

## NOTIFICATION OF BOND RESTRUCTURING STEPS

26 February 2018

### To the bondholders in:

|   |  |
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| ISIN NO 001 0680150<br>ISIN NO 001 0757248                        | 8 per cent Polarcus Limited Senior Unsecured Callable Bond Issue 2013/2018 (" <b>USD Unsecured Bond Issue</b> ") |
| ISIN NO 001 0714389<br>ISIN NO 001 0757255                        | FRN Polarcus Limited Senior Unsecured Callable Bond Issue 2014/2019 (" <b>NOK Unsecured Bond Issue</b> ")        |
| ISIN NO 001 0670435<br>ISIN NO 001 0757263<br>ISIN NO 001 0757271 | 2.875% Polarcus Limited Secured Convertible Bond Issue 2011/2016 (the " <b>Convertible Bond Issue</b> ")         |

Reference is made to the summons (the "**Summons**") to a joint bondholders' meeting for the above bond issues (the "**Bond Issues**") dated 26 January 2018. At the bondholders' meeting on 12 February 2018, the bondholders voted in favour of the Issuer's restructuring proposal that was set out in the restructuring term sheet attached to the Summons (the "**Restructuring Term Sheet**").

Capitalised terms used herein as defined in the Restructuring Term Sheet.

Pursuant to the Restructuring Term Sheet, several steps will be carried out to implement the relevant changes to the outstanding bonds under the Bond Issues. Below follows a description of those events and the timeline for implementation of each step.

Please note that the below timeline is subject to completion of the Private Placement taking place on 28 February 2018. If completion of the Private Placement takes place at a later date, the timeline will be adjusted accordingly based on when completion takes place.

Step 1 - 28 February (T-1): The Effective Date for the amendment and restatement agreements governing the Bond Issues and dated 21 February 2018 (the "**Amended Bond Agreements**").

Step 2 – 1 March (T): Record date for the write down of Unsecured Bonds where the principal amount outstanding under each tranche of the Unsecured Bonds is reduced to equal the applicable call price for each ISIN (the "**Bond Write Down**"). The Bond Write Down will technically be carried out as a pro-rata call with no payment in the securities depository (VPS). The below table shows the current outstanding amount under each ISIN before and after the Bond Write Down.

|                                       | ISIN         | Registrar |     | Current outstanding | Reduced to | New outstanding |
|---------------------------------------|--------------|-----------|-----|---------------------|------------|-----------------|
| USD 125m Convertible Bond – Tranche B | NO0010757263 | SEB       | USD | 9 810 000           | 35%        | 3 433 500       |
| USD 125m Convertible Bond – Tranche C | NO0010757371 | SEB       | USD | 20 656 200          | 25%        | 5 164 050       |
| USD 95m Senior Bond – Tranche A       | NO0010680150 | DNB       | USD | 26 000 000          | 35%        | 9 100 000       |
| USD 95m Senior Bond – Tranche B       | NO0010757248 | DNB       | USD | 68 655 000          | 25%        | 17 163 750      |
| NOK 350m Senior Bond – Tranche A 1    | NO0010714389 | DNB       | NOK | 78 000 000          | 35%        | 27 300 000      |
| NOK 350m Senior Bond – Tranche B 1    | NO0010757255 | DNB       | NOK | 270 640 000         | 25%        | 67 660 000      |

Step 3 – 5 March (T+2): Registration date in VPS for the Bond Write Down. On this day the pro-rata call describe in Step 1 has been completed.

Step 4 – 7 March (T+4): The paying agents for the Bond Issues (DNB and SEB) start registering the conversion of Unsecured Bonds to shares in the Issuer in VPS (the "**Bond Conversion**").

Step 5 – 12 March (T+7): Registration date in VPS for the Bond Conversion. On this date shares will be issued and Unsecured Bonds used as share deposit will be cancelled.

Step 6 – 13 March (T+8): The unsecured tranches under each of the Bond Issues will be merged into one tranche. As a result of this merger there will be two tranches under the Convertible Bond Loan (A Bonds and B Bonds) and one tranche under each of the Unsecured Bond Loans. For the Convertible Bond Loan, holders of C Bonds will receive one B Bond for each C Bond they hold on 5 March 2018. For the Unsecured Bond Loans, holders of B Bonds will receive one A Bond for each B Bond they hold on 5 March 2018.

The Merger Date for the Amended Bond Agreements is expected to occur on 15 March 2018, two business days after step 6 above.

Yours faithfully,

Polarcus Limited