

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

To the bondholders in:

ISIN NO 001 0713779

**12.00 per cent. Xcite Energy Resources Limited Senior Secured
Callable Bond Issue 2014/2016**

Oslo, 27 September 2016

Notice of a Written Bondholders' Resolution

1. NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTION

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue (the "**Bond Issue**" or the "**Bonds**") in respect of which Xcite Energy Resources plc (formerly Xcite Energy Resources Limited) (the "**Issuer**") is the issuer and Xcite Energy Limited (the "**Parent**") is the guarantor.

All capitalised terms used in this summons (the "**Summons**") shall have the meaning assigned to them in the bond agreement dated 27 June 2014 (as amended and/or restated from time to time) and made between the Issuer, the Parent and the Bond Trustee (the "**Bond Agreement**") unless otherwise stated herein.

The Issuer has requested that the Bond Trustee issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Resolution*) of the Bond Agreement to consider approval of the Proposed Resolution (as defined below).

2. BACKGROUND

The Issuer has been in discussions for some time with an 'ad hoc' committee of Bondholders holding in excess of 97% of the Bonds with respect to a potential restructuring of the Bonds. While those negotiations have been constructive, no terms have yet been finalised. The Issuer would like to request a short-term extension to the Maturity Date of the Bonds, which is currently 30 September 2016, to 31 October 2016 (the "**Maturity Date Extension**") to afford it time to conclude those negotiations and to allow it to resolve terms for restructuring the Bonds and implement such restructuring. The Issuer also acknowledges that the Bond Trustee (acting on the instructions of the Bondholders, in their sole discretion, pursuant to authority granted at a Bondholders' Meeting or by way of a Written Resolution) may declare the Bonds to be immediately due and payable at any time during the period of the Maturity Date Extension.

In light of the above, the Issuer is proposing the following amendments to the Bond Agreement (and in this paragraph, all references to a "**Clause**" are to the relevant clause in the Bond Agreement):

- (a) the words "30 September 2016" in the definition of "Maturity Date" in Clause 1.1 of the Bond Agreement shall be deleted and replaced with the words "31 October 2016" (the "**Maturity Date Extension**"); and
- (b) Clause 10.1 shall be deleted in its entirety and the following shall be inserted as a new Clause 10.1:

“10.1 Maturity

10.1.1 *Subject to Clause 10.1.2, the Bonds shall mature in full on the Maturity Date, and shall be repaid at par (100%) by the Issuer.*

10.1.2 *The Bond Trustee (acting on the instructions of the Bondholders, in their sole discretion, pursuant to a resolution passed under Clause 16.1 or Clause 16.5 in accordance with the voting threshold under Clause 16.3.4) may declare the Bonds to be immediately due and payable at any time prior to the Maturity Date and, in that event, the Bonds shall become immediately due and payable and shall be repaid at par (100%) by the Issuer.”,*

(together, the “**Bond Agreement Amendments**”).

The Issuer would further like to request a deferral of the payment of the Fixed Interest in respect of the Bonds which is due on 30 September 2016 to the new proposed Maturity Date of 31 October 2016.

3. PROPOSED RESOLUTION

In light of the above, the Issuer hereby proposes the following (the “**Proposed Resolution**”):

“The Bond Trustee is hereby authorised and instructed to:

- (a) approve the Bond Agreement Amendments and to enter into and execute such documentation necessary or advisable, and to take such steps as are required, in each case in the absolute discretion of the Bond Trustee, in order to give effect to the Bond Agreement Amendments; and*
- (b) approve the deferral of the payment of Fixed Interest due on 30 September 2016 by the Issuer to 31 October 2016,*

such authorisations and instructions to take effect as a Written Resolution.”

4. EVALUATION OF THE PROPOSED RESOLUTION

4.1 The Issuer’s evaluation

In the opinion of the Issuer, the proposed Maturity Date Extension will afford the Issuer additional time to conclude negotiations with Bondholders in respect of, and resolve terms for, and implement, a restructuring of the Bonds.

4.2 Non-reliance

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposed Resolution and vote accordingly.

None of the Bond Trustee or its advisers accepts any responsibility to Bondholders in relation to the impact of the Bond Agreement Amendments or the Proposed Resolution on Bondholders’ tax or accounting affairs. Each Bondholder should consult their own independent legal advice in relation to any tax and/or accounting implications of the Bond Agreement Amendments and the Proposed Resolution.

4.3 Pre-acceptance

The Issuer has informed the Bond Trustee that Bondholders holding in excess of 97% of the Outstanding Bonds have indicated their support for the Proposed Resolution.

5. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 1 (the "**Voting Form**") no later than 30 September 2016 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt, is 60% of the Voting Bonds pursuant to Clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that Bonds are transferred to a new owner after votes have been submitted in respect of such Bonds, the new Bondholders shall accordingly not be entitled to submit a vote.

Yours sincerely
Nordic Trustee ASA



Morten S. Bredeesen

Enclosed:

Schedule 1: Voting Form

SCHEDULE 1

VOTING FORM

ISIN NO: 0010713779 – 12.00 per cent. Xcite Energy Resources Limited Senior Secured Callable Bond Issue 2014/2016

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposed Resolution as defined in the Notice for a Written Bondholders' Resolution dated 27 September 2016

☐ **In favour** of the Proposed Resolution

☐ **Against** the Proposed Resolution

ISIN ISIN NO 0010713779	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of _____

We acknowledge that Nordic Trustee ASA in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:

Nordic Trustee ASA
P.O.Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
mailto: mail@nordictrustee.no

¹ If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.