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To the bondholders in:

ISIN NO 001 068383.2 - 8.875 per cent Latina Offshore Limited Senior Secured Callable Bond Issue 2013/2018

Oslo, 30 June 2016

Summons to Bondholders' Meeting – proposal to make certain amendments of the Bond Agreement

1 INTRODUCTION

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by Latina Offshore Limited (the "**Company**" or "**Issuer**").

Capitalised terms used but not otherwise defined herein shall have the meaning assigned to them in the bond agreement originally entered into on 3 July 2013, as amended and restated pursuant to an amendment and restatement agreement dated 11 October 2013 (the "**Bond Agreement**").

Reference is made to the information from the Company published on Stamdata on 2 March 2016 (the "**March Information Notice**") and the Interim Accounts for first quarter 2016 and related press release published on the Parent's website 31 May 2016 (the "**Interim Accounts Press Release**"). Reference is also made to the summons letter dated 17 June 2016 (the "**17 June Summons**"), and the notice of 30 June 2016 concerning cancellation of the Bondholders' Meeting scheduled for 1 July 2016.

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.

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

2 BACKGROUND

Rig 1 and Rig 2 (the "**Jack-Up Rigs**") owned by Rig 1 Owner and Rig 2 Owner respectively are currently bareboat chartered to the Parent, who in turn has chartered the rigs to Pemex.

As advised in the Interim Accounts Press Release the Parent is currently engaged in negotiations with Pemex of certain conditions of the contracts.

Pursuant to the Bond Agreement, on 3 July 2016 the Issuer shall repay an instalment of USD 15,000,000 of the Bonds in accordance with Clause 10.1 of the Bond Agreement (the "**July 2016 Instalment**").

As stated in the 17 June Summons, pending completion of the negotiations with Pemex and to avoid a breach of the Bond Agreement during this period, the Issuer approached the Bondholders to ask for their consent to extend the July 2016 Instalment and make certain amendments to the Bond Agreement as described therein.

Following publication of the 17 June Summons, the Issuer has been in constructive discussion with certain bondholders representing more than 2/3 of the Bonds. On the basis of these discussions, the Issuer decided to withdraw the 17 June Summons and cancel the bondholders' meeting scheduled for 1 July 2016, and instead set forth the revised proposal included herein.

The revised proposal includes a payment of USD 5 million in amortisation and deferral of USD 10 million for three months, whilst the proposal in the 17 June Summons entailed deferral of the entire USD 15 million amortisation payment. In addition, it is proposed that the minimum Liquidity in the period up until 30 September 2016 (the "**Deferral Period**") shall be reduced from USD 10 million to USD 5 million.

3 PROPOSED AMENDMENTS TO THE BOND AGREEMENT

In accordance with Clause 16.2 of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a meeting of Bondholders ("**Bondholders' Meeting**") in order to consider the Issuer's request to amend the terms of the Bonds as set out below, pursuant to the authority given to the Bondholders' Meeting under Clause 16.1 of the Bond Agreement.

The Issuer proposes that the Bond Agreement is amended in accordance with the proposed amendments in sections 3.1 to 3.4 (the "**Proposal**");

3.1 Deferral of the July 2016 Instalment

It is proposed that the July 2016 Instalment in part shall be postponed to 30 September 2016 (the "**September 2016 Payment Date**").

Accordingly, Clause 10.1.1 of the Bond Agreement is proposed to read as follows:

"The Bonds shall be repaid by the Issuer with an amount of USD 8,750,000 on the Interest Payment Date in January 2015, with an amount of USD 15,000,000 on the Interest Payment Date in July 2015 and on the Interest Payment Date in January 2016, with an amount of USD 5 million on the Interest Payment Date in July 2016, with an amount of USD 10 million on the September 2016 Payment Date and with an amount of USD 15 million on each subsequent Interest Payment Date up to and including the Interest Payment Date in January 2018. The remaining outstanding amount under the Bonds shall be repaid at the Maturity Date.

