

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

**To the bondholders in:**

ISIN NO0010810062:	Okea AS 7.50% open callable senior secured USD 150,000,000 bonds 2017/2020
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(the "**Bond Issue**").

Oslo, 20 June 2018

**Notice of Written Bondholders' Resolutions**

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the bondholders in the Bond Issue under the bond terms originally dated 14 November 2017 (the "**Bond Terms**").

Capitalised terms used herein and not defined herein shall have the meaning assigned to such terms in the Bond Terms.

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

**1 BACKGROUND**

The Issuer is in the process of acquiring the following licence interests (the "**Licence Interests**") on the Norwegian Continental Shelf from A/S Norske Shell, including an office building in Kristiansund (the "**Transactions**"):

Field name	Licence no.	Acquired working interest
Draugen	PL093, PL093B, PL093C, PL093D, PL158 and PL176	44.56%
Gjøa	PL153, PL153B and PL153C	12%

The total purchase price payable by the Issuer for the Licence Interests is NOK 4,520,000,000 as of 1 of January 2018.

The Transactions will be financed partly by the net proceeds from an approx. USD 180,000,000 bond issue ("**New Bond Issue**") and with the proceeds from an approx. USD 130,000,000 issuance of new shares in the capital of the Issuer ("**Equity Issue**").

The Issuer currently has approx. USD 110,000,000 of the proceeds from the Bond Issue deposited on the blocked and pledged Escrow Account and which, under Clause 2.3 (*Use of proceeds*) of the Bond Terms and until the First Oil Date for Yme Licences, shall only be employed to fund the Issuer's part of the Yme Development Costs. According to the Company's estimates, approx. USD 50,000,000 of the funds on the Escrow Account would be used towards Yme Development Costs in the period up to the estimated time of closing of the Transactions.

The Draugen and Gjøa assets have been producing for more than 30 years combined, and the Company estimates that assets will have generated more than USD 230,000,000 in net cash flow to the Company in the period from settlement of the Transaction until Q4 2019, which is sufficient to cover all planned development expenses of the Issuer's current development portfolio, including Yme. Since the cash flow from the Draugen and Gjøa assets will be sufficient to fund the development of Yme, the Company wishes to use the funds on the Escrow Account towards financing the Transaction.

By this notice, the Issuer is therefore requesting the consent of the Bondholders to (i) use the entire balance on the Escrow Account towards financing the completion of the Transactions and (ii) make other changes to the provisions of the Bond Terms to align the same with the terms of the new bond issue intended to partly finance the Transaction, including for calculation of EBITDA to reflect the acquisition of producing assets and change the definition of the Change of Control of the Bond Terms to reflect the new Equity injection, in each case as further set out in section 2 (*The Proposal*) below. By submitting the Proposal to the Bondholders the Issuer has agreed to be bound by the terms.

## 2 THE PROPOSAL

In furtherance of the above, the Issuer proposes that the Bondholders resolve the following (the "**Proposal**"):

- (i) Notwithstanding the provisions of the Bond Terms and the other Finance Documents, the Issuer shall, by written request to the Bond Trustee, be permitted to use the funds deposited on the Escrow Account towards financing the completion of the Transactions and by using such funds to pay part of the purchase price in respect thereof. The release of such funds from the Escrow Account to a Pledged Account for the subsequent use by the Issuer shall be subject to the Bond Trustee having received the following documents and evidence in form and substance acceptable to the Bond Trustee (acting reasonably). The Bond Trustee is authorized to give any waivers and/or enter into or approve closing/settlement agreements and arrangements which, in each case, are in line with market practice or which is otherwise satisfactory to the Bond Trustee. The Bond Trustee may set deadlines for satisfaction of any waived condition precedent and any failure to satisfy such deadlines (as extended) shall be an event of default:
  - (a) a copy of the sale and purchase agreements for the Transactions, duly signed by each party thereto;
  - (b) a notice from the Issuer stating that the first of the Transactions will close in no later than 10 Business Days after the date of the notice;
  - (c) evidence that an amount of new cash equity capital equal the NOK equivalent of USD 130,000,000 (as per the USD/NOK exchange rate on the date the equity capital increase was resolved by the general meeting of the Issuer) has been paid in to the Issuer and has been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: *Foretaksregisteret*);
  - (d) evidence that the Issuer has completed a Permitted Additional Bond Issue (the New Bond Issue) for an amount of not less than USD 180,000,000 for the purpose of, i.a., partly financing the completion of the Transactions and that the conditions precedent for the first release of proceeds thereunder to partly financing the Transactions have been completed; and
  - (e) such constitutional documents and corporate resolutions with respect to the Issuer that the Bond Trustee shall request.
- (ii) The provisions of paragraph (c) of Clause 13.12 (*Financial covenants*) of the Bonds shall be amended to read as follows:

