The invitation to participate in the Initial Issuance will be open from the date of this notice until 8 January 2015.

NewCo may subsequently issue additional New Bonds (the “**Additional New Bonds**”) in an aggregate amount of up to USD 15 million (the “**Additional Issuance**”) to up to 149 investors, in compliance with the exemption from the prospectus requirement set out in section 7-2 of the Norwegian Securities Trading Act, being (i) primarily, the New Bondholders who shall be entitled to purchase Additional New Bonds at least pro rata to their respective holdings of New Bonds as of the date of the offer to participate in the issue of Additional New Bonds; and (ii) secondarily, the Bondholders, subject to the Subscription Condition. In the event that there are more than 149 holders covered by items (i) and (ii) above, the offer shall be limited to the 149 largest holders of New Bonds, or New Bonds and Bonds combined, at the discretion of the Manager.

The New Bonds would be issued on the terms set out in the funding term sheet attached as appendix 2 (the “**Term Sheet**”). The Initial Issuance and Additional Issuance (as further set out above and in the

Term Sheet) shall have an aggregate principal face amount of up to USD 20 million.

The New Bonds will rank ahead of the Bonds in terms of payment and any proceeds from the realisation of secured assets or otherwise from an Obligor will be applied first to discharge the New Bonds, with any remaining balance being applied to repay the Bonds. In order to regulate the relationship between the Bonds and the New Bonds (including as to priority and the enforcement of security), and the rights of the holders thereof, an Intercreditor Agreement shall be entered into by Nordic Trustee (on behalf of the Bondholders) and Nordic Trustee (on behalf of the New Bondholders). This is further described in the Term Sheet.

Interested Bondholders may notify their subscription interest to the Manager by sending a request, together with evidence of their current holdings of the Bonds (specifying the beneficial owner) to [rolf.kristiansen@paretosec.com](mailto:rolf.kristiansen@paretosec.com) and [john.biornsen@paretosec.com](mailto:john.biornsen@paretosec.com), and/or to your sales contact at Pareto Securities, by way of email.

Pareto Securities AS  
Attn: Rolf Kristiansen, John Bjørnsen (both)  
+47 22 87 87 46, +47 22 87 88 35  
[rolf.kristiansen@paretosec.com](mailto:rolf.kristiansen@paretosec.com), [john.biornsen@paretosec.com](mailto:john.biornsen@paretosec.com)

All subscriptions must include proof of current holding in the Bonds, which must include the identity of the beneficial holder associated with the holding (including amount held per beneficial holder). As the current holding in the Bonds is the main allocation criteria, subscriptions without information on beneficial holders may be disregarded without further notice.

## 5. Sale of the Vessel

In the event that the Vessel is sold, the Singapore law-governed mortgage over the Vessel dated 3 June 2011 and the related deed of covenants dated the same date will need to be released (the “**Release**”). The Release shall be subject to the sale price of the Vessel being approved in writing by Bondholders representing at least 50% by value of the Bonds (the “**Release Condition**”).

## 6. Proposal

Based on the foregoing, the Company has requested that the Bond Trustee put forward the following proposal (the “**Proposal**”):

*“The Bond Trustee is hereby authorised and instructed to:*

- 1. Approve the Separation Proposal and take any such steps and enter into any such documentation which may be necessary to implement the Separation Proposal;*
- 2. Enter into the Framework Agreement and any other such ancillary documents as may be required;*
- 3. Take all necessary steps and enter into any necessary documentation to effect the Transfer;*
- 4. Approve the issuance of the New Bonds on the terms as set out in the Term Sheet and take any such steps and enter into any such documentation which may be necessary to implement the transactions contemplated by the Term Sheet;*
- 5. Approve the Release, subject to the Release Condition being satisfied, and take any such steps and enter into any such documentation which may be necessary to implement the Release;*

6. *Enter into and execute any such other agreements, letters, powers of attorney, deeds and/or notices as may be necessary or advisable (in the absolute discretion of the Bond Trustee) in order to implement proposals 1 – 5 above.*

## 7. **Evaluation of the Proposal**

To enable the Issuer to implement the Proposal, the Issuer has requested the Bond Trustee to summon a Bondholders' Meeting to consider the approval of the Proposal and the proposed steps set out above.

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal and the proposed steps are acceptable.

