

Securities Note

Okea AS FRN open callable senior secured USD
210,000,000 bonds 2018/2023

NO0010826852



Manager:



02.07.2018

Important notice

The Securities Note has been prepared in connection with the listing of the Bonds on Oslo Børs. The Securities Note has been reviewed and approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (*Finanstilsynet*) in accordance with sections 7-7 and 7-8, cf. section 7-3 of the Norwegian Securities Trading Act. The Registration Document was approved by the Norwegian FSA 27th June 2018 and is still valid as of the date of this Securities Note. This Securities Note together with the Registration Document and Summary constitutes the Prospectus. The Prospectus is valid for a period of up to 12 months following its approval by the Norwegian FSA on 2nd July 2018. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in the Prospectus. The approval given by the Norwegian FSA only relates to the Issuer's descriptions pursuant to a pre-defined checklist of requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or otherwise covered by the Prospectus. New information that is significant for the Issuer may be disclosed after the Securities Note has been made public, but prior to listing of the securities. Such information will be published as a supplement to the Securities Note pursuant to Section 7-15 of the Norwegian Securities Trading Act. Under no circumstances must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

Only the Issuer and the Manager are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Norwegian FSA implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Issuer and the Manager to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy Bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and Bond owners should seek legal, financial and/or tax advice.

Contact the Issuer to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds.

Please refer to the Registration Document dated 27.06.2018 for a listing of company specific risk factors.

General risks related to investments in interest bearing securities

Liquidity risk is the risk that a party interested in trading the Bonds cannot do so because no one in the market wants to trade the Bonds. Illiquidity may result in the Bondholder incurring a loss.

Interest rate risk is the risk borne by the Bonds due to variability of the LIBOR interest rate. The coupon payments, which depend on the LIBOR interest rate and the Margin, will vary in accordance with the variability of the LIBOR interest rate. The interest rate risk related to this Bond Issue will be limited, since the coupon rate will be adjusted quarterly according to the change in the reference interest rate (LIBOR 3 months) over the 5-year tenor. The primary price risk for a floating rate bond issue will be related to the market view of the correct trading level for the credit spread related to the bond issue at a certain time during the tenor, compared with the credit margin the bond issue is carrying. A possible increase in the credit spread trading level relative to the coupon defined credit margin may relate to general changes in the market conditions and/or Issuer specific circumstances. However, under normal market circumstances the anticipated tradable credit spread will fall as the duration of the bond issue becomes shorter. In general, the price of bonds will fall when the credit spread in the market increases, and conversely the bond price will increase when the market spread decreases.

Credit risk is the risk that the Issuer fails to make the required payments under the Bonds (either principal or interest). The Issuer's ability to make scheduled payments on or to refinance its obligations under, the Bonds will depend upon the Issuer's financial and operating performance, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond the Issuer's control.

Market risk is the risk that the value of the Bonds will decrease due to the change in value of the market risk factors. The price of a single bond issue will fluctuate in accordance with the interest rate and credit markets in general, the market view of the credit risk of that particular bond issue, and the liquidity of the bond issue in the market. In spite of an underlying positive development in the Issuer's business activities, the price of a Bond may fall independent of this fact. Bond issues with a relatively short tenor and a floating rate coupon rate do, however, in general carry a lower price risk compared to bond issues with a longer tenor and/or with a fixed coupon rate.

Risks related to the Bonds

The Company has several call options on the Bonds, which will reduce the sum of interest payments and may limit the market value of the Bonds if exercised.

The terms and conditions of the Bonds will provide that the Bonds shall be subject to optional redemption by the Company at their outstanding principal amount, plus accrued and unpaid interest, plus in some cases a premium calculated in accordance with the terms and conditions of the Bond Terms.

Although the occurrence of specific change of control and other put option events affecting the Company will permit the Bondholders to require the Company to redeem the Bonds, the Company may not be able to do so.

Upon the occurrence of specific change of control or other put option events affecting the Company, the Bondholders will have a right to require the Company to redeem the Bonds at 101% of their principal amount, plus accrued and unpaid interest. The Company's ability to repurchase the Bonds upon such a change of control event would be limited by the Company's access to funds at the time of the redemption and the Company's other debt agreements.

Mandatory prepayment events may lead to prepayment of the Bonds at a time when the Bondholders may not be able to reinvest the prepayment proceeds at an equivalent rate of interest.

In accordance with the terms and conditions of the Bond Terms the Bonds are subject to mandatory prepayment (on similar terms as the call options) upon the occurrence of certain events. Following an early redemption Bondholders may not be able to reinvest in financial instruments with an equivalent rate of interest and may only be able to do so at a significantly lower rate.

There is no existing trading market for the Bonds, and a trading market that provides adequate liquidity may not develop.

There is no existing market for the Bonds, and there can be no assurance given regarding the future development of a trading market for the Bonds. Even though the Company will apply for listing of the Bonds on the Oslo Stock Exchange, the Company has not entered into any market making scheme for the Bonds and potential investors should note that it may be difficult or even impossible to trade and sell the Bonds on the secondary market, and the Bonds may not be readily accepted as collateral for loans or other liabilities.

The Bonds may be subject to purchase and transfer restrictions.

While the Bonds are freely transferable and may be pledged, any Bondholder may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business or similar), including, but not limited to, specific transfer restrictions applicable to Bondholders located in the United States. Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.

The trading price of the Bonds may be volatile.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Bonds, and the subordinated nature of the Bonds may add to such volatility. Any such disruptions could adversely affect the prices at which investors may sell their Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial placement, depending on the prevailing interest rates, the market for similar bonds, the performance of the Company and other factors, many of which are beyond the Company's control.

Bondholders may face currency exchange risks or adverse tax consequences by investing in the Bonds denominated in currencies other than their reference currency.

The Bonds will be denominated and payable in USD. If a Bondholder is a non-USD investor, an investment in the Bonds will entail currency exchange related risks due to, among other factors, possible significant changes in the value of the USD to other relevant currencies because of economic, political or other factors over which the Company has no control. Depreciation of the USD against other relevant currencies could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to Bondholders when the return on the Bonds is translated into the currency by reference to which a Bondholder measure the return on its investments.

There may be tax consequences for a Bondholder as a result of any foreign currency exchange gains or losses resulting from its investment in the Bonds. A Bondholder should consult its tax advisor concerning the tax consequences to Bondholders of acquiring, holding and disposing of the Bonds.

The terms and conditions of the Bond Terms will allow for modification of the Bonds and waivers that may be implemented without the consent from each Bondholder.

The Bond Terms will include provisions for convening Bondholder meetings and decisions may be made by defined majority of the Bondholders, implementing changes that are binding for all Bondholders.

2. Person responsible

PERSONS RESPONSIBLE FOR THE INFORMATION

Persons responsible for the information given in the Prospectus are as follows:

OKEA AS, Ferjemannsveien 10, 7042 Trondheim, Norway.

DECLARATION BY PERSONS RESPONSIBLE

OKEA AS confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

02.07.2018

OKEA AS

3. Information concerning the securities

ISIN:	NO0010826852.
The Bonds:	Okea AS FRN open callable senior secured USD 210,000,000 bonds 2018/2023.
Issuer:	OKEA AS, company existing under the laws of Norway with registration number 915 419 062 and LEI code 549300H3851GBB58CN91.
Security Type:	Open senior secured callable bonds with floating rate.
Guarantor:	Means and any Group Company which subsequently becomes a New Group Company. At the date of this Prospectus, there are no guarantors.
Guarantee:	Means the Norwegian law on-demand guarantee granted by a Guarantor in relation to the Finance Documents.
Maximum Issue Amount:	USD 210 000 000
Initial Bond Issue:	USD 180 000 000
Initial Nominal Amount of each Bond:	USD 100 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the CSD.
Issue Date:	28 June 2018.
Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	28 June 2023, adjusted according to the Business Day Convention.
Interest Rate:	Means the rate of interest for each Interest Period which is the aggregate of: <ul style="list-style-type: none"> (a) the Bond Reference Rate; and (b) 6.50 percentage points per annum.
Current Rate:	8.83563%.
Bond Reference Rate:	Three months LIBOR.
Interest Payment Date:	Means the last day of each Interest Period, the first Interest Payment Date being 28 September 2018 and the last Interest Payment Date being the Maturity Date.
Interest Period:	Subject to adjustment in accordance with the Business Day

	Convention, the periods between 28 March, 28 June, 28 September and 28 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest Quotation Day:	In relation to any period for which Interest Rate is to be determined, the day falling two (2) Business Days before the first day of the relevant Interest Period.
LIBOR:	Means the interest rate which (a) is published on Reuters Screen LIBOR01 Page (or through another system or on another website replacing the said system or website respectively) approximately 11.00 a.m., London time on the Interest Quotation Date and for a period comparable to the relevant Interest Period, or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of commercial banks on the interbank market in New York city or, if only one or no such quotes are provided, (ii) the assessment of the Bond Trustee of the interest rate, which in the Bond Trustee's determination is equal to what is offered commercial banks in the New York city interbank market, for the applicable period. If any such rate is below zero, LIBOR will be deemed to be zero.
Interest:	<p>Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.</p> <p>Interest will accrue on the Nominal Amount of any Tap Issue Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Tap Issue Bonds (or, if the date of the issuance is not an Interest Payment Date and there is no Interest Payment Date prior to such date of issuance, starting with the Interest Period commencing on the Issue Date).</p> <p>Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.</p> <p>Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date</p>
Business Day Convention:	Means that if the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the

first preceding day that is a Business Day.

Payment Date: Means any Interest Payment Date or any Repayment Date.

Issue Price: 100% of par value.

Yield: Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). If the price has increased, the yield for the purchaser in the secondary market will be lower than the Interest Rate of the Bonds and vice versa. If the Bonds are bought and sold at par value the yield will be the same as the Interest Rate.

Business Day: Means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.

Redemption of Bonds: 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 100 per cent. of the Nominal Amount.

Voluntary early redemption - Call Option: 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 December 2020 (the "**First Call Date**") at a price equal to the Make Whole Amount;
- (ii) from the First Call Date to, but not including, the Interest Payment Date in June 2021, at a price equal to 104.375 per cent. of Nominal Amount;
- (iii) from the Interest Payment Date in June 2021 to, but not including, the Interest Payment Date in December 2021, at a price equal to 103.50 per cent. of Nominal Amount;
- (iv) from the Interest Payment Date in December 2021 to, but not including, the Interest Payment Date in June 2022, at a price equal to 102.625 per cent. of Nominal Amount;
- (v) from the Interest Payment Date in June 2022 to, but not including, the Interest Payment Date in December 2022, at a price equal to 101.75 per cent. of Nominal Amount; and
- (vi) from the Interest Payment Date in December 2022 to, but not including, the Final Maturity Date, at a price equal to 100.50% of Nominal Amount.

