

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

To the bondholders in:

ISIN: NO 001 0713522 – 7.5 per cent. Sanjel Corporation Callable Bond Issue 2014/2019

Oslo, 25 February 2016

Summons to Bondholders' Meeting

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the abovementioned bond issue of USD 300 million issued by Sanjel Corporation (the "**Issuer**") and guaranteed by certain of its subsidiaries, which is documented in a bond agreement dated 18 June 2014 (as amended, amended and restated and supplemented from time to time, the "**Bond Agreement**") between the Issuer and the Bond Trustee, as trustee on behalf of the Bondholders.

Capitalised terms used in this summons and not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Agreement.

The Bond Trustee expressly disclaims all liability whatsoever related to the information in this summons.

1. BACKGROUND

The Issuer was in breach of certain financial covenants under both its senior secured Revolving Credit Facility and under the Bond Agreement as at 31 October 2015 and the Issuer did not pay the semi-annual interest payment on the Bonds of USD 11,250,000 due on 21 December 2015 (the "**Defaults**"). The breach remains unremedied. As a consequence of the Defaults, the Bond Trustee may, pursuant to the applicable provisions of Clause 15 of the Bond Agreement, declare the Bonds to be in default and due for immediate payment.

The Issuer has presented a forbearance agreement (the "**Standstill Arrangements**") which provides for a "standstill" or forbearance period during which the Bondholders will agree not to exercise or enforce any default related rights or remedies with respect to various past or prospective default events (being the Covered Events as defined below), pursuant to the Bond Agreement or any other Finance Document or otherwise in respect of the Bonds. The Standstill Arrangements will terminate on 15 June 2016, subject to earlier termination in certain circumstances.

The Issuer has also presented an amending agreement (the "**Secured Lender Agreement**") with the administrative agent and lenders under the Revolving Credit Facility (collectively, the "**Secured Lenders**") to effect certain amendments to the Revolving Credit Facility and includes an agreement by the Secured Lenders to forbear from exercising any rights and remedies under the Revolving Credit Facility and related loan documents against the Issuer and other loan parties with respect to various past or prospective default events. The agreed "standstill" or forbearance period with the Secured Lenders will run until 30 April 2016, subject to earlier termination in certain circumstances. A condition precedent to the Secured Lender Agreement is execution of the Standstill Arrangements by Bondholders holding not less than 66 2/3% of the outstanding Bonds.

Copies of draft agreements reflecting the Standstill Arrangements and the Secured Lender Agreement were previously uploaded to a data site available to Bondholders.

Upon the request of Bondholders representing in excess of 45% of the Bonds, the Bond Trustee summons a meeting of Bondholders (the "**Meeting**") to consider a proposal to either:

- (1) exercise rights and remedies available under the Bond Agreement or at law in connection with the Defaults ("**Remedies Option**"), as more particularly described in Section 2 below; or
- (2) approve and implement the arrangements contemplated by the Standstill Arrangements subject to certain amendments to the Standstill Arrangements (the "**Forbearance Option**"), as more particularly described in Section 2 below.

Accordingly, at the Meeting, Bondholders will be asked to consider and pass Authorizing Resolutions either implementing the Remedies Option or the Forbearance Option.

2. PROPOSALS

At the Meeting, the Bondholders may approve and adopt Authorizing Resolutions to either:

A. The Remedies Option

- direct the Bond Trustee to, among other things, (i) declare the Bonds to be in default and due for immediate payment, (ii) take any measure to recover amounts due under the Bonds (and any other amounts outstanding under the Bond Agreement and any other Finance Document, including any other claims that are derived therefrom or in connection therewith), (iii) take any action to accelerate the Bonds and enforce payment of any amounts due thereunder, and (iv) take any other actions against and in respect of the Issuer and any Guarantor not inconsistent with the Bond Agreement or applicable law, in each case as deemed appropriate by the Bond Trustee, following consultation with legal counsel, if relevant; and
- authorize the Bond Trustee to enter into, sign, execute and/or deliver any such agreement, deed, undertaking, certificate, acknowledgment, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to such resolutions.