## 8. **Summons to Bondholders' Meeting**

Bondholders are hereby summoned to a Bondholders' Meeting:

**Time: 8 January 2015 at 13:00 hours (Oslo time),**

**Place: The premises of Nordic Trustee ASA,  
Haakon VII's gt 1, 0161 Oslo – 6<sup>th</sup> 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 Proposal:

**It is proposed that the Bondholders' Meeting resolve to approve the Proposal.**

**Nordic Trustee is given a power of attorney to enter into all necessary agreements, letters, deeds and notices necessary or advisable (in the absolute discretion of Nordic Trustee) in connection with decisions made at the Bondholders' Meeting as well as to carry out all necessary completion work.**

To approve the above resolution, Bondholders representing at least 66<sup>2</sup>/<sub>3</sub>% by value of the Bonds represented in person or by proxy at the duly convened meeting must vote in favour of the resolution. In order for the meeting to be quorate at least 5/10 of the Voting Bonds must be represented at the meeting. If the Proposal is not adopted, the Framework Agreement, the Transfer and the Term Sheet will not be executed and implemented.

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 Nordic 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 Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

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 Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
**Nordic Trustee ASA**

  
Fredrik Lundberg

## APPENDIX 1 – SEPARATION PROPOSAL

This paper sets out a proposal for a fully consensual separation of the companies owned by Jasper Investments Limited (“JIL”), (the “**Separation**”). This paper is non-binding and contains indicative terms only.