Any redemption of Bonds pursuant to the Bond Terms Clause 10.2 (a) shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10, but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is

irrevocable and shall specify the Call Option Repayment Date.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Mandatory repurchase due to a Put Option Event:

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to.
 - (i) in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 101 per cent. of the Nominal Amount.
 - (ii) in relation to a Total Loss Event, 100 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to the Bond Terms Clause 12.3 (*Put Option Event or Mandatory Prepayment Event*). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) The Issuer's obligation to redeem Bonds hereunder shall be limited to a number of Bonds and YME Bonds (allocated pro rata between Bondholders and the Yme Bondholders exercising the Put Option) with an aggregate Nominal Amount equal to the Put Option Amount.
- (d) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be (i) in relation to an Asset Disposal Event and a Share Disposal Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above, (ii) in relation to a Change of Control Event, the 15th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above and (iii) in relation to a Total Loss Event, once the insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than 210 calendar days following the occurrence of the Total Loss Event.
- (e) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to the Bond Terms Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

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Mandatory redemption due to a Mandatory Prepayment Event:	Upon the occurrence of the Conditions Precedent Long Stop Date Event the Issuer shall immediately notify the Bond Trustee in writing thereof and, not later than 30 calendar days following such event, redeem all Outstanding Bonds at a redemption price at 101 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds). Funds deposited on the Escrow Account may be used for such purpose.
Early redemption option due to a tax event:	If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to the Bond Terms Clause 8.4 (<i>Taxation</i>) as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
Repayment Date:	Means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.
Put Option Event:	Means <ul style="list-style-type: none"> (a) an Asset Disposal Event; (b) a Share Disposal Event; (c) a Total Loss Event; or (d) a Change of Control Event, provided that: <ul style="list-style-type: none"> a) the events listed in paragraphs (a) to (c) above shall only constitute a Put Option Event if the applicable Put Option Amount exceed the Put Option Threshold Amount during any Calculation Period; and b) no event shall constitute a Put Option Event if a waiver thereof has been resolved by simple majority of the Voting Bonds in a Bondholders' Meeting.
Change of Control Event:	Means if any person, other than 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.
Redemption:	Matured interest and matured principal will be credited to each Bondholder directly from the CSD. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.
Status of the Bonds:	The Bonds and each other payment obligation under or in relation to the Finance Documents shall constitute senior debt

	obligations of the Issuer and each relevant Obligor, and shall be secured on a first priority basis in certain assets of the Obligors as set out in the Bond Terms, and otherwise rank at least pari passu with the claims of the Obligors' other unsubordinated creditors, except for obligations which are mandatorily preferred by law. All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.
Transaction Security:	Means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.
Finance Documents:	Means: <ul style="list-style-type: none"> (a) the Bond Terms; (b) the Transaction Security Documents; (c) any Intercreditor Agreement; (d) any subordination agreement with respect to any Subordinated Loan and any Subordinated Shareholder Loan; (e) the Bond Trustee Agreement; and (f) any other document the Issuer and the Bond Trustee designate as a Finance Document.
Obligor:	Means the Issuer and any Guarantors.
Information undertakings:	For information regarding information undertakings, please see the Bond Terms Clause 12.
General and financial undertakings:	Information regarding general and financial undertakings, please see the Bond Terms Clause 13.
Events of default and acceleration of the Bonds:	Information regarding Events of default and acceleration of the Bonds, please see the Bond Terms Clause 14.
Use of proceeds:	<ul style="list-style-type: none"> (a) The net proceeds from the Initial Bond Issue shall be used for funding of the acquisition of the Draugen Interest and the Draugen office building in Kristiansund under the Draugen SPA (the "Draugen Transaction"), and the Gjøa Interest under the Gjøa SPA, respectively (the "Gjøa Transaction" and together with the Draugen Transaction the "Transactions"). After having completed the Transactions, any remaining proceeds may be utilised for general corporate purposes. (b) The net proceeds from any Tap Issue(s) shall be employed as follows: <ul style="list-style-type: none"> (i) to finance Hydrocarbon Assets Acquisitions; (ii) to finance the Hydrocarbon Asset Development Costs; and/or (iii) for general corporate purposes <p>in each case as notified by the Issuer in the final marketing</p>

material for the relevant Tap Issue and which has been submitted to the Bond Trustee.

Approvals: The Bonds have been issued in accordance with the Issuer's board approval dated 27th June 2018.

Listing: An application for listing will be sent to Oslo Børs. Listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.

Bond Terms: The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.

When Bonds are subscribed / purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.

Information regarding Bondholders' meeting and the Bondholder's right to vote are described in the Bond Terms Clause 15.

For information regarding the role of the Bond Trustee, see Bond Terms Clause 16.

The Bond Terms is attached to this Securities Note.

Documentation: Registration Document, Securities Note, Summary and the Bond Terms.

Availability of the Documentation: www.okea.no

Bond Trustee: Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.

Calculation Agent: Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.

Manager: ABG Sundal Collier ASA, Munkedamsveien 45E, 0250 Oslo, Norway

Paying Agent: DNB Bank ASA, Verdipapirservice, P.O. Box 1600 Sentrum, 0191 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.

Listing Agent: NT Services AS, P.O. Box 1470 Vika, Norway.

Central Securities Depository (CSD): The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS), P.O. Box 1174 Sentrum, 0107 Oslo, Norway.

Market-Making: There is no market-making agreement entered into in connection with the Bonds.

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Governing law and jurisdiction:	The Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions. For more information, please see the Bond Terms Clause 19.
Relevant Jurisdiction:	Means the country in which the Bonds are issued, being Norway.
Fees and Expenses:	The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Bonds or the Security Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the Bondholders at source any applicable withholding tax payable pursuant to law. At present, there is no withholding tax on bonds in Norway.
Fees:	Total expenses related to the issue of NO0010826852 is: Prospectus fee: NOK 16 000 Listing fee 2018 (Oslo Børs): NOK 19 210 Registration fee (Oslo Børs): NOK 11 800 Listing Agent: NOK 8 500 Bond Trustee: NOK 215 000 Manager: approx. USD 3 600 000 Lawyers: approx. NOK 2 000 000
Transfer restrictions:	<p>Bondholders will not be permitted to transfer the Bonds except (i) subject to an effective registration statement under the Securities Act, (ii) to a person that the bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (iii) an offshore transaction in accordance with Regulation S under the Securities Act, including, in a transaction on the Oslo Børs, and (iv) pursuant to any other exemption from registration under the Securities Act, including Rule 144 there under (if available). The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the Settlement Date.</p> <p>The Bondholders will not be permitted to transfer the Bonds to the public in Singapore for 6 months after the Bondholder has acquired the units except in accordance with the provisions of Section 276 of the SFA.</p> <p>The Bondholders will not be permitted to transfer the Bonds in Hong Kong except (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.</p>

4. Definitions

Due to the extensive number of definitions, and unless otherwise defined in this Securities Note, capitalized terms used in this Securities Note shall have the meaning given to such terms in Clause 1.1 "*Definitions*" in the Bond Terms (attached as Appendix 1 to this Securities Note).

"Bond Terms" means the Bond Terms dated 27th June 2018

"Norwegian FSA" means the Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*)

"Prospectus" means the Registration Document, Securities Note and Summary together.

"Registration Document" means the Issuers Registration Document dated 27th June 2018

"Securities Note" means this document dated 2nd July 2018

"Summary" means the Summary dated 2nd July 2018

5. Additional information

OKEA AS is not aware that there is any interest, nor conflicting interests that is material to the issue.

OKEA AS has mandated ABG Sundal Collier ASA as Manager of the Bond issue. The Manager has acted as advisor and manager to OKEA AS in relation to the transaction. The Manager and/or any of its affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments.

Statement from the Listing Agent:

NT Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

6. Appendix:

- Bond Terms

Exection version

BOND TERMS

FOR

Okea AS FRN open callable senior secured USD 210,000,000 bonds 2018/2023

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SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE – ESCROW ACCOUNT

SCHEDULE 3 INTERCREDITOR PRINCIPLES

BOND TERMS	
ISSUER:	Okea AS, a company existing under the laws of Norway with registration number 915 419 062 and LEI code 549300H385IGBB58CN91; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI code 549300XAKTM2BMKIPT85.
DATED:	27 June 2018
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"Accounts" means following accounts maintained with one or more Account Bank:

- (a) the Escrow Account(s) (in connection with the Settlement of the Bonds and any Tap Issue Bonds); and
- (b) any Pledged Account(s).

"Account Bank" means:

- (a) reputable Norwegian bank(s); and
- (b) international bank(s) with at least A- rating from Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 rating from Moody's Investors Services Limited,

in each case selected by the Issuer.

"Accounts Pledges" means the first priority Norwegian law pledges over the Accounts (other than for the Escrow Account) and the amount from time to time standing to the credit of the Issuer in such bank accounts, where the Account Bank has waived any set-off rights.

"Acquired Financial Indebtedness" means Financial Indebtedness owing by a New Group Company as principal debtor and which was incurred by that New Group Company prior to it becoming a Group Company and where the incurrence thereof was not related to it becoming or preparing to become a Group Company.

"Additional Bonds" means bonds issued by the Issuer or any other Group Company under different ISINs and bond terms than the Bonds or the Yme Bonds.

"Additional Transaction Security Documents" means all of the documents which shall be executed or delivered pursuant to Clause 2.6 (*Additional Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Obligor's obligations under any of the Finance Documents and (if applicable) in respect of the Obligor's obligations in respect of any Yme Bond Finance Documents.

"Additional Yme Interest" means the 5 per cent. share in the Yme Licences, to be acquired by the Issuer under the Yme SPA.

"Affiliate" means, in relation to any specified person:

- (a) any person which is a Subsidiary of the specified person;
- (b) any person who has Decisive Influence over the specified person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

"Annual Financial Statements" means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

"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 a:

- (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
- (b) a swap of participating interests in Hydrocarbon Assets in exchange of participating interests in other Hydrocarbon Assets.

"Assignment of Insurances" means the first priority Norwegian law security assignment of all of the Issuer's monetary claims under or with respect to any insurances and/or reinsurance required to be taken out in accordance with these Bond Terms, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator.

"Assignment of Tax Refund" means the first priority Norwegian law security assignment of the Issuer's existing and future Tax Refund Claims against the Norwegian government.

"Assignment of the Yme SPA" means the first priority Norwegian law security assignment of the Issuer's existing and future monetary claims against the Seller under the Yme SPA.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Bond Reference Rate" means three months LIBOR.

"Bond Terms" means these terms and conditions, including all Schedules hereto which shall form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.

"Bond Trustee" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"Bond Trustee Agreement" means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

"Bondholder" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders' rights*).

"Bondholders' Meeting" means a meeting of Bondholders as set out in Clause 15.

"Bonds" means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Tap Issue Bonds.

"Business Day" means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.

"Business Day Convention" means that if the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment Date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"Calculation Date" means each Quarter Date.

"Calculation Period" means a period ending on the day that the Put Option Amounts relating to Put Option Events having occurred during that period in aggregate exceeded the Put Option Threshold Amount, and so that the first Calculation Period shall start on the Issue Date and any subsequent Calculation Period shall start on the day immediately following the day the preceding Calculation Period ended.

"Call Option" has the meaning given to it in Clause 10.2 (*Voluntary Redemption – Call Option*).

"Call Option Repayment Date" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"Capital Employed Ratio" means a ratio, expressed as a percentage, in each case on the relevant Calculation Date, of the (i) aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: *Foretaksregisteret*) to (ii) the aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: *Foretaksregisteret*) plus the amount of Total Debt.

"CSD" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"Change of Control Event" means if any person, other than 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.

"Compliance Certificate" means a statement substantially in the form as set out in Schedule 1 hereto.

"Conditions Precedent Long Stop Date Event" means an event whereby any funds transferred to the Escrow Account in relation to the settlement of the Initial Bond Issue has not been released to the Issuer within the earlier of (a) 1 November 2019 and (b) the date the Issuer notifies Bond Trustee in writing that the relevant conditions precedent for the release of such funds will not be satisfied and that the Issuer will not pursue the satisfaction of such conditions precedent.

"Decisive Influence" means a person having:

- (a) as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):
 - (i) a majority of the voting rights in that other person; or
 - (ii) a right to elect or remove a majority of the members of the board of directors of that other person; or
- (b) control over another person by that other person, whether by agreement or otherwise, be accustomed or obliged to act in accordance with their directions.

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

"DSA Account" means a bank account on which deposits are made in connection with a decommissioning security arrangement;

"Default Notice" means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

"Default Repayment Date" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"Draugen Licences" means the licences PL093, PL 093 B, PL 093 C, PL 093 D, PL 158 and PL 176, comprising the Draugen field on the Norwegian Continental Shelf.

"Draugen Interest" means the 44.56% participating interest in the Draugen Licence to be acquired under the Draugen SPA.

"Draugen SPA" means the sale and purchase agreement for the acquisition of the Draugen Interest dated 20 June 2018 and made between A/S Shell Norge as seller and the Issuer as buyer (as subsequently amended and modified) and the separate sale and purchase agreement relating to the office building in Kristiansund and being related to the Draugen Interest.

"EBITDA" means the Issuer's (consolidated with the other Group Companies) aggregate earnings before interest, taxes, depreciation and amortisation (and, if included in the calculation of earnings, after adding back the amount of non-recurring transaction costs incurred in relation to any direct or indirect acquisition of Hydrocarbon Assets) for the Relevant Period.

