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**To the bondholders in:**

**ISIN NO 001 0753262 – FRN Aurora LPG Holding ASA Senior Unsecured Bond Issue 2015/2017**

Oslo, 25 October 2016

## **Summons to Bondholders' Meeting**

### **1. Introduction**

Nordic Trustee ASA (the **“Bond Trustee”**) acts as trustee for the holders of the bonds (the **“Bondholders”**) in the above mentioned senior unsecured bond issue with ISIN NO 001 0753262 (the **“Bonds”** or the **“Bond Issue”**) issued by Aurora LPG Holding ASA (**“Aurora LPG”**, the **“Issuer”** or the **“Company”**).

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 8 December 2015 and made between the Bond Trustee and the Issuer (the **“Bond Agreement”**), unless otherwise stated herein.

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

### **2. Background**

Aurora LPG took delivery of the final of its 6 VLGC new builds from Hyundai Heavy Industries in August 2016, and its fleet now consists of 9 VLGCs, all operating in the spot market. Furthermore, the Company has during 2016 completed the financing for all its new builds, and refinanced parts of its bank facilities, which now consist of three senior facilities, one USD 150,000,000 facility with ABN AMRO, NIBC and SEB, one USD 200,000,000 facility with ABN AMRO and Kexim and one USD 50,000,000 facility with Credit Suisse.

During the period following the Bond Issue in December 2015, the spot market for VLGC shipping has deteriorated significantly. Spot rates are currently at the lowest level observed since 2009, and may remain low for the foreseeable future. This, in combination with the Company's scheduled amortizations on bank loans and bonds, results in the Company facing severe liquidity challenges in the near future as a stand-alone entity.

Based on this, the Company has, for an extended period, been working on alternative measures addressing its strained liquidity situation, including constructive ongoing discussions with its banks and shareholders. In the beginning of the third quarter, the Company and one of its subsidiaries secured additional debt in the amount of USD 21,000,000, providing the group with a short-term liquidity headroom.

On 19 September 2016, BW LPG Limited (“**BW LPG**”) announced that it had acquired 3,002,094 shares in the Company, and that following this acquisition, BW LPG owned 8,852,841 shares in Aurora, corresponding to 29.83% of the shares in issue. Additionally, BW LPG acquired NOK 57,000,000 of the Bond Issue, corresponding to 33.53% of its outstanding amount.

Following the aforementioned acquisition, on 20 September 2016, BW LPG announced that it has acquired an additional 877,813 shares in the Issuer, resulting in a new ownership position of 9,730,654 shares in Aurora LPG, corresponding to 32.79% of the shares in issue. BW LPG further announced that it will launch a voluntary tender offer for all the remaining shares in Aurora LPG (the “**Offer**”).

On 3 October 2016, BW LPG announced that it had improved the terms of the Offer, and had received additional irrevocable pre-acceptances from large shareholders. Following this, BW LPG and other shareholders which had undertaken to accept the offer together held 15,006,217 shares in Aurora LPG (52.39%, excluding treasury shares held by Aurora LPG). Chairman of Aurora LPG, Leiv Askvig, stated that *“this enhanced offer represents the best solution for our shareholders, taking into consideration both financial outcome and transaction risk”*.

BW LPG is currently in the process of preparing an offer document for the Offer, which will be launched upon regulatory approval of the offer document, expected to take place in the beginning of November 2016.

Subsequent to the announcements by BW LPG, Aurora LPG has continued the dialogue with its banks, in order to obtain waivers and amendments reducing short-term liquidity needs prior to the expected completion of the Offer by BW LPG.

Furthermore, and as part of this relief, the Company is as further set out herein requesting the Bondholders to waive the NOK 30,000,000 amortization due 9 November 2016, in order to ensure a manageable short-term liquidity position pending completion of the Offer by BW LPG.