For the avoidance of doubt, no interest for late payment in accordance with Clause 11.4 (only regular interest in accordance with Clause 9) of the Bond Agreement shall accrue on the USD 10 million referred to above in the period from the Interest Payment Date in July 2016 to the September 2016 Payment Date.

3.2 Amendment of minimum Liquidity covenant

It is proposed (i) that the minimum Liquidity for the Deferral Period shall be reduced from USD 10 million to USD 5 million and (ii) that the Liquidity shall be comprised of at least USD 5 million cash on an account with the Paying Agent pledged and blocked in favour of the Bondholders.

Accordingly, Clause 13.6.1 of the Bond Agreement is proposed to read as follows:

"The Issuer shall at all times (i) maintain no less than USD 5 million in an account with the Paying Agent pledged and blocked in favour of the Bond Trustee and the Bondholders (the "Retained Amount") and (ii) maintain a Liquidity (on a consolidated basis) which together with the Retained Amount (a) in the period up to and including 30 September 2016 is no less than USD 5,000,000 and (b) thereafter is no less than USD 10,000,000.

3.3 Suspension of transfers to certain accounts and coverage of OPEX for the Rigs during the Deferral Period

The requirement to make certain transfers and payments to the Interest Retention Account pursuant to Clause 13.2.17 of the Bond Agreement and the requirement to make certain transfer and payments in accordance with Clause 13.5.1 – 13.5.5 of the Bond Agreement, including the payment of hire under the Bareboat Charters, and Clause 13.8.6 shall be suspended during the Deferral Period. Prior to and no later than at the expiry of the Deferral Period, the Issuer shall ensure that an amount equivalent to the build-up that should have been made during the Deferral Period is immediately transferred to the Interest Retention Account, and so that an amount equal to 3/6 of the next interest payment on the Bonds shall be standing to the credit of the Interest Retention Account on 3 October 2016.

Any amount standing to the credit of the Accounts after (i) payment of interest on the Interest Payment Date in July 2016, (ii) payment of USD 5,000,000 in amortisation on the Interest Payment Date in July 2016 and (iii) appropriation of the Retained Amount, may be transferred by the relevant account holder to the Parent to directly or indirectly pay operating expenses of the Parent, the Issuer, Rig 1 Owner and/or Rig 2 Owner in relation to the Rigs.

Any earnings received from the Charter Contract(s), paid into the Parent Earnings Account or otherwise, may be used by the Parent to directly or indirectly pay operating expenses of the Parent, the Issuer, Rig 1 Owner and/or Rig 2 Owner in relation to the Rigs.

3.4 Bondholders' Meeting

The Bond Agreement shall be amended to allow for summons to Bondholders' Meetings to be dispatched with 5 (rather than 10) Business Days' notice. Accordingly, Clause 16.2.4 of the Bond Agreement shall be amended to read as follows:

"The summons to a Bondholders' Meeting shall be dispatched no later than five Business Days prior to the date of the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all Bondholders registered in the Securities Depository at the time of distribution. The Exchange shall also be informed if the Bonds are listed."

3.5 Written resolution

The Bond Agreement shall be amended to allow matters which may be resolved in a Bondholders' Meeting to be resolved by way of a written resolution procedure. Accordingly, a new Clause 16.5 shall be included in the Bond Agreement in accordance with the form attached as **Schedule B**.

3.6 Amendment to Bond Agreement and miscellaneous

Save for such amendments as are necessary to reflect the Proposal, the Bond Agreement shall remain in full force and effect.

The Proposal requested by the Issuer shall have effect immediately upon approval of the Proposal by the Bondholders' Meeting.

By approving the Proposal, the Bondholders acknowledge that regardless of the deferral requested herein, the Issuer will continue to pay its suppliers and operational expenses.