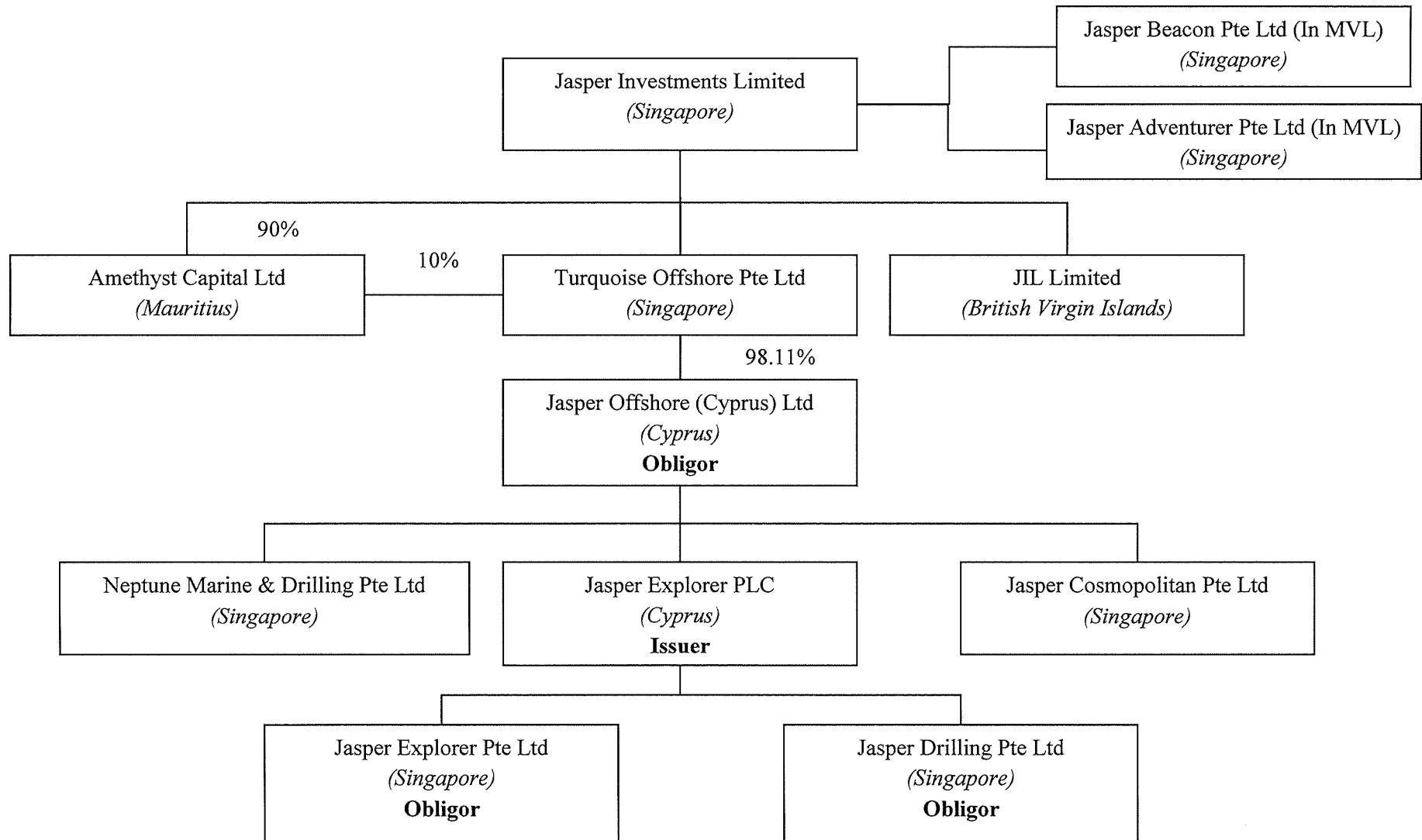
### 1. SEPARATION STRUCTURE

1. Representatives of BW to be appointed as directors of Jasper Explorer Pte Ltd (“**JEPL**”) (and Jasper Drilling Pte Ltd (“**JDPL**”), if those shares are transferred as well), in order to enable JEPL (and JDPL, to the extent necessary) to continue with marketing the Explorer vessel (the “**Vessel**”) for employment or sale (already occurred).
2. JIL to transfer shares in Amethyst Capital Ltd, Turquoise Offshore Pte Ltd and JIL Limited (together the “**Companies**”) to BW Asset Management Limited (“**BWAM**”), a liquidation trust incorporated in the British Virgin Islands for US\$1.
3. BWAM to transfer JEPL (and potentially JDPL) shares to a newly incorporated Cayman Islands special purpose vehicle (“**NewCo**”) owned by NT Refectio for the holders of the Bonds.
4. Paul Pedersen to stay as a Director of both JEPL and JDPL for a minimum period of (i) 6 months following the Separation, if the ONGC contract is won or (ii) such other period of time, up to 6 months, as the Bondholders may determine if the ONGC contract is not won. Paul Pedersen may leave earlier or stay longer as a Director of both JEPL and JDPL if he so agrees with the Bondholders. Whilst a Director, Paul Pedersen to commit to spend a minimum of 20 hours per week on Jasper.
5. JIL to pay BWAM US\$100,000 to cover fees, costs and expenses incurred by BWAM in connection with winding-up the Companies and their subsidiaries other than JEPL and JDPL (the “**Retained Group**”).
6. BWAM to appoint representatives of Borrelli Walsh (“**BW**”) as directors of the Retained Group.
7. All intercompany loans between JIL and the Retained Group, JEPL and JDPL to be set-off against each other and any outstanding payables owed to JIL to then be cancelled.
8. JIL to undertake to provide all access to books and records as BWAM may request in connection with: (i) winding down the affairs of the Retained Group; (ii) dealing with any tax matters relating to the Retained Group, JEPL or JDPL; (iii) minimising the liabilities of the Companies and their subsidiaries; and/or (iv) dealing with the Cosmopolitan and Explorer vessels.

9. US\$3,000,000 principal face amount of Bonds held by JIL Limited (BVI) to be transferred to NewCo for US\$1;
10. The Retained Group to pay BWAM 20% of all recoveries made from the Retained Group for facilitating the Separation.
11. The remaining 80% of recoveries made from the Retained Group to be transferred by BWAM to NewCo. Cash sweep mechanism to be agreed.
12. Subsequently, BWAM to wind up the Retained Group.

For ease of reference, please see below the structure chart of the Jasper Group pre- and post-Separation.

