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To the Bondholders in:

ISIN NO 001066204.2 - FRAM EXPLORATION ASA - 13 per cent Senior Secured Convertible Bond Issue 2012/2015

Oslo, 20 September 2016

Summons (the "Summons") to Bondholders' Meeting – Amendments and consents

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the holders of bonds (the "**Bondholders**") in the "13 per cent Senior Secured Convertible Bond Issue 2012/2015" with ISIN NO 001066204.2 (the "**Bond Issue**"), where Fram Exploration ASA (the "**Company**" or the "**Issuer**") is the issuer.

All capitalized terms used herein shall, unless otherwise defined in this Summons, have the meanings assigned to them in the loan agreement for the Bond Issue (the "**Loan Agreement**"), as amended by an amendment agreement dated 24 April 2013 and further amended by an amendment agreement no. 2 dated 20 February 2015 (jointly the "**Amendment Agreements**"). The Loan Agreement and the Amendment Agreements are jointly referred to herein as the "**Bond Agreement**" and the bonds issued thereunder are referred to as the "**Bonds**").

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

1. BACKGROUND

The Issuer's financial position continues to be very strained, and the Issuer thus has proposed to make certain amendments to the Bond Agreement. Further, the general meeting of the Issuer has proposed to change the corporate structure of the Issuer from an ASA company to an AS company, and the Issuer will formally seek consent from the Bondholders to such a change.

The purpose of this Summons is to request approval from the Bondholders for the Bond Trustee, for and on behalf of the Bondholders, to enter into necessary agreements to implement the proposed proposals set out in clause 2 below and to authorize and agree to certain other matters and actions that are appropriate and necessary for the effectiveness and the consummation of the amendments and consents proposed.

The Proposal is put forward on the following background:

Ultimo May 2016 Loyz Energy Ltd ("**Loyz**") acquired Bonds with par value of NOK 32 601 218 (representing approx. 70% of the Bonds in the Bond Issue) in transactions with two major Bondholders (the "**Bond Acquisitions**") as further described in press releases from Loyz (enclosed this Summons as Exhibit I and II).

Loyz is an independent exploration and production energy company with focus in the Asia-Pacific region and the key asset being a stake in the Thailand oil fields in the Phetchabun Basin. The ordinary shares of Loyz are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Loyz holds 13,75% of the ordinary shares of the Issuer while the Issuer holds 14.1% of the ordinary shares of Loyz. Loyz is also the debtor to the Issuer for a claim of USD 2.0 million plus interests accrued (currently USD 151,000 (the "**Outstanding Amount**").

The Bond Acquisitions shall be settled by a) the issue by Loyz of 43,697,520 new ordinary shares in Loyz ("**Loyz Shares**") at an issue price of S\$ 0.0268 per share and b) the delivery of 41,344,580 existing Loyz Shares currently owned by the Issuer, but which the Issuer is to transfer to Loyz representing its pro rata portion of an voluntary offer for partial redemption of Bonds with Loyz Shares priced at SGD 0.040 per share to be put forward by the Issuer to all Bondholders following the Bondholder's Meeting.

Further, Loyz has agreed to pay these sellers a risk compensation for taking payment in the form of Loyz shares in the form of a commission of approximately USD 976,000 (the "**Commission**") to be satisfied by (i) an issue of 45,185,333 Loyz Shares amounting to USD 878,000, and (ii) a cash payment of USD 98,000 payable within 10 business days upon full redemption of the Bonds acquired.

The two selling Bondholders had prior to the transaction with Loyz acquired Bonds from other Bondholders against cash payment of app. 41% of par value of the Bonds (based on the then prevailing FX rates). All Bondholders known to Sparebank 1 Markets were prior to this provided with an offer to sell their Bonds against such cash payment, or to sell their Bonds to Loyz in a combined shares/cash offer on the terms of the Bond Acquisition (including the Commission).

Ultimo May, the Loyz shares was priced at SGX-ST at app. SGD 0.03 per share, equalling app. NOK 0.18 per share. The listing price at SGX-ST as of today is app. SGD 0.014 per share. The Selling Bondholders are to receive a total compensation of (i) 130,227,433 Loyz shares and (ii) USD 98,000. The value of these shares represents app. NOK 23.440.937 based on the Ultimo May listing price and current FX, and NOK 10 939 104,372 based on today's listing price and current FX. The cash amount represents NOK 801 346, with current FX.

Applying the Ultimo May listing price the total consideration (purchase price and Commission) represented 74,3% of par value on the relevant Bonds. Applying today's listing price the total consideration is app. NOK 11 740 450, representing app. 36% of par value.

As a condition precedent for the completion of the Bond Acquisition and as further required by Loyz in order to vote in favour of the Proposals made in this Summons, Loyz and the Issuer has entered into an agreement (the "**Settlement Agreement**") with the following content:

- The Outstanding Amount payable by Loyz to the Issuer is to be offset against the Bonds owned by Loyz on the due date of the Bonds. The Issuer undertakes not to claim payment of the Outstanding Amount prior to the due date of the Bonds.
- The Issuer shall redeem a portion of the Bonds, including a proportionate number of Bonds held by Loyz, with in-kind payment in the form of 61 million Loyz Shares at a valuation of SGD 0,04 per share, on or before 1 November 2016 or as soon as practicable following the bondholders' meeting.

Valued at SGD 0.04 per share, the redemption offer will amount to app NOK 14 640 000 out of the total principal outstanding Bonds of NOK 48 100 000.

Loyz is upon acceptance of this offer to receive 41,344,580 shares, representing a value of app. NOK 9 922 699. Loyz will following such redemption hold Bonds with par value of app. NOK 22 678 518. Loyz has confirmed to the Issuer that Loyz will accept the redemption offer for such amount of shares priced at SGD 0.04 per share.