In combination, waivers and amendments from Aurora LPG’s bank facility providers and bondholders will significantly reduce the Company’s short-term liquidity needs, and are expected to provide sufficient runway until the expected completion of the Offer. A combined BW LPG and Aurora LPG will create a strong platform that possesses the financial resources required to continue its operations and honour obligations to all creditors through the challenging period the LPG shipping industry currently faces.

The Proposal (as defined below) has received support from Bondholders in the Bond Issue holding NOK 57,000,000 of the current outstanding amount, equivalent to 33.53% of the Bond Issue.

With reference to BW LPG’s notification regarding amended offer terms and update on the voluntary offer for Aurora LPG dated 3 October 2016, BW LPG has informed the Company that an approval of the Proposal does not constitute a breach of any of BW LPG’s conditions for completion of the Offer, in that it will not be regarded as being a material change in financing arrangements of Aurora LPG.

### **3. The Proposal**

In accordance with Clause 16.2.1 of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a meeting of Bondholders (the “**Bondholders’ Meeting**”) in order to consider the Issuer’s request to amend the Bond Issue as set out below, pursuant to the authority given to the Bondholders’ Meeting under Clause 16.1 of the Bond Agreement.

Based on the above, the Issuer proposes that the Bond Agreement is amended to reflect the following (the "**Proposal**"):

- (i) The Bondholders accept to defer the NOK 30,000,000 payment in full originally due on 9 November 2016 to the Maturity Date.
- (ii) To reflect such deferral, a new installment schedule shall be included in Clause 10.1.1 of the Bond Agreement (to replace the current) as follows:

<i><b>Payment Date</b></i>	<i><b>Amount</b></i>
<i>Interest Payment Date in May 2016</i>	<i>NOK 10,000,000</i>
<i>Interest Payment Date in August 2016</i>	<i>NOK 20,000,000</i>
<i>Interest Payment Date in February 2017</i>	<i>NOK 40,000,000</i>
<i>Interest Payment Date in May 2017</i>	<i>NOK 40,000,000</i>
<i>Maturity Date</i>	<i>NOK 90,000,000*</i>
<i><b>Sum</b></i>	<i><b>NOK 200,000,000</b></i>

\* Or such lower amount to reflect any discharge of Bonds pursuant to Clause 12

In anticipation of the result from the Bondholders' Meeting, the drawing of Bonds in VPS in relation to the 9 November 2016 instalment will not be made.

#### **4. Further Information**

For more detailed information about the Issuer and/or the Proposal, please contact Nikolai Jebsen, CFO, at +47 462 82 222 or [nj@auroralpg.com](mailto:nj@auroralpg.com).

For further questions to the Bond Trustee, please contact Lars Erik Lærum at [mail@nordictrustee.com](mailto:mail@nordictrustee.com) or + 47 22 87 94 00.

#### **5. Evaluation of the Proposal**

The Proposal is put forward to the Bondholders without further evaluation or recommendation by 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.

As noted in Section 2 above, the Issuer has informed the Bond Trustee that Bondholders (including BW LPG) representing more than 33.53% of the Voting Bonds have given their undertakings to vote in favour of the Proposal.

#### **6. Summons to a Bondholders' Meeting**

The Bondholders are hereby summoned to a Bondholders' Meeting, the details of which are set out below:

**Time:** 8 November 2016 at 09:00 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 resolve the following:**

*The Bondholders' Meeting approves the Proposal as described in section 3 of the summons for the Bondholders' Meeting. The Bond Trustee is authorised to (a) prepare, finalise and enter into the necessary amendment agreement and other documentation deemed appropriate in connection with documenting the decision made by the Bondholders' Meeting according to the summons, and (b) take such further action required to complete and give effect to the Proposal."*

To approve the above resolution, Bondholders representing more than 2/3 of the 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.)

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, P.O. 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 the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

**Nordic Trustee ASA**



Lars Erik Lærum

Enclosed: Schedule 1 – Bondholder's Form