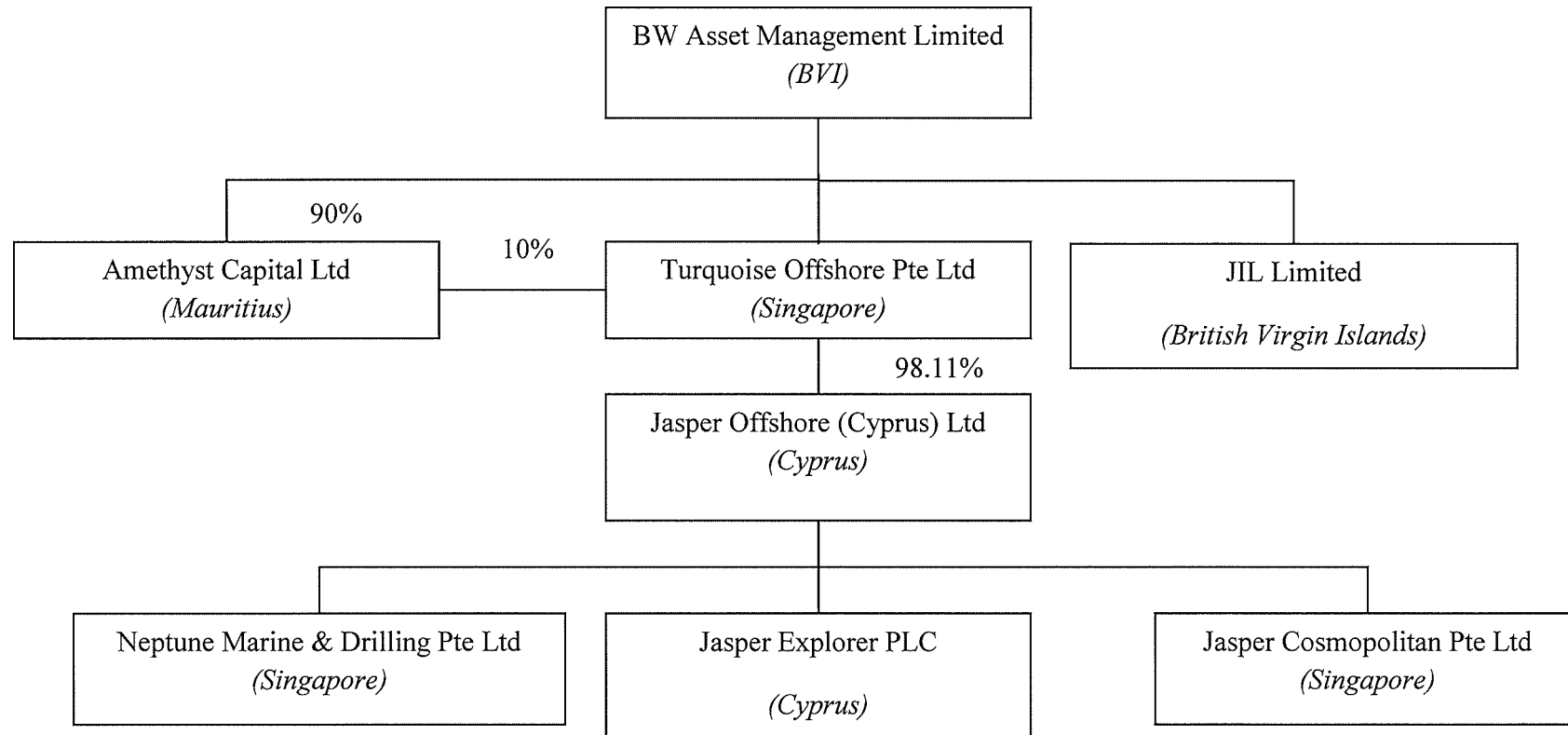
## 2. JASPER GROUP STRUCTURE PRE-SEPARATION



