

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 ("IMSK13")

ISIN: NO 001 063663.2 - FRN I.M. Skaugen SE Senior Unsecured Bond Issue 2012/2015 ("IMSK12")

Oslo, 15 February 2017

Summons to Bondholders' Meeting

Nordic Trustee ASA acts as trustee (the "**Bond Trustee**") for the bondholders (the "**Bondholders**") in the above bond issues ("**IMSK12**" and "**IMSK13**" respectively) 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 21 February 2012 for IMSK12 and the bond agreement dated 29 March 2012 for IMSK13 (jointly the "**Bond Agreements**") as amended from time to time, 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

Reference is made to the Company's Q3 Report 2016 and to the Summons to Bondholders Meeting in IMSK13 sent out by the Issuer on 9 January 2017. The Issuer has informed the Bond Trustee that it has entered into discussions with relevant parties regarding the refinancing of the 2017 debt maturities. The Nordea syndicate, the Swedbank swap, the IMSK12 bond and the IMSK13 bond all have maturity date 17 February 2017, and the Issuer has been seeking to find a refinancing solution with all its creditors where the intention is to make all creditors whole over time.

As stated in the stock exchange notice 23 January 2017, the Issuer has signed long-term contracts for the time charter of three Multigas (MG) vessels for a project representing a "proof of concept" of its Small Scale LNG logistics solutions (SSLNG) - providing natural gas for power generation. The revenues under these SSLNG contracts will be about USD 42 mill annualized and thus about USD 420 mill for 10 years. The contract is subject to the client securing the relevant and necessary governmental approvals and financial close, and start-up of the contract is planned for in April 2017 by the Issuer arranging delivery of the first LNG. The rates within SSLNG has typically been about 60-70% higher than what is achieved in the

LPG trades, and hence the contract is an important milestone for the Issuer that is expected to allow the Issuer to service all its current debt over time.

Although the Issuer is having constructive dialogues and negotiations with all its creditors/lessors, the parties will not be able to finalize a refinancing solution within the Maturity Date. Hence, the Issuer is proposing a deferral of its debt maturities to 6 April 2017 to provide the parties with the necessary time to finalize the refinancing solution. Based on the status of these negotiations the Issuer expects that a solution can be agreed upon within the proposed date, 6 April 2017.

The Issuer intends to enter into the following agreement with its creditors prior to the Bondholders' Meeting on 1 March 2017, all subject to Bondholders (both IMSK12 and IMSK13) approving the proposal as well:

- The Nordea syndicate to agree to defer maturity of the facility until 6 April 2017 provided that Somargas II Private Limited (Borrower) will continue to pay cash interest during the period and that there are no cash leakages to Swedbank, IMSK12 and IMSK13 in I.M. Skaugen SE;
- Swedbank to agree to defer maturity of the cross currency swap, and any interest payments under the Swap, until 6 April 2017, meaning they will not receive any cash interest during the period; and
- The lease counterparties to agree to "pay as you earn" rates until 6 April 2017, meaning that there will not be any cash leakage to these counterparties in this period.

On this basis the Company asks the Bondholders to consent to a deferral of maturity until 6 April 2017. This will also mean that no interest payments will be made on 17 February 2017, ordinary interest according to the Bond Agreements (no default interest) will continue to accrue up until the new maturity and be payable 6 April 2017.

The IMSK12 Bond Issue with NOK 340m outstanding whereof NOK 161.5 million (approx. USD 20.1 million) is voting bonds (net of current Issuer's Bonds of NOK 178.5m).

The IMSK13 Bond Issue with NOK 350m outstanding whereof NOK 243.5 million (approx. USD 30.6 million) is voting bonds (net of current Issuer's Bonds of NOK 106.5m).

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.newsweb.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 Agreements shall be amended as follows (the "**Proposal**"):

- i. Under *1.1 Definitions* the definition of *Maturity Date* shall be amended to read as follows:

“Maturity Date” means 6 April 2017 or an earlier maturity date as provided for in this Bond Agreement. Any further adjustment may be made according to the Business Day Convention.”

- ii. Section 9.2 shall be amended and read as follows:
“Interest payments shall be made in arrears on the Interest Payment Dates each year, except the interest payment due 17 February 2017 which shall be payable at the Maturity Date.”

The Proposal is conditional upon the Issuer entering into the agreements described in section 1 above.

3. 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

In light of the coming refinancing of all of the Issuer’s debt maturities, the Issuer further encourages all Bondholders to contact the Advisor to facilitate a constructive process.

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.

4. 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 37% of the Voting Bonds in IMSK12 and 45% of the Voting Bonds in IMSK13 have undertaken to vote in favor of the Proposal.

5. SUMMONS FOR BONDHOLDERS' MEETING

The Bondholders are hereby summoned to Bondholders' Meeting:

Time: 1 March 2017 at 14:00 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 2/3 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.

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