B. The Forbearance Option

- direct the Bond Trustee to negotiate and implement revised Standstill Arrangements, which will provide for (a) a "standstill" or forbearance period during which the Bond Trustee (on behalf of the Bondholders) will agree not to (i) exercise or enforce any default related rights or remedies with respect to various past or prospective default events (being the Covered Events as defined below), pursuant to the Bond Agreement or any other Finance Document or otherwise in respect of the Bonds and (ii) make any demand, initiate or participate in any proceeding, or otherwise take any action inconsistent with the preceding clause, whether against or in respect of the Issuer or any Guarantor, (b) the appointment of certain advisors to the Bond Trustee for the account of the Issuer, including, without limitation, Moelis & Company as financial advisors and Fried, Frank, Harris, Shriver & Jacobson LLP as legal advisors, (c) cooperation, information and confidentiality provisions and (d) a basic period which will expire on 15 June 2016, subject to earlier termination in certain circumstances or agreed extension; and

- authorize the Bond Trustee to enter into, sign, execute and/or deliver any such agreement, deed, undertaking, certificate, acknowledgment, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to such resolutions.

See Section 4 below for the complete text of the Authorizing Resolutions for the Remedies Option and Forbearance Option.

The Proposals are put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether either Proposal is acceptable.

3. SUMMONS TO BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' Meeting:

Time: Thursday, 10 March 2016 at 1300 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 Authorizing Resolutions.

4. AUTHORIZING RESOLUTIONS

The complete text for the Authorizing Resolutions for the Remedies Option and Forbearance Option are set forth below. In order to have a quorum, at least 5/10 of the Bonds must be represented at the Meeting. Bondholders may vote in favor of the Remedies Option Authorizing Resolutions or the Forbearance Option Authorizing Resolutions, but not both. **Any vote in favor of both the Remedies Option Authorizing Resolutions and the Forbearance Option Authorizing Resolutions shall be null and void.** To approve the Remedies Option Authorizing Resolutions, Bondholders representing at least 5/10 of the Voting Bonds represented in person or by proxy at the Meeting must vote in favour of the resolution. To approve the Forbearance Option Authorizing Resolutions, 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.

Remedies Option Authorizing Resolutions

The following resolutions are hereby approved, adopted and passed as Bondholders' Meeting resolutions:

- (a) *the Bond Trustee (on behalf of the Bondholders) is hereby directed to immediately (i) declare the Bonds to be in default and due for immediate payment, (ii) take any measure to recover amounts due under the Bonds (and any other amounts outstanding under the Bond Agreement and any other Finance Document, including any other claims that are derived therefrom or in connection therewith), (iii) take any action to accelerate the Bonds and enforce payment of any amounts due thereunder, and (iv) take any other*

actions against or in respect of the Issuer and any Guarantor not inconsistent with the Bond Agreement or applicable law, including (y) pursuant to §18.1(b) of the Bond Agreement, the filing by the Bond Trustee, on behalf of the Bondholders, of a petition for relief against the Issuer pursuant to §303 of title 11 of the United States Code; and (z) pursuant to §18.1(b) of the Bond Agreement, the commencement forthwith by Nordic Trustee of an action in a court of competent jurisdiction for (i) an immediate restraining order and preliminary and permanent injunction barring the Issuer from making any further payments to the Issuer's equity holders, the MacDonald family or MacBain Properties Ltd. ("MacBain"), a company owned by the MacDonald family, in connection with the Issuer's manifold leases with MacBain in its capacity as landlord, and (ii) the disgorgement of any and all non-market lease payments made by the Issuer to MacBain or to the MacDonald family, in each case as deemed appropriate by the Bond Trustee, following consultation with legal counsel, if relevant;