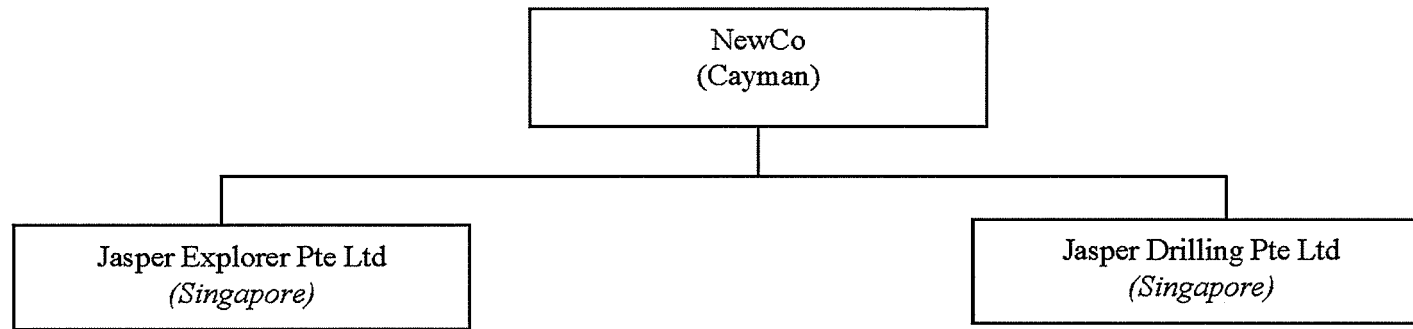


### 3. JASPER GROUP STRUCTURE POST-SEPARATION

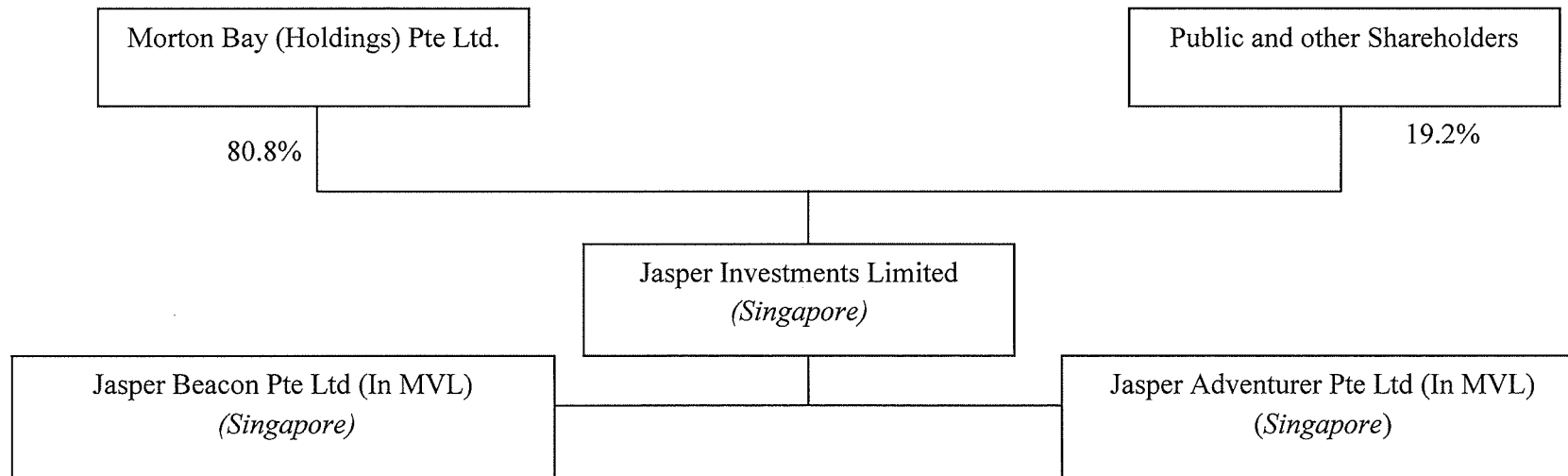
#### a) BWAM



**b) Bondholders**



**c) Ashmore/ JIL**



#### 4. FUNDING TO JASPER GROUP

The Bondholders will provide funding to NewCo sufficient to meet its near term funding requirements, which funds will be used to support the short term funding needs of JEPL (and JDPL if applicable).

#### 5. OTHER PROVISIONS

Unless and until the Separation is consummated, any and all rights of the Bondholders will be fully reserved and the provisions of this Proposal will be without prejudice to all of their rights.

The costs and expenses of Nordic Trustee ASA (the “**Bond Trustee**”) (and its advisers) in preparing and agreeing this Proposal and the implementation of the Separation to be borne by JEPL (and JDPL) including all outstanding costs incurred and not paid.

This indicative Proposal shall be governed by and construed in accordance with English law.

## APPENDIX 2 – NEW BONDS TERM SHEET

### 1. INTRODUCTION

- 1.1 This indicative term sheet (the “**Term Sheet**”) sets out the proposed terms for a series of bonds (the “**New Bonds**”) that are expected to be issued by a newly incorporated special purpose vehicle incorporated in the Cayman Islands, owned by NTM Refectio VIII AS, (“**Newco**”). The holders of the New Bonds, from time to time, shall be referred to as the “**New Bondholders**”. Nordic Trustee ASA shall act as the trustee of the New Bonds (the “**Bond Trustee**”). Pareto Securities AS shall be the manager for the New Bonds (the “**Manager**”).
- 1.2 This Term Sheet has been prepared for discussion purposes only and has not been formally approved by the Bond Trustee or any New Bondholders. As such it does not, and is not intended to, create any legally binding obligation between any parties.