"Escrow Account" means, collectively:

- (a) the bank account in USD to be established by the Issuer with an Account Bank prior to the Issue Date, to which the net proceeds of the Initial Bond Issue shall be transferred in connection with the issuance of the Bonds on the Issue Date, provided that the conditions precedent as set out in Clause 6.1 (*Conditions precedent for disbursement to the Escrow Account*) have been satisfied; and
- (b) the bank account in NOK established by the Issuer, to which all or part of the net proceeds (after being exchanged into NOK to meet the Issuer's commitments under the SPAs) may be transferred.

the Escrow Account shall be pledged and blocked on first priority as security for the Obligor's obligations under the Finance Documents.

"Escrow Account Pledge" means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

"Event of Default" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"Exchange" means Oslo Børs.

"Exempted Account" means each bank account that serves as an escrow account (including for the Yme Bonds, any Additional Bonds and any Permitted Additional Bond Issue), a Tax Refund Claim Account, each withholding account (No: *skattetrekkskonto*), each DSA Account, each bank account maintained by a Group Company in its capacity as the operator for any Hydrocarbon Asset or a cash collateral bank account permitted under these Bond Terms, but

also including bank accounts in which a total aggregate amount of less than USD 100,000 is deposited.

"Exempted Tax Refund Claims" means Tax Refund Claims which are subject to Permitted Exploration Financing Security.

"Existing Licences" means the Issuer's ownership interests in the following Licences on the Norwegian continental shelf:

No.	Licence	Field name	Ownership percentage
1	PL 038D	Grevling	70.00
2	PL 316	Yme	15.00
3	PL 316B	Yme	15.00
4	PL 338 BS	Ivar Aasen (part of the Ivar Aasen Unit and, through its current ownership in PL 338 BS, the Issuer has a 0.55 per cent. share in the Ivar Aasen Unit)	20.00

"Existing Licence Mortgages" means the first priority Norwegian law mortgage over the Issuer's interest in the Existing Licences.

"Exploration Asset" means any Hydrocarbon Asset on the Norwegian continental shelf in respect of which no plan for development and operation (*No.: plan for utbygging og drift (PUD)*) has been submitted for approval by the relevant branches of the Norwegian government.

"Factoring Charge" means the first priority Norwegian law floating charge over all accounts receivables of the Issuer (*No: factoringpant*).

"Finance Documents" means:

- (a) these Bond Terms;
- (b) the Transaction Security Documents;
- (c) any Intercreditor Agreement;
- (d) any subordination agreement with respect to any Subordinated Loan and any Subordinated Shareholder Loan;
- (e) the Bond Trustee Agreement; and
- (f) any other document the Issuer and the Bond Trustee designate as a Finance Document.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the GAAP (as at the Settlement Date), be treated as finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

"Financial Reports" means the Annual Financial Statements and the Interim Accounts.

"Financial Support" means loans, guarantees or other financial assistance (including, but not limited to granting of Security securing the obligations of a third party).

"First Oil Date" means, (i) with respect to any Hydrocarbon Asset under development, the date on which such Hydrocarbon Asset has achieved 30 consecutive days of oil and/or gas production in commercial quantities, and (ii) with respect to any producing Hydrocarbon Assets acquired after the Settlement Date, the date on which such Hydrocarbon Asset is reflected in the financial statement of a Group Company pursuant to GAAP.

"GAAP" means the generally accepted accounting principles in Norway (including, if relevant for a Group Company, IFRS).

"Gjøa Licences" means the licences PL153, PL153 B and PL153 C, comprising the Gjøa field on the Norwegian Continental Shelf.

"Gjøa Interest" means the 12% participating interest in the Gjøa Licence to be acquired under the Gjøa SPA.

"Gjøa SPA" means the sale and purchase agreement for the acquisition of the Gjøa Interest dated 20 June 2018 and made between A/S Shell Norge as seller and the Issuer as buyer (as subsequently amended and modified).

"Group" means the Issuer and its Subsidiaries from time to time.

"Group Company" means any person which is a member of the Group.

"Guarantee" means the Norwegian law on-demand guarantee granted by a Guarantor in relation to the Finance Documents.

"Guarantor" means and any Group Company which subsequently becomes a New Group Company.

"Hydrocarbon Asset" means, from time to time, each hydrocarbon licence and block in which any Group Company holds an ownership interest (either directly or through interests in production sharing contracts or similar) (including the Existing Licences).

"Hydrocarbon Asset Development Costs" means the Issuer's part of the costs and expenses for the development of any Hydrocarbon Assets.

"Hydrocarbon Assets Acquisition" means the direct or indirect acquisition of Hydrocarbon Assets.

"IFRS" means International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

"Initial Bond Issue" means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

"Initial Nominal Amount" means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Initial Transaction Security Documents" means, collectively, the Escrow Account Pledge and all of the other documents which shall be executed or delivered pursuant to Clause 2.5 (*Initial Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Obligors' obligations under any of the Finance Documents.

"Insolvent" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

"Intercreditor Agreement" means the intercreditor agreement to be made between the Bond Trustee (as bond trustee and security agent for the Bonds), Nordic Trustee AS as bond trustee and security agent for the Yme Bond, all Permitted Additional Bond Issues, the Issuer and each Group Company, the main terms of which are set out in Schedule 3 (*Intercreditor Principles*).

"Interest Payment Date" means the last day of each Interest Period, the first Interest Payment Date being 28 September 2018 and the last Interest Payment Date being the Maturity Date.

"Interest Period" means, subject to adjustment in accordance with the Business Day Convention, the periods between 28 March, 28 June, 28 September and 28 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"Interest Rate" means the rate of interest for each Interest Period which is the aggregate of:

- (a) the Bond Reference Rate; and
- (b) 6.50 percentage points per annum.

"Interest Quotation Day" means, in relation to any period for which Interest Rate is to be determined, the day falling two (2) Business Days before the first day of the relevant Interest Period.

"Interim Accounts" means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for the quarterly period ending on each Quarter Date, prepared in accordance with GAAP.

"Intra-Group Claim" means any monetary claim exceeding USD 250,000 owing by one Group Company to another Group Company (other than short term loans under a cash pool arrangement with a bank or financial institution).

"ISIN" means International Securities Identification Number – the identification number of the Bonds.

"Issue Date" means 28 June 2018.

"Issuer" means the company designated as such in the preamble to these Bond Terms.

"Issuer's Bonds" means any Bonds which are owned by the Issuer, any Shareholder or any person over whom the Issuer or any Shareholder has Decisive Influence.

"Leverage Ratio" means a ratio, in each case on the relevant Calculation Date, of Total Net Debt to EBITDA.

"LIBOR" means the interest rate which (a) is published on Reuters Screen LIBOR01 Page (or through another system or on another website replacing the said system or website respectively) approximately 11.00 a.m., London time on the Interest Quotation Date and for a period comparable to the relevant Interest Period, or, if such publication does not exist, (b) at that time corresponds to (i) the average of the quoted lending rates of commercial banks on the interbank market in New York city or, if only one or no such quotes are provided, (ii) the assessment of

the Bond Trustee of the interest rate, which in the Bond Trustee's determination is equal to what is offered commercial banks in the New York city interbank market, for the applicable period. If any such rate is below zero, LIBOR will be deemed to be zero.

"Liquidity" means the aggregate book value of the Issuer's freely available and unrestricted cash in hand and cash deposits (for the avoidance of doubt, including cash deposits on the Issuer's Pledged Accounts, but excluding cash deposits on the Escrow Account, and any Exempted Account).

"Make Whole Amount" means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 104.375 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to and including the First Call Date,

where the present value shall be calculated by using a discount rate of 50 basis points above the comparable US Government Bond Rate (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).

"Management Statements" means the statement of the Capital Employed Ratio and the Leverage Ratio as at the relevant Calculation Date.

"Manager" means ABG Sundal Collier ASA.

"Mandatory Prepayment Event" means a Conditions Precedent Long Stop Date Event provided that no event shall constitute a Mandatory Prepayment Event if a waiver thereof has been resolved by a simple majority of the Voting Bonds in a Bondholders' Meeting.

"Material Adverse Effect" means an event or circumstance which has a material adverse effect on:

- (a) the business, financial condition or operations of the Issuer and/or the Group taken as a whole,
- (b) any Obligors' ability to perform and comply with its obligations under any of the Finance Documents; or
- (c) the validity or enforceability of any of the Finance Documents.

"Maturity Date" means 28 June 2023, adjusted according to the Business Day Convention.

"Maximum Issue Amount" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*). **"New Account"** means any Pledged Account opened or acquired by any Group Company after the date of these Bond Terms.

"New Group Company" means any company which becomes (through incorporation, acquisition or otherwise) a Group Company of the Issuer after the date of these Bond Terms.

"New Hydrocarbon Asset" means any new or increased ownership interest in any Hydrocarbon Asset acquired by any Group Company.

"Nominal Amount" means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 10 (*Redemption and repurchase of Bonds*).

"Obligor" means the Issuer and any Guarantors.

"Outstanding Bonds" means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.

"Overdue Amount" means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"Paying Agent" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Additional Bond Issue" means the issuing of Additional Bonds, provided that following conditions have been satisfied:

- (a) the Additional Bonds are governed by Norwegian law;
- (b) Nordic Trustee AS is appointed as bond trustee and security trustee for the bondholders;
- (c) no Event of Default is continuing at the date of issue of the Additional Bonds;
- (d) the yield (calculated by reference to discount rate and interest rate) to maturity on the Additional Bonds does not exceed 11 per cent. per annum.;
- (e) the final maturity of the Additional Bonds does not occur earlier than 30 days after the Maturity Date and the Additional Bonds are not subject to any scheduled amortisation or redemption occurring earlier than 30 days after the Maturity Date;
- (f) an Intercreditor Agreement has been entered into with respect to the Additional Bonds, the Yme Bonds and the Bonds; and
- (g) the Issuer has confirmed in writing to the Bond Trustee that each of the conditions above have been satisfied and the Bond Trustee has received such supporting documents and evidence thereof as the Bond Trustee has requested.

"Permitted Exploration Financing" means any exploration financing arrangement provided by commercial banks on ordinary terms customary for such arrangements and whereby, under

the terms thereof, the amount of Financial Indebtedness made available thereunder is set by reference to (and shall not exceed the tax value of the amount of) the Issuer's costs eligible for annual tax refund under the Norwegian Petroleum Tax Act of 13 June 1975 Section 3(c).

"Permitted Exploration Financing Security" means Security over a Group Company's Tax Refund Claims and the Tax Refund Claims Account to the extent the same secures Permitted Exploration Financing not qualifying as Acquired Financial Indebtedness, but only (i), with respect to both the Tax Refund Claims and the Tax Refund Claims Account, for as long as any amounts are outstanding under or any commitment to lend is in force under the Permitted Exploration Financing and (ii) with respect to the relevant Tax Refund Claims Account, the only funds deposited thereon are (a) prefunded interest costs for the Permitted Exploration Financing, (b) the proceeds of amounts received in payment of any Tax Refund Claims which has been the subject of Permitted Exploration Financing Security and (c) accrued interest on (a) and/or (b).

"Permitted Financial Indebtedness" means:

- (a) Financial Indebtedness arising under the Finance Documents;
- (b) any Acquired Financial Indebtedness, provided that such Financial Indebtedness (other than Financial Indebtedness falling within the provisions of paragraphs (c) and (g) to (i) below) is repaid or otherwise settled in full (i) within 60 days after the date New Group Company became a Group Company or, if earlier, (ii) prior to completing any merger or other combination of the operations or assets of the New Group Company and any other Group Company;
- (c) any unsecured and un-guaranteed intra-group loans between two Group Companies (excluding any Group Company which is owing Acquired Financial Indebtedness);
- (d) any Financial Indebtedness incurred under a Subordinated Loan or a Subordinated Shareholder Loan;
- (e) any Financial Indebtedness in the form of a deferred payment obligation of acquisition costs to the seller of a Hydrocarbon Asset;
- (f) any Financial Indebtedness incurred under the Yme Bonds and/or a Permitted Additional Bond Issue;
- (g) any Financial Indebtedness in relation to letters of credits and/or similar guarantees, that are:
 - (i) incurred during the ordinary course of the relevant Group Company's petroleum activities; and/or
 - (ii) required under any applicable law;

- (h) any Financial Indebtedness under finance or capital lease of office buildings, vehicles, equipment, computers, production, storage and export facilities or other relevant assets incurred in the ordinary course of business;
- (i) any Financial Indebtedness incurred under any Permitted Exploration Financing;
- (j) any Financial Indebtedness under any Permitted Hedging.