4 STANDSTILL UNDERTAKING PENDING BONDHOLDERS' MEETING

The next amortisation payment under the Bond Agreement is due on 4 July 2016. In this respect (i) the Bond Trustee have undertaken to the Issuer not to declare an Event of Default unless it receives instruction from a relevant majority of the Voting Bonds and (ii) Bondholders representing more than 2/3 of the Voting Bonds have undertaken to the Issuer not to declare or instruct to declare an Event of Default, in each case due to non-payment of amortisation due on such date in the period from 4 July 2016 to the time the Bondholders' Meeting is adjourned or cancelled.

5 EVALUATION OF THE PROPOSAL

The Proposal is put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee or the Issuer or any of their respective advisors. 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 advisers regarding the effect of the Proposal.

The Bond Trustee has been informed that Bondholders representing more than 2/3 of the Voting Bonds have irrevocably undertaken to vote in favour of the Proposal.

For further questions to the Issuer, please contact Simen Flaaten at Clarkson Platou Securities AS at simen.flaaten@clarksons.com or +47 48 3000 35. For further questions to the Bond Trustee, please contact Morten S. Bredesen at mail@nordictrustee.com or +47 22 87 94 00.

6 SUMMONS FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: **18 July 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 resolves the following:

"The Bondholder's Meeting approves the Proposal as described in Section 3 (Proposed Amendments to Bond Agreement) of the summons for the Bondholders' Meeting.

The Bond Trustee is hereby authorised to do all things and take such steps as may be necessary or desirable in connection with the Proposal, without any obligation to notify the Bondholders as provided for in Clause 16.2 of the Bond Agreement. Further, the Bond Trustee is given power of attorney to prepare, finalise and enter into any and all documentation and agreements deemed necessary or desirable by the Bond Trustee in connection with documenting the decisions made by the Bondholders' Meetings as well as to carry out the necessary completion work."

To approve the above resolution, 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 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.)

Individual Bondholders 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@nordictrustee.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 is executed, 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 beneficial 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 (at set out at the first page of this letter) by no later than 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

Nordic Trustee ASA



Morten S. Bredeesen

Enclosed: Schedule A - Bondholder's Form
Schedule B - Written Resolution

Schedule A

Schedule B – Written Resolution

“**Written Resolution**” means the written or electronic procedure for decision making among Bondholders in accordance with Clause 16.5 (*Written Resolution*).

16.5 Written Resolutions

- 16.5.1 Subject to the provisions in this Bond Agreement, anything which may be resolved by the Bondholders in a Bondholders’ Meeting pursuant to Clause 16.1 (*Authority of the Bondholders’ Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders’ Meeting, and any reference in any Finance Document to a Bondholders’ Meeting shall be construed accordingly.
- 16.5.2 The person requesting a Bondholders’ Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- 16.5.3 The summons for the Written Resolution shall be sent to the Bondholders through the VPS and published at the Bond Trustee’s web site, or other relevant electronic platform or via press release.
- 16.5.4 The summons for a Written Resolution shall include:
- (a) instructions as to how to vote to each separate item in the summons (including instructions as to how voting can be done electronically if relevant); and
 - (b) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the “**Voting Period**”), such Voting Period to be at least three (3) Business Days but not more than 15 Business Days from the date of the summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 16.4 (*Repeated Bondholders’ Meeting*) shall be at least five (5) Business Days but not more than 15 Business Days from the date of the Summons.
- 16.5.5 Only Bondholders of Voting Bonds registered with the VPS on the relevant record date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee, will be counted in the Written Resolution.
- 16.5.6 A Written Resolution is passed when the requisite majority set out in Clause 16.3.4 or Clause 16.3.5 (*Resolutions passed at Bondholders’ Meeting*) or Clause 16.4.2 (*Repeated Bondholders’ Meeting*) has been achieved, based on the total number of Voting Bonds,

even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient number of negative votes are received prior to the expiry of the Voting Period.

- 16.5.7 The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- 16.5.8 If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in Clause 16.3 (*Resolutions passed at Bondholders' Meeting*) and Clause 16.4 (*Repeated Bondholders' Meeting*).