### 2. BACKGROUND

- 2.1 Jasper Explorer PLC has issued the USD 165,000,000 13.5 per cent Senior Secured Bond Issue 2011/2016 with ISIN NO 001 0611031 (the “**Existing Bonds** and holders thereof the “**Existing Bondholders**”) pursuant to a bond agreement dated 26 May 2011, as amended and restated from time to time, (the “**Existing Bond Agreement**”).
- 2.2 The Bond Trustee, on behalf of the Existing Bondholders, declared on 11 November 2014 that an outstanding Event of Default was continuing under Clause 15.1(b) of the Existing Bond Agreement on the basis of a breach of the minimum liquidity maintenance requirement under Clause 13.3(d) of the Existing Bond Agreement.
- 2.3 Subsequently, the Bond Trustee, on behalf of the Existing Bondholders, accelerated the Existing Bonds on 13 November 2014.
- 2.4 Following extensive negotiations with the ultimate shareholders of the Jasper group, the Bond Trustee, on behalf of the Existing Bondholders, sent a proposal for a consensual separation of the Jasper group (the “**Proposal**”) to the directors of Jasper Explorer Pte Ltd (“**JEPL**”) and Jasper Drilling Pte Ltd (“**JDPL**”) on 16 November 2014. This contemplates the transfer of the shares of JEPL and JDPL to Newco.
- 2.5 The Proposal contemplates, among other things, the transfer of the shares of JEPL and JDPL to Newco.
- 2.6 Due to the current tight cash flow situation of JEPL and JDPL, funding will need to be provided to Newco to meet the short term funding requirements of JEPL and JDPL. To this end, Newco will issue the New Bonds, on the terms set out below.
- 2.7 JEPL, JDPL and Newco together shall be referred to in this Term Sheet as the “**Newco Group**”.

### 3. PROPOSED TERMS AND CONDITIONS OF NEW BONDS

1.	<b>Issuer</b>	[•] Limited (“Newco”) <i>[TBC]</i>
2.	<b>Guarantor</b>	JDPL and JEPL
3.	<b>Currency</b>	USD
4.	<b>Loan Amount</b>	USD 5 million <sup>1</sup> (in addition to any further issuances under Section 14 ( <i>Additional Issuances</i> )).
5.	<b>Issue Price</b>	The issuance price for each New Bond shall be 100.00% of par value.
6.	<b>Interest Rate</b>	20% PIK, to be capitalised annually
7.	<b>Settlement Date</b>	The Settlement Date for the New Bonds is expected to be 15 January 2015.
8.	<b>Prepayment</b>	The New Bonds shall be callable by the Issuer at any time, in full but not in part, at 100% of principal face amount, plus accrued interest.
9.	<b>Maturity Date</b>	The Maturity Date for the New Bonds shall be 20 May 2016.
10.	<b>Purpose</b>	<p>The net proceeds from the New Bonds shall be deposited into the Escrow Account (as defined in Section 12 (<i>Escrow Account</i>) below). The proceeds in the Escrow Account shall be used solely:</p> <ul style="list-style-type: none"> <li>(i) in relation to fees, costs and expenses incurred in connection with the establishment of the Newco Group and the issuance of the New Bonds; and</li> <li>(ii) funding the working capital requirements of the Newco Group.</li> </ul>
11.	<b>Nominal Value</b>	The New Bonds will have a nominal value of USD1.00 each.
12.	<b>Escrow Account</b>	The net proceeds of the New Bonds shall be paid into an escrow account in the name of the Issuer <sup>2</sup> , which shall be pledged in favour of the Bond Trustee (on behalf of the New Bondholders) (the “ <b>Escrow Account</b> ”). The proceeds in the Escrow Account shall be subject to the release control mechanism set out in Section 17 ( <i>Conditions Precedent</i> ).
13.	<b>Participation in New Bonds</b>	<p>The Issuer may solely offer New Bonds to up to 149 investors, being Existing Bondholders owning at least USD 1.2 million of Existing Bonds as of the date of the offer, in compliance with the exemption from the prospectus requirement set out in section 7-2 of the Norwegian Securities Trading Act. There shall be no minimum subscription amount.</p> <p>Existing Bondholders who hold at least USD 1.2 million of Existing Bonds, shall</p>

<sup>1</sup> To cover working capital requirements of Newco Group.

<sup>2</sup> To be set up as a client account of the Bond Trustee.