"Permitted Financial Support" means:

- (a) Financial Support granted in connection with the Initial Bond Issue and the Tap Issue;
- (b) Financial Support in the form of Norwegian law on-demand guarantees granted by a Guarantor as security for the Yme Bonds and/or a Permitted Additional Bond Issue;
- (c) any intra-group loans between two Group Companies (excluding any Group Company which is owing any Acquired Financial Indebtedness); and
- (d) 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.

"Permitted Hedging" means non-speculative hedging of currency and commodity risks, provided that such hedging shall be limited to the purchase of put options or collars.

"Permitted Security" means:

- (a) security granted in relation to Permitted Financial Indebtedness referred to in paragraph (a) of the definition of Permitted Financial Indebtedness;
- (b) security granted in relation to Acquired Financial Indebtedness, provided that such Security (i) was granted prior to the New Group Company becoming a Group Company, (ii) is limited to Security over the assets of the New Group Company and (iii) is fully and unconditionally released, discharged and de-registered immediately after the repayment or settlement of the Acquired Financial Indebtedness;
- (c) security granted in relation to Permitted Financial Indebtedness referred to in paragraph (f) of the definition of Permitted Financial Indebtedness, provided that such Security is only taken over assets over which Security has been, or according to the terms hereof will be, taken under the Transaction Security Documents for the Bonds and the Permitted Additional Bond Issue (other than in relation to any escrow account which only contain the proceeds of the relevant Permitted Additional Bond Issue) or the Yme Transaction Security;
- (d) security granted in relation to Permitted Financial Indebtedness referred to in paragraph (g)(i) of the definition of Permitted Financial Indebtedness, provided that such Security shall only be in the form of cash deposits or Security over cash deposits (other than cash deposits on any Accounts);

- (e) security over a DSA Account granted by a Group Company under on connection with a decommissioning security agreement for Hydrocarbon Assets acquired by that Group Company and in relation to such acquisition;
- (f) with respect to any Permitted Financial Indebtedness referred to in paragraph (h) of the definition of Permitted Financial Indebtedness, Security over the assets financed by the finance or capital lease;
- (g) with respect to any Permitted Exploration Financing (not being Acquired Financial Indebtedness), Permitted Exploration Financing Security;
- (h) any lien arising by operation of law in the ordinary course of business;
- (i) any netting or set-off arrangement entered into by the Issuer or any other Group Company (as the case may be) (i) in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Issuer (if applicable) or (ii) under any Permitted Hedging; and
- (j) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer or any other Group Company (as the case may be) in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer.

"Pledged Account" means each bank account held in the name of each Group Company from time to time (other than the Escrow Account, the Yme Escrow Account and each Exempted Account). Each Pledged Account shall be pledged on first priority as security for the Obligors' obligations under the Finance Documents and the Yme Bond Finance Documents. No Pledged Account shall be blocked, unless an Event of Default has occurred and is continuing under the Finance Documents or the Yme Bond Finance Documents.

"Project Documents" means, in relation to each Hydrocarbon Asset:

- (a) each joint operating agreement and/or unitization and unit operating agreement;
- (b) each agreement related to the transportation, processing and/or storage of production;
- (c) each agreement for the sale or marketing of production;
- (d) each agreement (other than the agreements set forth in items (a) to (c) above) related thereto, including any decommissioning security agreement, any tariff and offtake agreement, pipeline transmission agreement, drilling agreement, equipment supply agreement, installation and/or supply contract or maintenance and management agreement (in each case available to the relevant Group Company);
- (e) any authorization required for the lawful construction, exploitation, development or operation of that Hydrocarbon Asset or the production, transportation or sale of production therefrom;

- (f) any development plan with all required approvals from any relevant operating committee and any relevant governmental or other regulatory authority relating to that Hydrocarbon Asset;
- (g) any SPA and any other document relating to the acquisition by the Issuer or any relevant Group Company of any interest in any Hydrocarbon Asset or of any entity holding the interest in such Hydrocarbon Asset;
- (h) each present and future contract or policy of insurance in respect of the Project which the Issuer and/or any relevant Group Company has or may from time to time have an interest; and
- (i) any other document designated as such by the Issuer and the Bond Trustee.

"Project Proceeds" means any income, payments, earnings or receivables of any kind (including any payments with respect to tax, tax refunds or tax credits (except for Exempted Tax Refund Claims) and insurance proceeds in respect of physical losses (excluding any insurance proceeds relating to third party losses or losses incurred in respect of environmental incidents and where such insurance proceeds are paid directly to third parties)) directly or indirectly deriving from or related to the Projects (including proceeds from sale of any ownership interest in any Hydrocarbon Asset(s)).

"Projects" means the development and operation (either as Licencee or operator) of the Hydrocarbon Assets owned by the Issuer or any other Group Company (as the case may be), as well as the ownership and operation of the hydrocarbon production and transport facilities and infrastructure associated therewith.

"Put Option" shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Amount" means:

- (a) with respect to an Asset Disposal Event: the post-tax consideration received or receivable by the relevant Group Company in each transaction constituting an Asset Disposal;
- (b) with respect to a Share Disposal Event: the post-tax consideration received or receivable by the relevant Group Company in each transaction constituting a Share Disposal Event; and
- (c) with respect to a Total Loss Event: the higher of (i) the reduction in fair market value of the relevant Group Company's ownership interest in the relevant Hydrocarbon Asset due to the Put Option Event and (ii) the post-tax (if applicable) amount of insurance proceeds received by the relevant Group Company within 210 days after the occurrence of the Total Loss Event.

"Put Option Event" means:

- (a) an Asset Disposal Event;
- (b) a Share Disposal Event;
- (c) a Total Loss Event; or
- (d) a Change of Control Event,

provided that:

- (a) the events listed in paragraphs (a) to (c) above shall only constitute a Put Option Event if the applicable Put Option Amount exceed the Put Option Threshold Amount during any Calculation Period; and
- (b) no event shall constitute a Put Option Event if a waiver thereof has been resolved by simple majority of the Voting Bonds in a Bondholders' Meeting.

"Put Option Repayment Date" means the settlement date for the Put Option Event pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

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

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"Release Notice" means a release notice substantially in the form as set out in Schedule 2 hereto.

"Relevant Jurisdiction" means the country in which the Bonds are issued, being Norway.

"Relevant Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling 3 Business Days after the Summons have been published; or
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

"Relevant Period" means a period of twelve months ending on the relevant Calculation Date.

"Repayment Date" means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

"Secured Obligations" means all present and future obligations and liabilities of the Obligors under the Finance Documents.

"Secured Parties" means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

"Securities Trading Act" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"Security" means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent" means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

"Security Agent Agreement" means any agreement whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"Seller" means Repsol Norge AS (registration number 993 787 787).

"Share Disposal Event" means one or more reductions in any Group Company's shareholding from time to time in any other Group Company that either owns a Hydrocarbon Asset or which has accumulated a Tax Credit position.

"Shareholder" means any person or company (or otherwise) which directly or indirectly owns any shares in the Issuer.

"Schedule" means each of the schedules to these Bond Terms.

"SPAs" means each of the Draugen SPA and the Gjøa SPA.

"Subordinated Loan" means debt financing that:

- (a) is provided to the Issuer by any person(s) or entities (the **"Subordinated Lenders"**) which are not (i) a Group Company or (ii) Shareholders that separately or collectively own more than 30 per cent. of the issued share capital of the Issuer;
- (b) falls due after the Maturity Date and contains no scheduled amortization; and
- (c) is subject to the terms of a subordination agreement between the Issuer, the Bond Trustee (as agent for and on behalf of the Bondholders) and the Subordinated Lenders on terms satisfactory to the Bond Trustee, such terms to include provisions whereby the Subordinated Loan is fully subordinated to the Bonds and where no (i) principal may be paid, repaid, re-purchased, netted, set off, reduced through the payment of other amounts

or settled in kind, (ii) no payments of interest, fees, premia or other amounts may be paid to the extent such payments would result in a yield per annum exceeding 13 per cent. and (iii) acceleration or declaration of default may occur, in each case prior to all amounts outstanding under the Finance Documents have been repaid in full.

"Subordinated Shareholder Loan" means debt financing that:

- (a) is provided to the Issuer by a Shareholder; and
- (b) is subject to the terms of a subordination agreement between the Issuer, the Bond Trustee (as agent for and on behalf of the Bondholders) and the relevant lender(s) on terms satisfactory to the Bond Trustee, such terms to include provisions whereby the Subordinated Shareholder Loan is fully subordinated to the Bonds and where no (i) principal may be paid, repaid, re-purchased, netted, set off, reduced through the payment of other amounts or settled in kind, (ii) no payments of interest, fees, premia or other amounts may be paid to the lenders, and (iii) acceleration or declaration of default may not occur, in each case prior to all amounts outstanding under the Finance Documents have been repaid in full.

"Subsidiary" means a company over which another company has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"Tax Credit" means the tax value of unused losses brought forward for tax purposes and which is paid out from the Norwegian state following a company's cessation of business subject to petroleum taxation, currently provided for under the Norwegian Petroleum Taxation Act of 13 June 1975 Section 3 (c) fourth paragraph.

"Tap Issue" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

"Tap Issue Bonds" means Bonds issued under a Tap Issue.

"Tap Issue Addendum" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

"Tax Event Repayment Date" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

"Tax Refund Claims" means a monetary claim against the Norwegian government for a refund of the tax value of eligible exploration costs etc., currently provided for under the Norwegian Petroleum Taxation Act of 13 June 1975 Section 3 (c).

"Tax Refund Claims Account" means a bank account opened and maintained by the Issuer to which, under the terms of a Permitted Exploration Financing, the Issuer's Tax Refund Claims shall be paid into.

"Termination Event" means, with respect to any Hydrocarbon Asset, the handing back, revocation, termination or cancellation of that Hydrocarbon Asset and the rights associated therewith.

"Total Debt" means, at the relevant Calculation Date, the aggregate amount of all obligations of each Group Company for or in respect of Financial Indebtedness at that time, adjusted by:

- (a) in case of finance leases, only including the capitalised value thereof;
- (b) excluding any such obligations to any other Group Company;
- (c) excluding the amount of any such obligation under a Permitted Exploration Financing that does not exceed the amount of the Tax Refund Claims of the relevant Group Company;
- (d) excluding amounts owing in respect of leases or other hire contracts which would, in accordance with GAAP (as at the Issue Date), be treated as operating leases;
- (e) excluding the amount of any liability in respect of any guarantee or indemnity under (h) in the definition of Financial Indebtedness to the extent the primary obligation is accounted for in (a) to (g) in the definition of Financial Indebtedness and excluding any other double counting;
- (f) excluding the amount of any Subordinated Shareholder Loan; and
- (g) excluding any Financial Indebtedness incurred under a Permitted Additional Bond Issue for as long as the proceeds from that Permitted Additional Bond Issue has not been released from the relevant escrow account to the Issuer.

"Total Loss Event" means the occurrence of one or more actual or constructive total loss of any Hydrocarbon Assets (or related assets such as production units, installations and infrastructure).

"Total Net Debt" means, at the relevant Calculation Date:

- (a) the amount of Total Debt; less
- (b) the aggregate amount of freely available and unrestricted cash and bank deposits held by any Group Company at that time (Pledged Accounts (but excluding escrow accounts) are for this purpose, provided that no Event of Default is continuing, deemed to contain freely available and unrestricted cash deposits), provided in each case that, in case of a Tap Issue or if any Group Company has cash on account which is funded by a Permitted Exploration Financing, the net amount of the Tap Issue proceeds retained by a Group Company (after deducting any amount thereof being used in a Hydrocarbon Assets Acquisition) and the amount on account that is funded by a Permitted Exploration Financing shall be excluded from the calculation in this paragraph (b).