Further, Loyz has undertaken to offer to acquire the remaining Bonds in the Bond Issue. This offer is set out as follows:

The Issuer has informed the Bond Trustee that Loyz offers to acquire all remaining Bonds in the Bond Issue prior to the partial redemption being carried out. The price offered is 45% of the nominal value of the Bonds and 45% of accrued interest, payable by issue of Loyz Energy Ltd shares at the higher of SGD 0.03 and market value, defined as the average valuation on SGX the last five trading dates prior to expiry of the offer. The offer is open until end of business on September 25, 2016.

Acceptance of the offer may be given to Sparebank 1 Market, attn.: Henrik Danielsen, e-mail: henrik.danielsen@sb1markets.no."

The average Loyz Share price on the SGX-ST in the five-day period prior to this Summons letter was SGD 0,0178 , implying that the Loyz Shares will be priced at SGD 0.03. Such a valuation price would imply a price offer of app. 26,7% in respect of current market values.

Loyz has undertaken to vote in favour of the proposals set out in clause 2.

2. THE PROPOSAL

The Issuer proposes (the "**Proposal**"):

- a) To extend the Maturity Date of the Bond Agreement to 31 December 2018, by amending the definition of "Maturity Date" to read:

"Maturity Date" means 31 December 2018. Any adjustment will be made according to the Business Day Convention".

- b) That the Bondholders waive the right to receive any interest which is accrued and unpaid to January 1st, 2017.
- c) That the applicable interest on the Bonds is amended to be 10% per annum as from 1 January 2017, and that correspondingly, as from and including 1 January 2017 all references in the Bond Agreement to the interest rate being 13% per annum shall be amended to a reference to the interest rate being 10% per annum, and in particular as from the same date Clause 9.1 is amended to read:

"9.1 The Issuer shall pay interest on the par value of the Bonds, from and including 1 January 2017 at a fixed rate of 10 per cent (10%) per annum (the "**Fixed Rate**")".

- d) That no interest coupons shall be paid prior to the Maturity Date, so that all accrued interest from 1 January 2017 to the Maturity Date shall be paid together with the principle outstanding amount on the Maturity Date. Accordingly, the definition of "Interest Payment Date" shall be amended to read:

"Interest Payment Date" means 31 December 2018. Any adjustment will be made according to the Business Day Convention."

- e) That the Bondholders consent to a change of the Issuer's corporate status from a "allmennaksjeselskap" (ASA) to a "aksjeselskap" (AS), and that hence neither Clause 13.3 (g) (*Corporate status*) nor any other provision of the Bond Agreement is violated as a result of carrying put such change from ASA to AS.

The Proposal is subject to an amendment agreement to reflect the Proposal being duly executed by the Issuer and the Bond Trustee on behalf of the Bondholders.

The Issuer will, upon implementation of the Proposal, present the Bondholders with a pro rata partial redemption offer to receive in total 61 million Loyz Shares valued at SGD 0.040 per Loyz Shares.

3. EVALUATION OF THE PROPOSAL

3.1. The Issuer's evaluation

The Proposal is put forward to the Bondholders with the Company's recommendation. However, Bondholders must independently evaluate whether the Proposal is acceptable. It should be noted, however, that should the Proposal not be approved, the financial position of the Issuer will be further strained and the Issuer is unlikely to be able to meet its obligations as they fall due.

The Issuer is currently in a difficult cash flow situation, as all available resources are being allocated to maintaining the leaseholds serving as security for the bond, meeting regulatory requirements and performing mandatory work on the leases.

The market for assets like those held by the Issuer is soft at the moment, and any realisation now is likely to be futile.

It is the Company's assessment that a prolongation of the bond and easement of terms as proposed is the best mean available to secure the Bondholders outlook to coverage, as this will give the Company a better prospect of working through the cycle and realise in a more positive market.

For Bondholders seeking liquidity now, the Company has negotiated with Loyz to issue the offer described in these Summons.

As explained, Loyz has required that the Outstanding Amount of USD 2 million plus interest) that the Issuer has on Loyz should be set off against Loyz position in the Bond when the Bond is due for payment. As the Issuer is among the largest shareholders in Loyz, this also serves the purpose of easing Loyz financial position, and thus positively influence the value of the Issuer's shares in Loyz.

3.2. The Bond Trustee's evaluation

The Bond Trustee puts forward the Proposal set out herein without any further evaluations or recommendation from the Bond Trustee. The Bondholders must independently evaluate, based on the available information, whether the proposal is acceptable.

4. SUMMONS FOR BONDHOLDERS' MEETING.

The Bondholders are hereby summoned to a Bondholders' Meeting:

Time: 4 October 2016 at 13:00 (Oslo time),

Place: The premises of Nordic Trustee ASA,
Haakon Vlls 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. Consent to the Proposal:

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

The Proposal (as described in section 2 of the summons of this Bondholders' meeting) is approved by the Bondholders' Meeting.

The Bondholders' meeting irrevocably grants the Bond Trustee the authority, on the Bondholders' behalf to enter into or execute any agreement, instrument or other document, and to take any and all such other act that may be required or appropriate, in the Bond Trustee's absolute discretion, to carry out the decisions made by the Bondholders' meeting and to accomplish the Proposal under the laws of Norway.

* * *

In order to have a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting. To approve the Proposal, Bondholders representing at least 2/3 of the Voting Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. If the Proposal is not adopted, the Bond Agreement will remain unchanged.

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 ASA 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 ASA to vote, must then be returned to Nordic Trustee ASA 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 ASA, to notify Nordic Trustee ASA 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



Olav Slagsvold

Attachment 1: Bondholder's Form