*The financial covenants (other than Liquidity) shall be calculated in accordance with the Approved Accounting Principles and tested by reference to each of the financial statements and/or each Compliance Certificate delivered to the Bond Trustee pursuant to "Compliance Certificate" above, provided that:*

- (i) *with respect to any Calculation Date ending on a date that is less than 12 months after the First Oil Date with respect to any Hydrocarbon Assets, EBITDA attributable to such Hydrocarbon Asset shall be annualised by reference to the amount of EBITDA as disclosed in the financial statement and/or Compliance Certificates. The pro forma annual EBITDA of such Hydrocarbon Assets shall be calculated by dividing the amount of EBITDA of such Hydrocarbon Assets from the relevant First Oil Date by the number of days since the relevant First Oil Date, and then multiply with 365; and*
- (ii) *any EBITDA attributed to a Hydrocarbon Assets disposed of during the Calculation Period shall be adjusted for when calculating the EBITDA on the relevant Calculation Date (for the avoidance of doubt, any EBITDA attribution from operation of disposed Hydrocarbon Asset shall be deducted from the EBITDA calculation, but any one-offs effects from such disposal shall be included if relevant for the EBITDA calculation).*
- (iii) The definition of Change of Control Event in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended to read as follows:  
  
*"Change of Control Event" means if any person, other than any of Okea Holdings Ltd or Bangchak Corporation Public Company Limited (or any of their respective Affiliates), or two or more persons being under the same Decisive Influence or acting in concert obtains Decisive Influence over the Issuer.*
- (iv) The definition of Minor Asset Disposal Event in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended to read as follows:  
  
*"Minor Asset Disposal Event" means one or more reductions in any Group Company's direct or indirect ownership interest from time to time in any Hydrocarbon Asset(s) and which is not (i) a Significant Asset Disposal Event or (ii) a farm-out transaction for any Hydrocarbon Asset and where the consideration received is the obligation of the other party to carry or cover a portion of the costs on that Hydrocarbon Asset or (iii) swap of participating interests in Hydrocarbon Assets in exchange of participating interest in other Hydrocarbon Assets.*
- (v) The definition of Permitted Financial Indebtedness in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended by adding a new paragraph (j) thereto with the following wording:  
  
*any Financial Indebtedness in the form of a deferred payment obligation of acquisition costs to the seller of a Hydrocarbon Asset;*
- (vi) The definition of Permitted Financial Support in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended by adding a new paragraph (d) thereto with the following wording:  
  
*Financial Support to or for the benefit of a seller of a Hydrocarbon Asset under or in connection with a decommission security arrangement for the Hydrocarbon Assets acquired by that Group Company and in relation to such acquisition.*
- (vii) The definition of Permitted Security in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended by adding a new paragraph (d) thereto with the following wording:

*Security over cash or cash deposits on a bank account (the account used for such purpose only, a "DSA Account") granted by a Group Company under or in connection with a decommission security arrangement for a Hydrocarbon Assets acquired by that Group Company and in relation to such acquisition;*

- (viii) The definition of Put Option Threshold Amount in Clause 1.1 (*Definitions*) of the Bond Terms shall be amended to read as follows:

**"Put Option Threshold Amount"** means USD 25,000,000.

- (ix) Paragraph (a)(iii) of Clause 2.6 (*Additional Transaction Security*) of the Bond Term shall be deleted.