"Transactions" shall have the meaning ascribed to that term in Clause 2.3 (*Use of proceeds*).

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

"Transaction Security Documents" means, collectively, the Initial Transaction Security Documents and the Additional Transaction Security Documents.

"US Government Bond Rate" means the interest rate of debt securities instruments issued by the government of the United States of America on the day falling two (2) Business Days before the notification to the Bondholders of the Issuer's redemption of Bonds in each case (as applicable), provided that if the US Government Bond Rate is negative it will be set to zero.

"Voting Bonds" means the Outstanding Bonds less the Issuer's Bonds and a Voting Bond shall mean any single one of those Bonds.

"Written Resolution" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

"Yme Additional Costs" means Yme Development Costs not funded by the Initial Bond Issue.

"Yme Bonds" means the bonds issued with ISIN NO0010810062 (including any tap issues).

"Yme Bond Agreement" means the Bond Terms for Okea AS 7.5% open callable senior secured USD 150,000,000 bonds 2017/2020 ISIN NO0010810062 dated 14 November 2017 including all Schedules thereto which shall form an integrated part of the Yme Bond Agreement, in each case as amended and/or supplemented from time to time.

"Yme Bondholders" means a holder of Yme Bond(s), as registered in the Securities Depository, from time to time.

"Yme Bond Finance Documents" means the "Finance Documents" as defined in the Yme Bond Agreement.

"Yme Escrow Account" means each "Escrow Account" as defined in the Yme Bond Agreement.

"Yme Licences" means PL 316 and PL 316B.

"Yme SPA" means the sale and purchase agreement for the acquisition of the Additional Yme Interest dated 12 October 2017 and made between the Seller as seller and the Issuer as buyer (as subsequently amended and modified).

"Yme Secured Parties" means the "Secured Parties" as defined in the Yme Bond Agreement.

"Yme Transaction Security" means the "Transaction Security" as defined in the Yme Bond Agreement.

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) in the event of a conflict between any provision of these Bond Terms and any provision of the Intercreditor Agreement the Intercreditor Agreement shall have precedence over the Bond Terms;
- (f) references to a provision of "**law**" is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (g) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (h) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (i) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (j) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*).
- (k) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (l) an Event of Default is "**continuing**" if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 210,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 180,000,000. The Issuer may, provided that the conditions set out in Clause 6.2(b) (*Tap Issues*) are met, at one or more occasions issue Tap Issue Bonds (each a "**Tap Issue**") in the minimum amount of USD 10,000,000 until the Nominal Amount of all Tap Issue Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Tap Issue Bonds may be issued at a different price than for the Initial Bond Issue and which may

be below or above the Nominal Amount provided that the yield (calculated by the sum of the discount rate and the interest rate) to Maturity Date on any Tap Issue Bonds may not exceed 11 per cent. per annum. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").

- (b) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (c) The Initial Nominal Amount of each Bond is USD 100,000.
- (d) The ISIN of the Bonds is 0010826852. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

- (a) The net proceeds from the Initial Bond Issue shall be used for funding of the acquisition of the Draugen Interest and the Draugen office building in Kristiansund under the Draugen SPA (the "**Draugen Transaction**"), and the Gjøa Interest under the Gjøa SPA, respectively (the "**Gjøa Transaction**" and together with the Draugen Transaction the "**Transactions**"). After having completed the Transactions, any remaining proceeds may be utilised for general corporate purposes.
- (b) The net proceeds from any Tap Issue(s) shall be employed as follows:
 - (i) to finance Hydrocarbon Assets Acquisitions;
 - (ii) to finance the Hydrocarbon Asset Development Costs; and/or
 - (iii) for general corporate purposes

in each case as notified by the Issuer in the final marketing material for the relevant Tap Issue and which has been submitted to the Bond Trustee.

2.4 Status of the Bonds

The Bonds and each other payment obligation under or in relation to the Finance Documents shall constitute senior debt obligations of the Issuer and each relevant Obligor, and shall be secured on a first priority basis in certain assets of the Obligors as set out in these Bond Terms, and otherwise rank at least *pari passu* with the claims of the Obligors' other unsubordinated creditors, except for obligations which are mandatorily preferred by law. All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.

2.5 Initial Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security

Agent with first priority within the times agreed in Clause 6 (*Conditions for disbursement*):

- (i) the Escrow Account Pledge;
 - (ii) the Existing Licence Mortgages;
 - (iii) the Assignment of Insurances;
 - (iv) the Assignment of Tax Refund;
 - (v) the Assignment of the Yme SPA;
 - (vi) the Factoring Charge; and
 - (vii) the Account Pledges.
- (b) The Transaction Security (with the exception of the Escrow Account Pledge) shall constitute a joint first priority Security on a pari passu basis together with the Security granted for the Yme Bonds and any Permitted Additional Bond Issue (as further set out in the Intercreditor Agreement). The Transaction Security may be formally registered or otherwise formally perfected with priority after the security granted for the Yme Bonds, provided that this will not affect the contractually agreed joint first priority in the Intercreditor Agreement.
- (c) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

2.6 Additional Transaction Security

- (a) If any Group Company acquires any New Hydrocarbon Asset (including the Draugen Interest and the Gjøa Interest), the Issuer shall promptly notify the Bond Trustee thereof in writing and procure that the relevant Group Company will, as soon as reasonably possible and in any event within 30 days of the completion of the relevant transaction, provide Security, on terms substantially identical to the relevant Initial Transaction Security Documents entered into in accordance with Clause 2.5 (*Initial Transaction Security*), perfected with first priority over:
- (i) the New Hydrocarbon Asset; and
 - (ii) all monetary claims under or with respect to any assignable insurances required to be taken out in respect of the New Hydrocarbon Asset, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator.
- (b) If any company becomes New Group Company, the Issuer shall promptly procure that, as soon as possible and in any event within 30 days of the New Group Company becoming a Group Company (in each case to the extent permitted by applicable financial

assistance restrictions and similar restrictions), the Issuer or the New Group Company (as the case may be) shall:

- (i) become a Guarantor by providing a Guarantee;
- (ii) provide Security, on terms substantially identical to the relevant Initial Transaction Security Documents entered into in accordance with Clause 2.5 (*Initial Transaction Security*) (or in case of (A) below or with respect to non-Norwegian companies or non-Norwegian assets, on terms satisfactory to the Bond Trustee), perfected with first priority over:

(A) the entire share capital of the New Group Company; and

(B) the following assets of the New Group Company:

1. its ownership interests in Hydrocarbon Assets (and, if relevant, related assets and agreements);
2. its monetary claims under or with respect to any assignable insurances required to be taken out hereunder, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator;
3. its Tax Refund Claims (other than Exempted Tax Refund Claims);
4. its accounts receivable; and
5. its bank accounts (except for Exempted Accounts) and the amount from time to time standing to the credit of the New Group Company in such accounts,

provided that the requirement to provide the Guarantee and Security (other than the Security in (ii)(A) above) listed above and the start of the 30 days completion period in respect thereof, shall be suspended for as long as (but for no longer than) the completion thereof is restricted and would trigger a default under the terms of any Acquired Financial Indebtedness and the suspension shall end on the date the Acquired Financial Indebtedness is repaid or otherwise settled.

- (c) If an Intra-Group Claim is or will become owing by one Group Company to another Group Company, the Issuer shall notify the Bond Trustee thereof in writing as soon as possible and in any event before the Intra-Group Claim becomes outstanding and the Issuer shall, and shall procure that the relevant Group Company will, promptly grant and perfect a first priority security assignment, on terms satisfactory to the Bond Trustee, of all monetary claims with respect to that Intra-Group Claim.
- (d) If any Group Company opens or acquires a New Account, the Issuer shall promptly notify the Bond Trustee thereof in writing and procure that the relevant Group Company will, as soon as reasonably possible and in any event within 30 days of the completion of the relevant transaction, provide Security perfected with first priority, on terms

substantially identical to the relevant Initial Transaction Security Document entered into in accordance with Clause 2.5 (*Initial Transaction Security*), over the New Account and the amounts from time to time standing to the credit of the relevant Group Company.

- (e) If the Issuer establishes an additional Escrow Account in NOK, the Issuer shall ensure that such Escrow Account shall, prior to transferring any amounts to such account, be pledged on first priority and blocked so that no withdrawals can be made from such account without the Bond Trustee's prior written consent, and the Account Bank shall waive any set-off rights to such account.
- (f) If, at any time, Norwegian law permits taking Security over the Tax Credit, the Issuer shall, and shall procure that each Group Company will, promptly notify the Bond Trustee in writing thereof and grant and perfect a first priority security assignment over the Tax Credit (unless such Tax Credit is an Exempted Tax Refund Claim), on terms satisfactory to the Bond Trustee.
- (g) The Issuer shall ensure that all monetary claims under or with respect to any insurances required to be taken out hereunder (as renewed, extended or replaced from time to time), but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator, at all times are subject to Transaction Security perfected with first priority, on terms substantially identical to the relevant Initial Transaction Security Document entered into in accordance with Clause 2.5 (*Initial Transaction Security*).
- (h) If, at any time, the Tax Refund Claims of the Issuer is no longer Exempted Tax Refund Claims, the Issuer shall promptly notify the Bond Trustee in writing thereof and promptly procure that such Tax Refund Claims become subject to Transaction Security perfected with first priority, on terms substantially identical to the relevant Initial Transaction Security Document entered into in accordance with Clause 2.5 (*Initial Transaction Security*).
- (i) The Issuer shall, and shall procure that each Group Company will, promptly provide such documents and evidence as the Bond Trustee shall require with respect to any relevant Group Company and any asset over which Security is or will be taken, including constitutional documents, corporate authorizations, governmental and other approvals, copies of relevant share and purchase agreements, due diligence reports and evidence of ownership. The Bond Trustee may, at the cost of the Issuer, require legal opinions to be issued.

2.7 Security Release

- (a) The Bond Trustee shall, at the cost and request of the Issuer, release the Transaction Security over any asset which is directly (in case of an asset (other than shares) disposal) or indirectly (in case of a share disposal) disposed of, handed back, revoked, terminated or cancelled provided that such disposal, handing back, revocation, termination or cancellation is permitted under the terms of these Bond Terms and the Issuer has or will satisfy all conditions for such disposal, handing back, revocation, termination or cancellation to be permitted. In case of a permitted disposal of all shares in a Group Company, such Group Company shall be released from its obligations as a Guarantor.

- (b) The Bond Trustee shall, at the cost and request of the Issuer, release Transaction Security over Tax Refund Claims that has or will become Exempted Tax Refund Claims, provided that such release shall, as far as practically possible, not be done earlier than substantially simultaneously with the Tax Refund Claims becoming Exempted Tax Refund Claims.
- (c) The Bond Trustee may enter into closing/settlement and/or release agreements and arrangements with respect to any release of Transaction Security which are, in each case, in line with market practise or which is otherwise satisfactory to the Bond Trustee.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) Upon registration of the Bonds in the CSD, the Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer has applied, or shall within 6 months of the Issue Date apply, for the Bonds to be admitted to listing on the Exchange and the Issuer shall use its best efforts in ensuring the Bonds are listed on the Exchange within 3 months after the first application was made.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Escrow Account

Payment of the proceeds (net of legal costs, fees of the Manager and the Bond Trustee and any other agreed costs and expenses) from the issuance of the Bonds into the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (a) these Bond Terms duly executed by all parties thereto;
- (b) confirmation from the Issuer that no potential or actual Event of Default has occurred and is continuing or is likely to occur as a result of the issuance of the Bonds and the use of the proceeds thereof;
- (c) the Bond Trustee Agreement duly executed by all parties thereto;
- (d) certified copies of the certificate of registration and articles of association of the Issuer;
- (e) certified copies of all corporate resolutions of the Issuer required for the Issuer to issue the Bonds and execute Bond Terms, the Escrow Account Pledge and all other Finance Documents to be entered into pursuant to this Clause 6.1;
- (f) a certified copy of a power of attorney from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant

register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;

- (g) confirmation that the Bonds are registered in the CSD;
- (h) confirmation that the applicable prospectus requirements (ref the EU prospectus directive (2003/71 EC)) concerning the issuance of the Bonds have been fulfilled;
- (i) evidence that the Escrow Account has been established;
- (j) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable notices, acknowledgements and consents from the Account Bank);
- (k) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
- (l) copies of the Issuer's latest Financial Reports (if any);
- (m) a copy of the SPAs duly executed by all relevant parties;
- (n) all legal opinions reasonably requested by the Bond Trustee in respect of the Bond Terms and the Escrow Account having been received in form and substance satisfactory to the Bond Trustee; and
- (o) any other document, evidence or action reasonably requested by the Bond Trustee.