- (b) it is hereby declared that, to the extent of any conflict or inconsistency between the Bond Agreement or any other Finance Document, on the one hand, and the matters approved hereby, on the other, the Bond Agreement or other Finance Document, as applicable, shall be deemed to be amended to give full effect to the matters approved hereby;
- (c) for avoidance of doubt, these resolutions are, in accordance with Clause 16.1.3 of the Bond Agreement, intended to be binding upon all Bondholders and prevail for all the Bonds, and upon passage shall, in accordance with Clause 16.1.1 of the Bond Agreement, represent the will of the entire Bondholders community; and
- (d) the Bond Trustee (on behalf of the Bondholders) is hereby authorized to enter into, sign, execute and/or deliver any such agreement, deed, undertaking, certificate, acknowledgment, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to these resolutions.

Forbearance Option Authorizing Resolutions

The following resolutions are hereby approved, adopted and passed as Bondholders' Meeting resolutions:

- (a) the Bond Trustee (on behalf of the Bondholders) is hereby directed to negotiate and implement revisions to the Standstill Arrangements to effectuate the following: (i) the Bond Trustee will be the counterparty to the Standstill Arrangements with the Issuer and (ii) Moelis & Company as financial advisors and Fried, Frank, Harris, Shriver & Jacobson LLP as legal advisors will be retained by the Bond Trustee on behalf of the Bondholder community;
- (b) pursuant to the Standstill Arrangements when implemented, the Bond Trustee is directed not to, at any time on or before the Termination Date, (i) declare the Bonds to be in default or due for immediate payment, (ii) take any measure to recover amounts due under the Bonds (or any other amounts outstanding under the Bond Agreement or any other Finance Document, including any other claims that are derived therefrom or in connection therewith), (iii) otherwise take any action to accelerate the Bonds or enforce payment of any amounts due thereunder, or (iv) take any other actions against or in respect of the Issuer or any Guarantor inconsistent with the terms of the Standstill

Arrangements (including through participation in any proceeding that is inconsistent with the Standstill Arrangements);

- (c) *to the extent of any conflict or inconsistency between the Bond Agreement or any other Finance Document, on the one hand, and the matters approved hereby, on the other, the Bond Agreement or other Finance Document, as applicable, shall be deemed to be amended to give full effect to the matters approved hereby;*
- (d) *for certainty, these resolutions are, in accordance with Clause 16.1.3 of the Bond Agreement, intended to be binding upon all Bondholders and prevail for all the Bonds, and upon passage shall, in accordance with Clause 16.1.1 of the Bond Agreement, represent the will of the entire Bondholders community;*
- (e) *the Bond Trustee is hereby authorized to enter into, sign, execute and/or deliver on behalf of the Bondholders any such agreement, deed, undertaking, certificate, acknowledgment, confirmation, notice or other document, and otherwise take all such actions, as the Bond Trustee deems necessary or appropriate to give effect to these resolutions and the terms of the Standstill Arrangements; and*
- (f) *for the purpose of these resolutions:*
 - (i) **"Covered Events"** *means any Defaults or Events of Default pursuant to the Bond Agreement occurring on, before or after the date of the Bondholders' Meeting:*
 - (A) *resulting from the failure by the Issuer to comply with any Financial Covenant (as set forth in Clause 13.4 of the Bond Agreement) at 31 October 2015 and/or 31 January 2016 and/or 30 April 2016;*
 - (B) *resulting from a "default" or "event of default" pursuant to the Senior Bank Facilities as a result of the Issuer's failure to comply with the financial covenant in Section 9.3 of the Senior Bank Facilities as at the end of the Fiscal Quarter ending 31 October 2015 and/or 31 January 2016 and/or 30 April 2016;*
 - (C) *under Clause 15.1(a) of the Bond Agreement resulting from failure by the Issuer to pay (i) the December Interest Payment when due or (ii) any additional interest pursuant to Clause 11.5 of the Bond Agreement;*
 - (D) *under Clause 15.1(d) of the Bond Agreement with respect to (i) any default or event of default pursuant to the Senior Bank Facilities, provided that the Secured Lenders have, within ten (10) Business Days of receiving notice or otherwise becoming aware of the default or event of default, waived or agreed to forbear from exercising remedies relating to such default or event of default and such waiver or forbearance is effective and has not terminated; or (ii) any reduction in the Revolving Credit Facility pursuant to the Secured Lender Agreement;*
 - (E) *under either of Clause 15.1(f)(i) or Clause 15.1(g)(i) of the Bond Agreement resulting from failure by the Issuer to pay the December Interest Payment when due; and/or*