- (x) Clause 10.1 (*Redemption of Bonds*) of the Bond Terms shall be amended to read as follows:

*The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 103 per cent. of the Nominal Amount.*

- (xi) Paragraph (a) of Clause 10.2 (*Voluntary early redemption – Call Option*) of the Bond Terms shall be amended to read as follows:

*The Issuer may redeem all or parts of the Outstanding Bonds (the "Call Option") on any Business Day from and including:*

- (i) *the Issue Date to, but not including, the Interest Payment Date in November 2018 at a price equal to 107.50 per cent. of the Nominal Amount for each redeemed Bond (plus accrued unpaid interest on the redeemed amount);*
- (ii) *the Interest Payment Date in November 2018 to, but not including, 16 February 2019 at a price equal to 105.00 per cent. of the Nominal Amount for each redeemed Bond (plus accrued unpaid interest on redeemed amount);*
- (iii) *16 February 2019 to, but not including, the Interest Payment Date in May 2019 at a price equal to 104.375 per cent of the Nominal Amount for each redeemed Bond (plus accrued unpaid interest on redeemed amount);*
- (iv) *the Interest Payment Date in May 2019 to, but not including, the Interest Payment Date in November 2019 at a price equal to 103.75 per cent. of the Nominal Amount for each redeemed Bond (plus accrued unpaid interest on redeemed amount); and*
- (v) *from the Interest Payment Date in November 2019 to, but not including, the Maturity Date, at a price equal to 103 per cent. of the Nominal Amount for each redeemed Bond (plus accrued unpaid interest on redeemed amount).*

- (xii) A new Clause 10.6 shall be included to the Bond Terms and which shall read as follows:

**10.6 Adjustments due to sharing with any Permitted Additional Bond Issue**

*Any amount required to be applied for the redemption of Bonds under Clauses 10.3 (Mandatory repurchase due to a Put Option Event) and 10.4 (Mandatory redemption due to a Mandatory Prepayment Event) and which are also required to be applied for the redemption of any Permitted Additional Bond Issue shall be split pro rata between the Bond Issue and the Permitted Additional Bond Issue and the number of Bonds to be redeemed shall be re-calculated accordingly.*

- (xiii) Paragraph (a) (*Minimum Liquidity*) of Clause 13.12 (*Financial covenants*) of the Bond Terms shall, from the date funds on the Escrow Account are released to the Issuer pursuant to paragraph (i) above, be amended to read as follows:

*The Issuer shall at all times maintain a minimum Liquidity of USD 10,000,000.*

- (xiv) The waivers, amendments and changes set out in the above paragraphs shall be given effect from the later of (i) the date of approval of the Proposal and (ii) the date the Bond Trustee notifies the Issuer that it has received such corporate resolutions and other formalities documents from the Issuer in respect of the Proposal as have been reasonably requested by the Bond Trustee. The Issuer and the Bond Trustee shall enter into such amendment agreement(s) as required to reflect the Proposal.
- (xv) With respect to paragraph (b) (*Operational Ratio Requirement*) of Clause 13.12 (*Financial covenants*), any Financial Indebtedness (and, if relevant, any corresponding cash) incurred under a Permitted Additional Bond Issue shall be excluded from the calculation for as long the proceeds from that Permitted Additional Bond Issue have not been released from the relevant escrow account to the Issuer.
- (xvi) The Issuer shall no later than at the latest to occur of (i) 10 business days after the date the Bondholders' Meeting has approved the Proposal and (ii) 16 July 2018 pay a one-time waiver fee of 1.5% of the Outstanding Bonds to the Bondholders. A part of the consideration to the Bondholders is the increase of the minimum liquidity requirement from USD 2,500,000 and 5,000,000, respectively, to USD 10,000,000 pursuant to paragraph (viii) above.
- (xvii) The Bond Trustee is authorised (A) to implement and/or document the implementation of the Proposal in such way that it, in its discretion deems appropriate, (B) agree to additional waivers, consents or amendments under or of the Finance Documents that are, in the opinion of the Bond Trustee, required and appropriate to complete and give effect to the Proposal and the underlying transactions contemplated thereby and where such waivers, consents and amendments (1) are of minor or technical nature, (2) are otherwise consistent with the principles of the Proposal, and (3) in the opinion of the Bond Trustee do not have a material adverse effect on the rights and interests of the relevant Bondholders, (C) to agree, execute and deliver any agreement, document or instrument in connection with the foregoing and to (D) take such further actions that are, in the opinion of the Bond Trustee, required and appropriate to complete and give effect to the Proposal and the underlying transactions contemplated thereby.