6.2 Conditions precedent for disbursement to the Issuer

- (a) The initial disbursement of the net proceeds from the issuance of the Bonds from the Escrow Agreement to the Issuer shall be subject to the Bond Trustee having received or being satisfied that it will receive in due time (as determined by the Bond Trustee) prior to the initial disbursement to the Issuer each of the following evidence or documents, in form and substance satisfactory to the Bond Trustee:
 - (i) a duly executed Release Notice from the Issuer for the release from the Escrow Account in an amount in respect of each of the two Transactions determined by the Issuer to be the amount required to settle its payment obligations with respect to that Transaction;
 - (ii) evidence that at least one Pledged Account has been established;
 - (iii) copy of a written consent from the Norwegian Ministry of Petroleum and Energy to the Existing Licence Mortgages;
 - (iv) satisfactory documentation evidencing that all insurances required to be taken out hereunder are in full force and effect, including copies of cover notes and a broker's letter of undertaking (or similar documents) from the relevant insurance broker(s);

- (v) confirmation from the Issuer that it has no Financial Indebtedness outstanding nor has granted no Security or Financial Support (other than Permitted Financial Indebtedness, Permitted Security and Permitted Financial Support and otherwise as expressly permitted under the Finance Documents);
 - (vi) certified copies of all corporate resolutions of the Issuer required for the Issuer to issue the Bonds and execute all the Finance Documents to which it is a party (unless covered by the resolutions delivered pursuant to Clause 6.1(e);
 - (vii) a certified copy of a power of attorney from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
 - (viii) evidence that (a) an amount of new cash equity capital equal to 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);
 - (ix) all legal opinions reasonably requested by the Bond Trustee in respect of the Initial Transaction Security Documents and any other Finance Documents have been received in form and substance satisfactory to the Bond Trustee;
 - (x) the Initial Transaction Security Documents (other than the Escrow Account Pledge) duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security (or satisfactory evidence that they will be executed and perfected in connection with (and simultaneously with) the release of the funds from the Escrow Account);
 - (xi) the Intercreditor Agreement duly executed by all relevant parties;
 - (xii) a duly executed subordination agreement for any existing Permitted Financial Indebtedness as of the date of the first release from the Escrow Account where a subordination agreement is required for such Financial Indebtedness to be permitted hereunder;
 - (xiii) any other Finance Documents duly executed by all parties thereto; and
 - (xiv) any other document, evidence or action reasonably requested by the Bond Trustee.
- (b) Any release of funds from the Escrow Account which are to be applied to fund the acquisition of the Draugen Interest shall be subject to the Bond Trustee having received copy of a written consent from the Norwegian Ministry of Petroleum and Energy for the Issuer's acquisition of the Draugen Interest and a copy of the consent on tax consequences from the Norwegian Ministry of Finance to the Issuer (if relevant).

- (c) Any release of funds from the Escrow Account which are to be applied to fund the acquisition of the Gjøa Interest shall be subject to the Bond Trustee having received copy of a written consent from the Norwegian Ministry of Petroleum and Energy for the Issuer's acquisition of the Gjøa Interest and a copy of the consent on tax consequences from the Norwegian Ministry of Finance to the Issuer (if relevant).

6.3 Tap Issues

- (a) Payment of the proceeds (net of legal costs, fees of the Manager and the Bond Trustee and any other agreed costs and expenses) from the issuance of the Tap Issue Bonds into the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the issue date of such Tap Issue each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) the Bond Trustee has executed a Tap Issue Addendum;
 - (ii) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Tap Issue Bonds;
 - (iii) certified copies of the certificate of registration and articles of association of the relevant Group Company;
 - (iv) certified copies of all corporate resolutions of the relevant Group Companies required for the Issuer to issue the Tap Issue Bonds and for each relevant Group Company to execute all the Finance Documents to which it is a party and which shall be entered into pursuant to this Clause 6.2(b)(a);
 - (v) a certified copy of a power of attorney from each relevant Group Company to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of that Group Company;
 - (vi) evidence that the Escrow Account is still being maintained by the Issuer;
 - (vii) all legal opinions reasonably requested by the Bond Trustee in respect of the issuance of the Tap Issue Bonds having been received in form and substance satisfactory to the Bond Trustee;
 - (viii) confirmation from the Issuer that the yield (calculated by the sum of the discount rate and the interest rate) to Maturity Date on the Tap Issue Bonds does not exceed 11 per cent. per annum;
 - (ix) confirmation from the Issuer that proceeds of the Tap Issue shall be employed in accordance with Clause 2.3(b); and
 - (x) any other document, evidence or action reasonably requested by the Bond Trustee may reasonably require.

- (b) Any proceeds from a Tap Issue may also be exchanged into NOK to meet the Issuer's commitments in NOK and transferred to an Escrow Account denominated in NOK.
- (c) The disbursement of the net proceeds from the issuance of the Tap Issue Bonds to the Issuer for the purpose of financing the relevant Group Company's Hydrocarbon Assets Acquisition shall be subject to the Bond Trustee having received or being satisfied that it will receive in due time (as determined by the Bond Trustee) prior to the disbursement to the Issuer each of the following evidence or documents, in form and substance satisfactory to the Bond Trustee:
 - (i) a duly executed Release Notice from the Issuer for the release from the Escrow Account an amount, which, together with any amounts credited to the Pledged Accounts or otherwise immediately available to fund such acquisition, is equal to the cost of the Hydrocarbon Asset Acquisition, such costs to be evidenced by a copy of the relevant sale and purchase agreement;
 - (ii) satisfactory documentation evidencing that all insurances required to be taken out hereunder are in full force and effect and extends to cover any assets, operations, liabilities and contingencies covered or assumed by the Hydrocarbon Assets Acquisition, including copies of cover notes and a broker's letter of undertaking (or similar documents) from the relevant insurance broker(s);
 - (iii) certified copies of the certificate of registration and articles of association of the relevant Group Companies (including companies that will become Group Companies);
 - (iv) certified copies of all corporate resolutions of the relevant Group Companies required for each relevant Group Company to execute all the Finance Documents to which it is a party (unless covered by the resolutions delivered pursuant to Clause 6.2(b)(a)(iv));
 - (v) a certified copy of a power of attorney from each relevant Group Company to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of that Group Company;
 - (vi) the Guarantees and the Additional Transaction Security Documents (and for this purpose disregarding the 30 day completion period) duly executed (or satisfactory evidence that they will be executed in connection with (and simultaneously with) the release of the funds from the Escrow Account) by all parties thereto and evidence of the establishment and perfection of the Transaction Security (other than such security which reasonably cannot be perfected until the relevant Hydrocarbon Assets Acquisition has been completed and the Issuer has become the registered (if applicable) direct or indirect owner of the relevant assets);
 - (vii) any other Finance Documents are in acceptable form and duly executed and perfected (to the extent applicable);

- (viii) all legal opinions reasonably requested by the Bond Trustee in respect of the Additional Transaction Security Documents and any other Finance Documents have been received in form and substance satisfactory to the Bond Trustee; and
- (ix) any other document, evidence or action reasonably requested by the Bond Trustee.

6.4 Bond Trustee's discretion and instructions

- (a) The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in Clause 6.1 (*Conditions precedent for disbursement to the Escrow Account*), Clause 6.2 (*Conditions precedent for disbursement to the Issuer*) and Clause 6.2(b) (*Tap Issues*), or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), Clause 6.2 (*Conditions precedent for disbursement to the Issuer*) and Clause 6.2(b) (*Tap Issues*) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.
- (b) Disbursement of the proceeds from the issuance of the Bonds (including any Tap Issue Bonds) is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), Clause 6.2 (*Conditions precedent for disbursement to the Issuer*) or Clause 6.2(b) (*Tap Issues*), as applicable, have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to Clause 6.4(a).

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Obligor (if applicable) to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Issue Date;
- (b) on each date of disbursement of proceeds from the Escrow Account; and
- (c) at the date of issuance of any Tap Issue Bonds:

7.1 Information

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (a) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (b) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

7.2 No Event of Default

No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

7.3 Transaction Security

The entry into of the Transaction Security Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it or any other Obligor;
- (b) its constitutional documents or those of any other Obligor; or
- (c) any agreement or instrument binding upon it or any other Obligor.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional 3 per cent. per annum.

- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial payments

- (a) If the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a "**Partial Payment**"), such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata pursuant to the procedures of the CSD towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from the it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (b) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest will accrue on the Nominal Amount of any Tap Issue Bond for each Interest Period starting with the Interest Period commencing on the Interest Payment Date immediately prior to the issuance of the Tap Issue Bonds (or, if the date of the issuance is not an Interest Payment Date and there is no Interest Payment Date prior to such date of issuance, starting with the Interest Period commencing on the Issue Date).
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of Interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

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 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) 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 December 2020 (the "**First Call Date**") at a price equal to the Make Whole Amount;
 - (ii) from the First Call Date to, but not including, the Interest Payment Date in June 2021, at a price equal to 104.375 per cent. of Nominal Amount;
 - (iii) from the Interest Payment Date in June 2021 to, but not including, the Interest Payment Date in December 2021, at a price equal to 103.50 per cent. of Nominal Amount;
 - (iv) from the Interest Payment Date in December 2021 to, but not including, the Interest Payment Date in June 2022, at a price equal to 102.625 per cent. of Nominal Amount;
 - (v) from the Interest Payment Date in June 2022 to, but not including, the Interest Payment Date in December 2022, at a price equal to 101.75 per cent. of Nominal Amount; and
 - (vi) from the Interest Payment Date in December 2022 to, but not including, the Final Maturity Date, at a price equal to 100.50% of Nominal Amount.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10, but not more than 20, Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to:

- (i) in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 101 per cent. of the Nominal Amount.
 - (ii) in relation to a Total Loss Event, 100 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event or Mandatory Prepayment Event*). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) The Issuer's obligation to redeem Bonds hereunder shall be limited to a number of Bonds and YME Bonds (allocated pro rata between Bondholders and the Yme Bondholders exercising the Put Option) with an aggregate Nominal Amount equal to the Put Option Amount.
- (d) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be (i) in relation to an Asset Disposal Event and a Share Disposal Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above, (ii) in relation to a Change of Control Event, the 15th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above and (iii) in relation to a Total Loss Event, once the insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than 210 calendar days following the occurrence of the Total Loss Event.
- (e) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

10.4 Mandatory redemption due to a Mandatory Prepayment Event

Upon the occurrence of the Conditions Precedent Long Stop Date Event the Issuer shall immediately notify the Bond Trustee in writing thereof and, not later than 30 calendar days following such event, redeem all Outstanding Bonds at a redemption price at 101 per cent. of the Nominal Amount (plus accrued interest on the redeemed Bonds). Funds deposited on the Escrow Account may be used for such purpose.

10.5 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice

of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Management Statements and Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Management Statements and Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the Quarter Date.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), however only once for each relevant reporting period, a Compliance Certificate with a copy of the Financial Report attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Statements are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.12 (*Financial Covenants*) as at such date.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied.