- (F) *under Clause 15.1(j) of the Bond Agreement;*
- (ii) *"December Interest Payment" means the interest payment due and payable by the Issuer under the Bond Agreement on 19 December 2015 (subject to the Business Day Convention as provided in the Bond Agreement) in the amount of USD 11,250,000;*
- (iii) *"Default" means any default by the Issuer or any Guarantor under the Bond Agreement or any other Finance Documents, or otherwise in respect of the Bonds;*
- (iv) *"Senior Bank Facilities" has the meaning ascribed thereto in the Bond Agreement, and for certainty includes the credit agreement providing therefor and all amendments thereto (including the Secured Lender Agreement);*
- (v) *"Termination Date" means the date on which the earliest of the following events occur:*
- (A) *5:00 p.m. (Calgary time) on 15 June 2016;*
- (B) *termination of the Forbearance Period (as defined in the Secured Lender Agreement prior to 30 April 2016 or any later date as the same may be extended from time to time, provided that such termination is not a result of a breach of the agreement pertaining to the Standstill Arrangements by the Bond Trustee;*
- (C) *if the agreement pertaining to the Standstill Arrangements has not otherwise been terminated, breach by the Issuer of its obligations under, or termination by the Issuer of, any Fee Reimbursement Letter and such breach continues for a period of 10 days after notice to the Issuer;*
- (D) *the commencement by the Issuer of, or acquiescence by the Issuer in, proceedings seeking substantive relief under the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the United States Bankruptcy Code or similar laws;*
- (E) *the filing of a bankruptcy or similar application in respect of the Issuer under the Bankruptcy and Insolvency Act (Canada), the United States Bankruptcy Code or similar laws seeking the bankruptcy, liquidation or winding-up of the Issuer, by or on behalf of any person other than the Bond Trustee, and either such filing or application (i) is made by or consented to by the Issuer, or (ii) is being contested in good faith by the Issuer, and such action shall continue undismissed or unstayed and in effect for any period of thirty (30) consecutive days;*
- (F) *the appointment of a receiver under Section 243 of the Bankruptcy and Insolvency Act (Canada), trustee in bankruptcy, liquidator or administrator with respect to the Issuer, provided that such appointment is not a result of a breach of the agreement pertaining to the Standstill Arrangements or these Authorizing Resolutions by the Bond Trustee;*

- (G) *the exercise of remedies or the commencement of any enforcement proceedings pursuant to the Senior Bank Facilities;*
- (H) *the entry by the Company into a definitive, written agreement containing a commitment to implement a sale, refinancing, recapitalization or restructuring transaction that has not been approved by [the Bond Trustee with the support of Bondholders representing more than 2/3 of the Voting Bonds]; or*
- (I) *there coming into effect any law, or any final non-appealable judgment, ruling, order or decree of any court, governmental body or regulatory authority having jurisdiction, that restrains, enjoins or otherwise prohibits consummation of the agreements contemplated by the agreement pertaining to the Standstill Arrangements; and*

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 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 - 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 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 Meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail ([mail@trustee.no / mail@nordictrustee.no]) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the Meeting takes place.

Yours sincerely,

Nordic Trustee ASA


Olav Slagsvold

Enclosed: Bondholder's Form