### **3 EVALUATION OF THE PROPOSAL AND SUPPORT**

#### **3.1 The Issuers' evaluation**

In the Issuer's opinion, the Proposal gives the Issuer the flexibility to pursue its strategy to the benefit of all stakeholders, including the Bondholders, in the best possible way.

#### **3.2 Non-reliance**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee, the Issuer or any of their respective advisors. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly. Neither the Bond Trustee nor its legal counsel has performed any due diligence or similar with respect to the Issuer or its assets, business or operations.

#### **3.3 Support**

The Issuer has informed the Bond Trustee that it has received support with respect to the Proposal from

Bondholders representing approx. 85% of the Bonds.

#### 4 FURTHER INFORMATION

Bondholders may contact CFO Knut Evensen (+47 950 77 622 or [knut,evensen@okea.no](mailto:knut,evensen@okea.no)) with the Issuer, for further information to the Issuer and the Proposal:

Okea AS  
CFO Knut Evensen  
+47 950 77 622  
Email: [knut.evensen@okea.no](mailto:knut.evensen@okea.no)

The Issuer has retained ABG Sundal Collier ASA as financial advisor (the "**Advisor**"). Bondholders may contact the Advisor for further information:

ABG Sundal Collier ASA  
Harald Erichsen  
+47 22 01 60 23/+47 48 01 60 23  
Email: [harald.erichsen@abgsc.no](mailto:harald.erichsen@abgsc.no)

ABG Sundal Collier ASA  
Ola Nygård  
+47 22 01 61 86/+47 41 21 34 10  
[ola.nygard@abgsc.no](mailto:ola.nygard@abgsc.no)

For further questions to the Bond Trustee, please contact:

Nordic Trustee AS  
Jørgen Andersen  
+47 22 87 94 21/+47 90 84 30 33  
Email: [andersen@nordictrustee.com](mailto:andersen@nordictrustee.com)

#### 5 WRITTEN BONDHOLDER'S RESOLUTION

Bondholders are hereby provided with a voting request for a Bondholders' written resolution pursuant to Clause 15.5 (*Written Resolutions*) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held.

In order for a vote to be valid, the Bond Trustee must have received a completed voting form in the form enclosed ("**Voting Form**"), together with evidence of the Bondholder's holding of Bonds satisfactory to the Bond Trustee, by mail, courier or e-mail to the address indicated in the Voting Form by no later than 27 June 2018 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

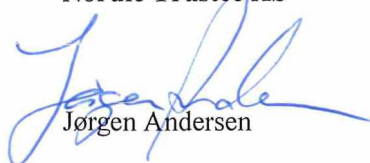
Notwithstanding the Voting Deadline, and subject to the provisions of Clause 15.5 of the Bond Terms, the Proposal will be approved automatically upon receipt of affirmative votes by or on behalf of Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposal was voted on at a Bondholders' Meeting at which all Bondholders entitled to attend and vote were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that the 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 vote.

If the Bonds are held in custody – i.e. the owner is not registered directly in the CSD – evidence of holdings from the custodian must confirm: (i) the owner of the Bonds; (ii) the aggregate nominal amount of the Bonds; and (iii) the account number in CSD on which the Bonds are registered.

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Yours sincerely  
**Nordic Trustee AS**



Jørgen Andersen

Enclosed:  
- Voting Form

**Schedule 1**  
**Voting Form**

ISIN NO0010810062: | Okea AS 7.50% open callable senior secured USD 150,000,000 bonds  
2017/2020

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

1. The Proposal as defined in the notice for written resolution dated 19 June 2018:

☐ **In favour** of the Proposal

☐ **Against** the Proposal

ISIN <b>ISIN NO 0010810062</b>	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/CSD,<sup>1</sup> verifying our bondholding in the bond issue as of \_\_\_\_\_ 2018

We acknowledge that Nordic Trustee AS 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 CSD.

.....  
Place, date

.....  
Authorised signature

**Return:**

Nordic Trustee AS  
P.O.Box 1470 Vik  
N-0116 Oslo

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

<sup>1</sup> If the bonds are held in custody other than in the CSD, 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.