		<p>be entitled to purchase New Bonds at least pro rata to their respective holdings of Existing Bonds (the “<b>Right to Purchase</b>”), subject to each Existing Bondholder providing evidence of their current holding of the Existing Bonds, specifying the beneficial owner.</p> <p>Each Existing Bondholder shall be entitled to apply to purchase more New Bonds than its pro rata share of Existing Bonds. Accordingly, to the extent that any Existing Bondholder does not exercise its Right to Purchase, the other Existing Bondholders shall be entitled to subscribe for more than their pro rata proportion of the New Bonds.</p> <p>The Right to Purchase shall be available to the Existing Bondholders for a period up until 8 January 2015 (the “<b>Expiry Date</b>”).</p> <p>To the extent that the New Bonds are available to be distributed amongst Existing Bondholders who have subscribed for a portion of the New Bonds above their pro rata share, they shall be allocated and distributed at the discretion of the Manager. The Manager shall take into account the following circumstances in determining such distribution:</p> <ul style="list-style-type: none"> <li>(a) primarily, the relative amounts of Existing Bonds held by those Existing Bondholders; and</li> <li>(b) secondarily, the relative amounts of New Bonds that those Existing Bondholders have subscribed for above their pro rata share.</li> </ul>
14.	<b>Additional Issuances</b>	<p>It is anticipated that following the initial issuance of New Bonds (the “<b>Initial New Bonds</b>”), the Newco Group may have additional working capital requirements. In order to satisfy such requirements, Newco shall be entitled to issue an additional issuance of New Bonds in an aggregate amount of up to USD 15 million (the “<b>Additional New Bonds</b>”) and this incurrence of additional debt shall be permitted under the indebtedness covenants in the Loan Agreement (as defined below).</p> <p>The Additional New Bonds shall be issued upon the same terms as the Initial New Bonds. The Additional New Bonds shall rank <i>pari passu</i> with the Initial New Bonds.</p> <p>The Issuer may solely offer Additional New Bonds to up to 149 investors in compliance with the exemption from the prospectus requirement set out in section 7-2 of the Norwegian Securities Trading Act, being:</p> <ul style="list-style-type: none"> <li>a) primarily, the New Bondholders who shall be entitled to purchase Additional New Bonds at least pro rata to their respective holdings of New Bonds as of the date of the offer to participate in the issue of Additional New Bonds;</li> <li>b) secondarily, the Existing Bondholders according to the principles of Clause 13.</li> </ul> <p>In the event that there are more than 149 holders covered by items a) and b) above, the offer shall be limited to the 149 largest holders of New Bonds, or New Bonds and Existing Bonds combined, at the discretion of the Manager.</p>
15.	<b>Security</b>	<p>Newco shall grant a Norwegian law governed first ranking charge over the Escrow Account to the Bond Trustee on behalf of the New Bondholders (the</p>

		<p><b>“Escrow Charge”</b>).</p> <p>Newco shall grant Singaporean law governed share charges over the shares of each of JEPL and JDPL to the Bond Trustee on behalf of the New Bondholders (the <b>“Share Charges”</b>).</p>
16.	<b>Intercreditor Agreement</b>	<p>Intercreditor Agreement to be entered into to provide that any proceeds from the realisation of secured assets under the existing security granted under the Existing Bond Agreement (the <b>“Existing Security”</b>) will be applied in discharge of the New Bonds and any Additional New Bonds first, with any balance being applied in discharge of the Existing Bonds. Intercreditor Agreement will also provide that the holders of the New Bonds will be able to direct the timing and process for any enforcement action.</p> <p>The ability of the New Bondholders to receive payment under the New Bonds shall be limited to the recoveries under the Existing Security in accordance with the Intercreditor Agreement and the Escrow Charge.</p>
17.	<b>Conditions Precedent</b>	<p><u>Conditions Precedent for Settlement of the New Bonds:</u></p> <p>Disbursement of the net proceeds of the New Bonds to the Escrow Account will be subject to certain conditions precedent customary for these types of transactions, including (but not limited to):</p> <ul style="list-style-type: none"> <li>(i) the Loan Agreement duly executed;</li> <li>(ii) an agreement between the Bond Trustee and the Issuer related to expenses and fees duly executed;</li> <li>(iii) the charge over the Escrow Account duly executed and perfected (including notice to and acknowledgement from the bank holding the Escrow Account);</li> <li>(iv) the Intercreditor Agreement duly executed;</li> <li>(v) certified copies of necessary corporate resolutions of the Issuer to execute the Loan Agreement and the Escrow Charge; and</li> <li>(vi) legal opinions in respect of the Loan Agreement and Escrow Charge in form and substance satisfactory to the Bond Trustee.</li> </ul> <p><u>Conditions Precedent for release from the Escrow Account:</u></p> <p>The board of directors of Newco shall submit a monthly budget on the first Business Day of each month to the Bond Trustee and the New Bondholders, which shall be approved by New Bondholders whose aggregate holdings of New Bonds exceed 35% (the <b>“Pre-approved Budget”</b>). The proceeds of the New Bonds may be released from the Escrow Account with the approval of the board of directors of Newco and if the payment falls into the Pre-approved Budget. If the payment does not fall into the Pre-approved Budget, the directors of Newco may ask the New Bondholders to approve such payment in addition to the Pre-approved Budget, in which case New Bondholders with aggregate holdings of</p>

