

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

To the bondholders in:

ISIN NO 001 064167.3 - FRN I.M. Skaugen SE Senior Unsecured Bond Issue 2012/2017

Oslo, 28 April 2016

SUMMONS TO BONDHOLDERS' MEETING – REQUEST FOR AMENDMENTS

Nordic Trustee ASA acts as trustee (the “**Bond Trustee**”) for the bondholders (the “**Bondholders**”) in the above bond issue (the “**Bonds**” or “**IMSK13**”) with I.M. Skaugen SE as issuer (the “**Issuer**”).

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 29 March 2012 (the “**Bond Agreement**”), unless otherwise stated herein.

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

1. BACKGROUND

The Issuer informs that it is seeking a solution to waive the equity ratio covenant until maturity of the debt obligations, relying on the relevant asset coverage covenant only. This will allow the Issuer to continue to develop the encouraging results of the group’s commercial initiatives in the Small Scale LNG (SSLNG) segment in particular, but also in the LPG/petrochemical gas segments.

The Issuer has previously undertaken the following changes in the bond issue with ISIN NO 0010636 632 issued by the Issuer (“**IMSK12**”): In Q1 2015 the Issuer extended the IMSK12 bond from 27 February 2015 to 30 June 2016; and on 22 April 2016, the Issuer further extended the maturity of the IMSK12 bond from 30 June 2016 to 17 February 2017 against a consent fee of 2% as well as repayment of the Bonds at a price of 101.5% of par at maturity. The IMSK12 bondholders also waived the equity ratio covenant until the new maturity of the bond without any further compensation. In conjunction with this extension, the Issuer also received a firm offer to roll forward a USD/NOK cross currency swap, which will mature at the same time as the extended IMSK12 bonds and where Swedbank is the swap counterparty.

The rationale for the extended maturity dates of the IMSK 12 bond is the view that the Issuer’s SSLNG projects would realize within the new maturity and enable the Issuer to refinance and repay the debt obligations in 2017. During 2015, the Issuer first saw the Norgas fleet trading conditions materially worsening, dramatically reducing TCE earnings to an all-time low within the LPG/petrochemical gas segments. However since mid-2015 the general trading conditions for the ships has improved by 100%, and as expected the lower oil prices

are good for the business. Earnings are now at or above the 10-year historical average outperforming the markets.

LNG proof of concept has been slower in progress, but the Issuer is progressing and the projects make commercial sense. Finance for the clients is hard to come by for these infrastructure investments and this is delay reason nr 1. The volatile energy prices are reason nr. 2, while the much lower energy prices are generally supportive. There is a good margin for power plant clients between use of diesel and LNG still, but in USD terms vs capex it takes longer time to repay the switching cost.

The Issuer currently is in advanced discussions and negotiations on four specific SSLNG projects. Charter hire paid to SSLNG vessel owners under recent contracts reconfirm a material LNG premium over LPG and petrochemicals with an approx. 70 % LNG premium. A successful "LNG proof of concept" will be supportive of the refinancing of all of the groups debt obligations in 2017. Reference is also made to trading update released by the Issuer on 31st March 2016.

The IMSK13 Bond Issue with NOK 350m outstanding is maturing on 11 April 2017, whereof there is currently NOK 243.5 million (approx. USD 30 million) voting bonds (net of current Issuer's Bonds of NOK 106.5m).

The Issuer is aiming to safeguard the execution of the SSLNG "proof of concept" projects through a proposal to the Bondholders to waive the equity ratio covenant and rely on the relevant asset coverage until maturity of the Bonds.

The proposal is approved by the Board of Directors of I.M. Skaugen SE.

For further information regarding the Issuer and other updates, please refer to the Issuer's recent stock exchange announcements and the Issuer's financial reports, all available on www.newswest.no and the Issuer's web page www.skaugen.com.

2. THE PROPOSAL

The Issuer has approached the Bond Trustee to convene a Bondholders' Meeting to propose that the Bond Agreement shall be amended as follows (the "**Proposal**"):

- i. the equity ratio covenant in Clause 13.5 b) of the Bond Agreement shall be waived for the period from the date of the Bondholders' Meeting until the Maturity Date, and
- ii. Clause 10.1 of the Bond Agreement regarding repayment at Maturity Date shall read:

"Maturity

The Bonds shall mature in full on the Maturity Date, and shall be repaid at 101.5% of par by the Issuer. "

Other than any amendments prompted by the Proposal, the terms and conditions of the Bond Agreements will remain unchanged and continue to apply in their existing form.

3. CONSENT FEE

As compensation to the Bondholders, the Issuer offers to pay the Bondholders a one-time amendment fee of 1.0% (flat) of the face value of the respective Bondholders' holdings of the Bonds (the "Fee"). The Fee will be payable to the Bondholders (with record date at end-of business the date of the Bondholders' Meeting), within 10 Business Days after the Bondholders' Meeting, provided that the Bondholders' Meeting adopts the proposed changes as set out in Clause 2 of this summons.

In addition to the consent fee, the Issuer offers to repay the Bonds at a price of 101.5% of par on the maturity date, cf. the Proposal as set out in section 2, ii) above.

4. FURTHER INFORMATION

The Issuer has engaged Arctic Securities AS as its financial advisor (the "**Advisor**") with respect to the Proposal. Accordingly, Bondholders may contact the Advisor for further information:

Arctic Securities AS:

- Fabian Qvist, tel: +47 21 01 31 91, cell: + 47 48 40 31 91, email: fabian.qvist@arctic.com
- Jan Henrik Getz, tel: +47 21 01 32 92, cell: + 47 48 40 32 92, email: jan.getz@arctic.com

The Advisor acts solely for the Issuer and no-one else in connection herewith. No due diligence investigations have been carried out by the Advisor with respect to the Issuer, and the Advisor expressly disclaims any and all liability whatsoever in connection with the Proposal (including but not limited to the information contained herein).

For further questions to the Bond Trustee, please contact Vivian Trøsch at trosch@nordictrustee.com or + 47 22 87 94 22.

5. EVALUATION AND NON-RELIANCE

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisors regarding the effect of the Proposal.

The Bond Trustee is informed by the Issuer that Bondholders holding 41% of the Voting Bonds have undertaken to vote in favor of the Proposal.

6. SUMMONS FOR BONDHOLDERS' MEETING

The Bondholders are hereby summoned to Bondholders' Meeting:

Time: 13 May 2016 at 13:00 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 for the Bond Issue resolves the following:

"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons for the Bondholders' Meeting. The Bond Trustee is authorized to implement the Proposal.

To approve the Proposal, Bondholders representing more than 50 per cent of the Voting Bonds represented (in person or by proxy) at the Bondholders' Meeting must vote in favour of the Proposal. In order to have a quorum at least half (1/2) of the Voting Bonds must be represented at the meeting.

Please find attached a Bondholder's Form from the Securities Depository (VPS) as Schedule A hereto, 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 mail@nordictrustee.com, +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.

NORDIC TRUSTEE

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 email (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



Vivian Trøsch

Enclosed:

- Schedule A - Bondholder's Form