12.3 Put Option Event or Mandatory Prepayment Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event or a Mandatory Prepayment Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) not later than 120 days after the end of each financial year, deliver an updated reserves report for each of the Hydrocarbon Assets of the Group;
- (b) promptly inform the Bond Trustee in writing if a company is becoming Group Company;
- (c) promptly inform the Bond Trustee of any event which could reasonably be expected to result in the revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation of any of the Existing Licences, and/or any other Hydrocarbon Asset;
- (d) promptly inform the Bond Trustee of any failure (the "**Relevant Payment Default**") by any Group Company to make a payment under any joint operating agreement, unitization agreement or similar agreement or document with respect to any Hydrocarbon Assets (the "**Relevant Hydrocarbon Asset**"), such notice to include specific details of the Relevant Payment Default (including the original maturity date thereof and the amount of the Relevant Payment Default), whether the Issuer has or shortly will have sufficient funds to remedy the Relevant Payment Default and details of the Relevant Hydrocarbon Asset.
- (e) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it);
- (f) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (g) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (h) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (i) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (j) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and

- (k) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and Financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, Licence and consent required for the conduct of its business as carried out at the date of these Bond Terms if a failure to do so would have Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall ensure that each other Group Company will, comply with all laws and regulations they may be subject to from time to time of material importance to the business and operations of the Issuer and/or such Group Company.

13.3 Pari passu ranking

The Issuer shall, and shall ensure that each Group Company will, ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank at least *pari passu* as set out in Clause 2.4 (*Status of the Bonds*).

13.4 Continuation of business

The Issuer shall not cease to carry on its business. Further, the Issuer shall ensure that no other Group Company shall cease to carry on its business, if such transaction would have a Material Adverse Effect.

13.5 Mergers and de-mergers

- (a) The Issuer shall not, and shall ensure that no other Group Company will, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Issuer, or such other Group Company with any other company or entity not being a Group Company if such transaction would have a Material Adverse Effect, and provided that (i) the Issuer shall, in case of any merger, be the surviving entity and (ii) the merged or combined entity shall grant Transaction Security in accordance with Clause 2.5 (*Initial Transaction Security*) and Clause 2.6 (*Additional Transaction Security*).
- (b) The Issuer shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving a split of the Issuer, or such other Group Company into two or more separate companies.

13.6 Arm's length transactions

The Issuer shall not, and shall ensure that no other Group Company will, engage, directly or indirectly, in any transaction with any related third party (excluding, for the avoidance of doubt,

other Group Companies not owing Acquired Financial Indebtedness) (including, without limitation, the purchase, sale or exchange of assets or the rendering of any service), except (a) in the ordinary course of business; or (b) pursuant to the reasonable requirement of the Issuer's and/or such Group Company's business and upon fair and reasonable arm's length terms.

13.7 Corporate status

The Issuer shall not, and shall ensure that no other Group Company shall, change its type of organization or jurisdiction of incorporation, provided that the Issuer may become a Norwegian public liability company.

13.8 Nature of business

The Issuer shall, and shall ensure that each other Group Company will, procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of these Bond Terms, and which is to (directly or indirectly) own, develop and operate Hydrocarbon Assets.

13.9 Operations

The Issuer shall, and shall ensure that each other Group Company will, ensure that the operations of the Group are conducted in accordance with acknowledged practices related to the oil and gas industry in all material respect.

13.10 Insurances

- (a) The Issuer shall, and shall ensure that each relevant Group Company will, take out and maintain (or procure that the same is taken out and maintained) adequate insurances ("**Insurances**") with respect to their assets, operations, liabilities and contingencies, including an Offshore Energy Package Insurance (covering each Hydrocarbon Assets in which a Group Company holds an interest) including a third party liability insurance (or a similar insurance package), in each case on such terms and against such risks as are normally insured against by prudent owners of comparable assets (provided that no business interruption insurance shall be required to be taken out or maintained) and ensure that each insurance is maintained with one or more insurance companies having (i) a Best Insurance Reports rating of "A-" or higher, or (ii) Standard & Poor's financial strength rating of "A-" or higher.
- (b) The Issuer shall not, and shall ensure that no other Group Company will, do, or knowingly permit to be done anything, which may make any Insurance void, voidable, unavailable or unenforceable or render any sums which may be paid out under any Insurance repayable in whole or in part. The Issuer shall, and shall ensure that each other Group Company will, promptly pay all premiums, calls and contributions due from it and do all other things necessary to keep each Insurance taken out by or for it maintained in full force and effect. Neither the Bond Trustee nor any Bondholder shall have any liability for the payment of premiums or any other amount owing in respect of any Insurances. If the Issuer or any Group Company fails to pay any costs relating to any Insurance, the Bond Trustee may, at its sole discretion, pay any costs due and the Issuer shall immediately pay to the Bond Trustee the cost of such Insurance.

13.11 Issuer specific covenants

(a) *Dividend restrictions*

The Issuer shall not declare or make any dividend payment, repurchase of shares or make any loans or other equity or capital distributions or payments (including group contributions) to its direct or indirect shareholders (including servicing of shareholder loans), whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a "**Distribution**"), other than, commencing from the later of (a) the First Oil Date of the Yme Licences and (b) the date the Yme Bonds are fully redeemed, a Distribution for an amount not exceeding 50% of the Issuer's net profit after tax for the previous calendar year (and for this calculation all Distributions made by reference to the same calendar year shall be aggregated), subject to, (A) before the date any Distribution is made, an offer is made by the Issuer to all Bondholders to redeem an aggregate amount of Bonds and any Permitted Additional Bond Issue(s) (if any) equal to the amount of the Distribution at 102% of the Nominal Amount (plus accrued interest) to the Issuer and (B) no Event of Default continuing at the date of the Distribution or resulting therefrom. Any redeemed Bonds shall be discharged.

(b) *Disposal of assets*

The Issuer shall not, and shall ensure that no other Group Company will, sell or otherwise dispose (each a "**Disposal**") of any assets, unless:

- (i) the transaction is carried out at a fair market value, on terms and conditions customary for such transactions; and
- (ii) no Event of Default is continuing (provided that this paragraph (ii) shall not restrict a Group Company from selling lifted oil and gas in its ordinary course of business); and
- (iii) such transaction would not have a Material Adverse Effect (unless the transaction triggers a Mandatory Prepayment and the provisions of paragraph (iv) below are satisfied); and
- (iv) the Bonds are redeemed in accordance with Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) and the Issuer, before any Group Company commits to any Disposal, provides evidence to the satisfaction of the Bond Trustee that the Issuer will have sufficient available funds to complete the relevant redemption of Bonds in accordance with the terms thereof.

(c) *Financial indebtedness restrictions*

The Issuer shall not, and shall ensure that no Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.

(d) Negative pledge

The Issuer shall not, and shall ensure that no Group Company shall, create, permit to subsist or allow to exist any Security over any of its present or future respective assets (including shares in Subsidiaries) or its revenues, other than the Permitted Security.

(e) Financial support restrictions

The Issuer shall not, and shall ensure that no other Group Company shall, grant or permit to subsist any Financial Support to or for the benefit of any third party other than the Permitted Financial Support.

(f) Restrictions on transactions with Group Companies owing Acquired Financial Indebtedness

The Issuer shall not, and shall ensure that no other Group Company will, make any equity injections or other investments in Group Companies owing Acquired Financial Indebtedness.

(g) Permitted Additional Bond Issues

The Issuer shall not, and shall ensure that no Group Company will, repay, prepay, purchase or repurchase or otherwise settle with consideration, in each case in cash or in kind or through netting of accounts, set-off or otherwise, any principal amount of Additional Bonds prior to the date falling 30 days after the Maturity Date, other than (i) pursuant to the exercise of a put option on identical terms as set out in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or (ii) due to an acceleration of any Additional Bonds caused by an event of default in relation thereto.

(h) Norwegian Continental Shelf:

The Issuer shall not, and shall ensure that no other Group Company will, take part in any petroleum activities or related activities in any geographical area other than the Norwegian continental shelf. Notwithstanding the foregoing, the Issuer is permitted to engage in limited activities outside the Norwegian continental shelf, provided that such activities relates to Hydrocarbon Assets (i) indirectly acquired by the Issuer through the acquisition of a New Group Company which at the time had ownership interests in Hydrocarbon Assets on the Norwegian continental shelf or (ii) straddling other jurisdictions in addition to the Norwegian continental shelf, and provided further in each case that any cash expenditures to petroleum activities or related activities outside the Norwegian continental shelf does not exceed 20 per cent. of the Issuer's aggregated expenditures to exploration, development and production activities during any financial year.

(i) Project Documents:

The Issuer shall, and shall ensure that each Group Company will:

- (i) perform all material obligations under the Project Documents to which it or a Group Company is party to;

- (ii) not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Project Documents which might have a Material Adverse Effect; and
- (iii) promptly upon request provide the Bond Trustee with copies of any Project Document to the extent permitted under any applicable confidentiality restrictions.

(j) *Security Documents:*

The Issuer shall, and shall ensure that each Obligor will, maintain the Transaction Security Documents in full force and effect, and do all acts which may be necessary to ensure that such Security remains duly created, enforceable and perfected with such ranking and priority contemplated by these Bond Terms, creating the Security contemplated thereunder, at the expense of the Issuer, or the relevant Obligor (as the case may be).

(k) *Ownership*

The Issuer shall at all times own (directly or indirectly) 100% of the shares in each Group Company, unless all shares in the relevant Group Company are disposed of in a transaction which would not have a Material Adverse Effect and the Bonds are redeemed in accordance with Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) (if applicable) and the Issuer, before committing to any such disposal, provides evidence to the satisfaction of the Bond Trustee that the Issuer will have sufficient available funds to complete the relevant redemption of Bonds in accordance with the terms thereof.

(l) *Permitted Hedging*

The Issuer shall not, and shall procure that no other Group Company will, enter into any hedging arrangements not being Permitted Hedging. For the avoidance of doubt no Group Company shall, whether under a hedging arrangement or any other agreement, incur, create or permit any financial arrangement whereby any person is granted a right to a payment as a percentage or other proportion of a Group Company's present or future hydrocarbon production or reserves, or present or future sales proceeds, income, earnings, or revenue deriving directly or indirectly from a Hydrocarbon Assets (whether secured or unsecured).

(m) *Project Proceeds*

The Issuer shall, and shall procure that the relevant Group Company will, ensure that all Project Proceeds are paid directly into a Pledged Account, provided that the foregoing shall not apply with respect to Project Proceeds related to a Group Company (or its assets) owing Acquired Financial Indebtedness at the relevant time to the extent that the payment of the Project Proceeds to a Pledged Account would constitute a default under the terms of the Acquired Financial Indebtedness.

13.12 Financial covenants

The Issuer shall:

(a) Liquidity

at all times maintain a minimum Liquidity of USD 10,000,000;

(b) Capital Employed Ratio

on each Calculation Date maintain a Capital Employed Ratio not lower than 35%; and

(c) Leverage Ratio

on each Calculation Date maintain a Leverage Ratio not exceeding 2:1.

(d) Testing

The financial covenants (other than Liquidity) shall be calculated in accordance with GAAP and tested by reference to each of the Financial Reports and/or each Compliance Certificate delivered to the Bond Trustee pursuant to Clause 12.2 (*Requirements as to financial reports*), 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 of 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-off effects from such disposal shall be included if relevant for the EBITDA calculation).

Financial covenants will apply from and, as relevant, be tested first time on the second Calculation Date to occur after the date of the first release from the Escrow Account.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) *Breach of other obligations*

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) *Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for any Obligor:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 10,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

(h) *Termination Event*

The occurrence of a Termination Event shall only constitute an Event of Default if the occurrence thereof would have a Material Adverse Effect (and for this purpose the effect of the Termination Event on any Security over a relevant Hydrocarbon Asset shall be disregarded).

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable on demand at which time they shall become immediately due and payable on demand by the Bond Trustee;
- (b) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for:
 - (i) any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii); and
 - (ii) any waiver of a Mandatory Prepayment Event or a Put Option Event,

a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The chair of the Bondholders' Meeting may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from

participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.

- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the

Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.

- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),

shall not apply to a Written Procedure.

- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), such Voting Period to be at least 3 Business Days but not more than 15 Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (*Repeated Bondholders' Meeting*) shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or

indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
 - (i) acted in accordance with advice from or opinions of reputable external experts; or
 - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is detrimental to the interests of the Bondholders to delay any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the

issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.

- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.
- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 15 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5

(Replacement of the Bond Trustee). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.

- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to

distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.

- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (c) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (d) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and

- (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) An amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

 - (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event or Mandatory Prepayment Event*), Clause 12.4 (*Information: miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:**The Issuer:****OKEA AS**

By: KNUT EVENSENPosition: CEO**As Bond Trustee and Security Agent:****NORDIC TRUSTEE AS**


By:

Position:

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:**The Issuer:****OKEA AS**

By:

Position:

As Bond Trustee and Security Agent:**NORDIC TRUSTEE AS**


..... Jørgen Andersen

By:

Position:

SCHEDULE 1 COMPLIANCE CERTIFICATE

[date]

Okea AS [] % bonds 2018/2023 ISIN [**]**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Statements to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [**].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Statements] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.12 (*Financial Covenants*) are met. With reference to Clause **Error! Reference source not found.** (*Optional Ratio Requirement*) alternative [(i)] / [(ii)] have been elected. Please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

NX

Name of authorised person

*Enclosure: Financial Statements; [and
any other written documentation]*

SCHEDULE 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

Okea AS [] % bonds 2018/2023 ISIN [**]**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount to [the Pledged Account, account no. [**]]/[seller of Hydrocarbon Assets].

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

SCHEDULE 3 INTERCREDITOR PRINCIPLES

Below is a summary of the main terms and conditions to be included in the Intercreditor Agreement.

PARTIES	
Creditors:	<p>Nordic Trustee AS as bond trustee and security agent for the bondholders in the Original Bond Issue (in such capacity, the "Original Issue Bond Trustee") and all Additional Bond Issues (in such capacity, the "Additional Issues Bond Trustee" and in both capacities, the "Joint Bond Trustee" and in any such capacity, the "Bond Trustee").</p> <p>The bondholders will be bound by the terms of the Intercreditor Agreement.</p>
Debtors:	The Issuer and each Group Company from time to time.
DEFINITIONS	
	<p>"Additional Bond Issues" means the Yme Bonds, all issues of Additional Bonds constituting Permitted Additional Bond Issues in the Original Bond Issue Bond Terms, and each series of such bonds with the same ISIN means and "Additional Bond Issue".</p> <p>"Additional Bond Issues Bond Terms" means the bond terms for each of the Additional Bond Issues (including any tap issues).</p> <p>"Additional Bond Issues Finance Documents" means all documents referred to as "Finance Documents" in the Additional Bond Issues Bond Terms.</p> <p>"Additional Bond Issues Liabilities" means all Liabilities owed by a Debtor under the Additional Bond Issues Finance Documents.</p> <p>"Additional Bond Issues Security" means any Security created or purported to be created over the assets of any Group Company pursuant to Additional Bond Issues Finance Documents.</p> <p>"Bond Issue" means any Additional Bond Issue and the Original Bond Issue.</p> <p>"Bond Terms" means the Additional Bond Issues Bond Terms and the Original Bond Issue Bond Terms.</p> <p>"Debt Documents" means the Additional Bond Issues Finance Documents and the Original Bond Issue Finance Documents.</p>

"Enforcement Action" means:

- (a) in relation to any Liabilities of a Debtor to a Creditor;
 - (i) the acceleration of such Liabilities or the making of any declaration that such Liabilities are prematurely due and payable (including as a result of (A) it becoming unlawful for any person to perform its obligations under any document;
 - (ii) the making of any declaration that any such Liabilities are payable on demand or the making of a demand in relation to such a Liability that is payable on demand;
 - (iii) the exercise of any right of set-off, account combination or payment netting against any Group Company in respect of any such Liabilities;
 - (iv) the suing for, commencing or joining or any legal or arbitration proceedings against any Group Company to recover any such Liabilities;
- (b) the taking of any steps to enforce or require the enforcement of any Transaction Security granted by a Group Company;
- (c) the entering into of any composition, compromise, assignment or arrangement with any Group Company;
- (d) the petitioning, applying or voting for, or the taking of any steps (including the appointment of a liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration, reorganisation, moratorium or suspension of payments of any Group Company, or any analogous procedure or step in any jurisdiction.

"Exempted Enforcement Actions" means any Enforcement Action:

- (a) initiated by the Bond Trustee under the customary powers and authorisations of the Bond Trustee and without the instructions of a bondholder meeting, and which may include actions which the Bond Trustee deems to be necessary to preserve the validity, existence or priority of claims in respect of Liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring or join proceedings by reason of applicable limitation periods; and
- (b) any Enforcement Event initiated after the occurrence of an Insolvency Event.

"Insolvency Event" means, in relation to a Group Company:

- (a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of the Group Company, a moratorium is declared in relation to any indebtedness of that Group Company or an administrator is appointed to that Group Company;
- (b) any composition, compromise, assignment or arrangement is made with any of its creditors;
- (c) the appointment of any liquidator, receiver, administrative receiver, administrator, compulsory manager or similar officer in respect of that Group Company or its assets; or
- (d) any analogous procedure or step is taken in any jurisdiction.

"Liabilities" means all present and future liabilities and obligations at any time of any Debtor to any Creditor under the Debt Documents, in all cases both actual and contingent and whether incurred solely or jointly or as principal or surety or another capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of representation, warranty or undertaking or on any event of default or under any indemnity given under or in connection with any agreement, document or deed evidencing or constituting any other liability or obligation falling within this definition;
- (c) any claim for damages, recourse, restitution or re-transfer of assets; and
- (d) any claim as a result of any recovery by any Debtor of a payment on the grounds of preference or otherwise,

and any amount which would be included in any of the above but for the discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

"Majority Bond Issues Instruction" means, in relation to any decisions among and between the Bond Issues to be made in relation to an Enforcement Action and related issues, the instructions and resolutions given in respect thereof by more than 50% of the total principal amounts outstanding under all Bond Issues, calculated by adding the aggregate principal amount of each Bond Issue that, as a Bond Issue

under the terms of that Bond Issue (and so that all votes/bonds of that Bond Issue shall be deemed to have been cast in favour of the final outcome within that Bond Issue), have voted in favour of similar instructions and/or resolutions.

"Original Bond Issue" means all issues of bonds with ISIN [**] (or any replacement ISIN) (including any tap issues).

"Original Bond Issues Bond Terms" means the bond terms for each of the Original Bond Issues.

"Original Bond Issue Finance Documents" means all documents referred to as "Finance Documents" in the Additional Bond Issues Bond Terms.

"Original Bond Issue Security" means any Security created or purported to be created over the assets of any Group Company pursuant to Original Bond Issue Finance Documents.

"Payment" means, in respect of any Liabilities (or any other obligations or liabilities), a payment, prepayment, redemption, defeasance or discharge of those Liabilities (or other liabilities or obligations).

"Permitted Liabilities" means:

- (a) in relation to Additional Bond Issues Liabilities, Liabilities the incurrence of which are not restricted under the terms of Original Bond Issue Bond Terms (in the form thereof as at the date the relevant Additional Bond Issue was settled); and
- (b) in relation to the Original Bond Issue, Liabilities incurred by or as a consequence of issuing bonds to finance the purposes set out in the Original Bond Issue Bond Terms (in the form thereof as the date the relevant Additional Bond Issue was settled).

"Permitted Payments" means:

- (a) in relation to Additional Bond Issues Liabilities, Payments in respect thereof that are not restricted under the terms of the Original Bond Issue Bond Terms (in the form thereof as at the date the relevant Additional Bond Issue was settled); and
- (b) in relation to the Original Bond Issue, all Payments.

"Transaction Finance Documents" means the Additional Bond Issues Finance Documents and the Original Bond Issue Finance Documents.

"Transaction Security" means the Additional Bond Issues Security and the Original Bond Issues Security.

MAIN INTERCREDITOR PRINCIPLES	
Ranking, priority etc.:	<p>Liabilities</p> <p>The Liabilities shall rank <i>pari passu</i> in right and priority of payment.</p> <p>Transaction Security</p> <p>The Transaction Security shall rank and secure the relevant Liabilities <i>pari passu</i> on a joint first priority (regardless of registration and time of perfection).</p> <p>Any asset of any Group Company subject to Security under any Transaction Security shall be required to be subject to Additional Bond Issues Security and Original Bond Issue Security (unless such requirement is waived), except for cash deposits on any escrow account deposited therein to facilitate the disbursement of proceeds from any Additional Bond Issue or any Original Bond Issue (each a "Bond Escrow Amount").</p>
Permitted Liabilities:	The Additional Bond Issues Liabilities and the Original Bond Issue Liabilities shall at all times be required to be Permitted Liabilities. No Transaction Security shall secure Liabilities which are not Permitted Liabilities.
Permitted Payments:	All Payments of Liabilities must be carried out in accordance with Permitted Payments.
Amendments:	The Additional Bond Issues Finance Documents and the Original Bond Issue Finance Documents and any terms thereof may be amended, amended and restated, modified, supplemented, waived or released (each an " Amendment "), provided that no such Amendment results in the relevant Liabilities no longer being Permitted Liabilities.
Enforcement actions:	<p>The Bond Trustee may not initiate any Enforcement Action, unless:</p> <ul style="list-style-type: none"> (a) such Enforcement Action is an Exempted Enforcement Action with respect to any Bond Issue; (b) such Enforcement Action has been approved by the Bond Issues through a Majority Bond Issues Instruction. <p>If the Bond Trustee receives any instruction to initiate an Enforcement Action which, in the opinion of the Bond Trustee is not an Exempted Enforcement Action, the Bond Trustee shall promptly summon bondholder meetings in each Bond Issue</p>

	<p>for the purpose of receiving a Majority Bond Issues Instruction with respect to that Enforcement Action.</p> <p>If the Bond Trustee receives a Majority Bond Issues Instruction to initiate an Enforcement Action, each Bond Issue shall be deemed to have given the Bond Trustee such instructions.</p> <p>In relation to any Exempted Enforcement Action, the Bond Trustee shall act as the Bond Trustee for all Bond Issues ("Relevant Bond Issues") in respect of which such Enforcement Action is an Exempted Enforcement Event and the Bond Trustee shall follow any Majority Bond Issues Instructions which are given by the Relevant Bond Issues in respect thereof.</p>
Release of Transaction Security (non-distressed):	<p>Each Bond Trustee shall, at the cost and request of the Issuer, release Transaction Security over any asset which is directly (in case of an asset disposal (other than shares)) or indirectly (in case of a share disposal) disposed of, provided that such disposal is permitted under the terms of all of the Additional Bond Issues Bond Terms and the Original Bond Issues Bond Terms. In case of a permitted disposal of all shares in a Group Company, such Group Company shall be released from its obligations as a guarantor.</p>
Application of proceeds:	<p>All amounts from time to time received or recovered by a Bond Trustee pursuant to the terms of the Transaction Finance Documents (other than any Bond Escrow Amount, and which shall in full be paid to the relevant Bond Trustee for repayment of the bond issue and costs and expenses, as set out in Transaction Finance Documents for that bond issue) or otherwise after any Liability has been accelerated due to an event of default (including as a result of it becoming unlawful for any Debtor to perform such Liability) shall be applied in the following order of priority:</p> <ul style="list-style-type: none"> (a) first, in discharging sums owing by the Debtors to each Bond Trustee (on a <i>pari passu</i> and <i>pro rata</i> basis) in connection with any preservations of rights under the Transaction Finance Documents or realisation or enforcement of claims or the Transaction Security; and (b) second, in discharging other Liabilities (on a <i>pari passu</i> and <i>pro rata</i> basis). <p>Any Payment received or recoveries made in violation of the terms of the Intercreditor Agreement shall forthwith be transferred to the Joint Bond Trustee for application as set out above.</p>
Miscellaneous:	<p>The Intercreditor Agreement will contain customary provisions relating to:</p> <ul style="list-style-type: none"> (a) change of Bond Trustee; (b) costs and expenses; (c) indemnities; (d) information; (e) notices;

	(f) consents, amendments and override; (g) counterparts; and (h) invalidity.
Governing law and jurisdiction	Norwegian law and Norwegian courts, the court of first instance being the City Court of Oslo (No. Oslo tingrett).