		New Bonds exceeding 35% shall approve it.
18.	<b>Mandatory Prepayment</b>	In the event of a sale of any of the shares in Newco, JDPL or JEPL or a sale of the Jasper Explorer vessel (“ <b>Explorer</b> ”), the New Bonds shall be prepaid pro rata at 100.00% of principal face amount, plus accrued interest, but less any Retained Amounts (as defined in Section 25 ( <i>Costs</i> )).
19.	<b>Events of Default</b>	<p>The Loan Agreement shall include such events of default as are considered standard in the Norwegian high-yield bond market as of the date of the Loan Agreement, including without limitation:</p> <p>(a) <b>Non-Payment:</b> Any member of the Newco Group fails to fulfill any payment obligation due under the Loan Agreement or any of the finance documents when due.</p> <p>(b) <b>Breach of other obligations:</b> Any member of the Newco Group fails to duly perform any other covenant or obligation (including satisfaction of the condition subsequent) pursuant to the Loan Agreement or any of the finance documents.</p> <p>(c) <b>Insolvency:</b> Any member of the Newco Group is subject to any corporate action or legal proceeding or other procedure or step (or any analogous procedure or step is taken in any jurisdiction) for:</p> <p>(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, or reorganisation (by way of debt settlement, compromise, voluntary arrangement, scheme of arrangement or otherwise);</p> <p>(ii) the appointment of a liquidator, bankruptcy trustee, receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or</p> <p>(iii) enforcement of any security over or arrest, attachment or sequestration of any of its assets (including a judicial arrest of Explorer).</p> <p>For events of default relating to (a) above, a remedy period of five (5) Business Days shall apply. For events of default relating to (b) above, a remedy period of ten (10) Business Days shall apply. For events of default relating to (c) above, no remedy period shall apply.</p>
20.	<b>Terms</b>	The Loan Agreement shall contain usual covenants as would normally be included in a Norwegian law governed bond loan agreement secured over an asset of this type; however the permitted indebtedness covenant shall include a carve-out for any issuance of Additional New Bonds as set out in Section 14 ( <i>Additional Issuances</i> ).
21.	<b>Bond Trustee</b>	Nordic Trustee ASA, Postboks 1470 Vika, 0116 Oslo
22.	<b>Manager</b>	Pareto Securities AS
23.	<b>Loan Agreement</b>	A loan agreement shall be entered into by the Issuer and the Bond Trustee acting



		<p>as the New Bondholders' representative (the "<b>Loan Agreement</b>").</p> <p>The Loan Agreement shall regulate the New Bondholders' rights and obligations with respect to the New Bonds. If any discrepancy should occur between this Term Sheet and the Loan Agreement, then the Loan Agreement shall prevail.</p>
24.	<b>Bondholders' Communication</b>	<p>The Manager shall send a notice to the Existing Bondholders owning at least USD 1.2 million of Existing Bonds as of the date of the offer informing them of the proposed terms and conditions of the New Bonds and inviting the Existing Bondholders subject to the Subscription Condition to commit to participate in the New Bonds.</p>
25.	<b>Costs</b>	<p>The following costs and expenses shall, to the extent not paid by a third party, be borne by the Issuer: the professional advisers to the Newco Group, the Existing Bondholders, the New Bondholders and the Bond Trustee relating to (i) this Term Sheet, (ii) the finance documents and (iii) the establishment of the Newco Group (including directors' fees up to the date of redemption of the New Bonds plus a reasonable estimate of the directors' fees through to completion of a solvent dissolution of the Newco Group) (the "<b>New Bond Costs</b>").</p> <p>The Issuer shall retain funds from the proceeds of the New Bonds, or deduct funds from the Escrow Account, in an amount equal to the Issuer's estimate (based on the advice of the Issuer's local counsel) of the fees and expenses reasonably likely to be incurred in connection with the dissolution of Newco (and JEPL and JDPL, to the extent applicable) on a solvent basis (the "<b>Dissolution Costs</b>" and together with the New Bond Costs, the "<b>Retained Amounts</b>").</p>
26.	<b>Governing Law</b>	<p>Norwegian law and Norwegian courts (as the competent legal venue for the Bond Trustee).</p>