Investor presentation

Equity Private Placement of NOK 110 million

11 September 2018

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This Presentation is an integral part of the Investor Documentation for the contemplated Private Placement. This Presentation should be read together with the Application Agreement, the Term Sheet, the Shareholders' Agreements), the Warrant Terms (as defined in the Term Sheet), the Put Option Undertaking (as defined in the Term Sheet) and the Funding Undertaking (as defined in the Term Sheet).

Summary of certain key risk factors

Completion risk	OKEA is by its own estimates fully financed for the acquisition of 44.56% interest in the Draugen field and 12% interest in the Gjøa field from A/S Norske Shell (the "Shell Acquisition"), through escrowed funds under the OKEA01 and OKEA02 bonds, committed equity from OKEA Holdings Ltd ("OKEA Holdings") and Bangchak Corporation PCL ("Bangchak"), and estimated pro et contra adjustment related to the Shell Acquisition based on information made available by Shell in the dataroom. However, there can be no assurances that this will be sufficient to complete the Shell Acquisition as future production rates and operating costs at Draugen and Gjøa are unknown, the actual pro-et-contra calculation for completion in 2018 might contain facts and assumptions not previously known, the USD/NOK and oil and gas prices might have moved in an unfavorable way, or any other unforeseen issues or factors outside of the Company's control .
Required equity financing	In order for the escrowed funds under OKEA01 and OKEA02 to be released to the Company to fund the Shell Acquisition, OKEA must raise USD 130m in new equity. OKEA Holdings and Bangchak has committed to fund this amount, subject to customary closing conditions. Further, there is FX risk related to the commitment, which is made in NOK, while the condition for the escrow releases is in USD. The Company intends to use the funds raised in this Private Placement in combination with the funding undertaking from OKEA Holdings Ltd. (described below) to satisfy the requirements for the release of funds under the bonds, should the committed capital not be sufficient. Although the Company expects this to be sufficient to satisfy the requirements, no assurance can be given in this respect. It has been agreed between OKEA Holdings and Bangchak that, prior to completion of the Shell Acquisition, no additional equity or debt (subject to certain exceptions) shall be raised by Okea without the consent of Bangchak. The Private Placement is pursued in understanding with Bangchak, but no formal consent thereto from Bangchak has been obtained.

Risk mitigation structures:

Funding undertaking	OKEA Holding Ltd. has issued an undertaking in favor of the Company (the "Funding Undertaking") to provide the funds required for the Company to i) pay its debts and obligations as they fall due in 2018, but only up to a maximum amount of NOK 220m and ii) complete the Shell Acquisition subject to certain other terms and conditions. The undertaking terminates on the earlier of the date the Shell Acquisition is completed and 31 December 2018. **However, the way the agreements have been structured the Company cannot assure that OKEA Holdings will be able to honor its obligations under the Funding Undertaking when called upon.**
Put options	As part of the Private Placement, investors will be granted put options of the New Shares against OKEA Holdings, which can be exercised if the Shell Acquisition is not completed. **However, the Company cannot give any assurances that OKEA Holdings will be able to honor its obligations under the put options or that investors will be able to enforce its rights under the put options.**

Investment highlights

Robust and highly cash-generative production base

- Recent NOK 4.5bn asset acquisition from Shell is transformational for OKEA
- Establishes company with a material production base of ~20,000 boe/d
- Substantial upside potential in producing assets, to be targeted with OKEA as an active operator and owner

Tier-one operator organisation led by experienced management team

- Experienced operator organisation with 200 employees
- Positions OKEA to deliver on its development strategy and represents a differentiator in future M&A
- Management team has an outstanding track-record of building successful NCS independents

Uniquely positioned for further growth – upcoming value triggers

- Majors retreating create a more dynamic and large opportunity set on the NCS
- OKEA is positioned to become the next consolidator and is targeting substantial growth through M&A
- Several value triggers over the next 12 months, including a contemplated IPO

Summary of key terms[1]

Issuer	• OKEA AS
Share capital and market capitalisation	• Current # of shares outstanding: 3,715,144 shares (each with par value of NOK 1.00). • Pre-money market capitalisation: approx. NOK 860m (based on the Subscription Price of NOK 231.46), subject to adjustments as described under "Warrant trigger event" below • An overview of the equity capital and warrant structure of OKEA is set out on slide 34 of this presentation
Transaction size	• Private Placement of 475,000 new ordinary shares in OKEA (the "New Shares") raising gross proceeds of approximately NOK 110 million
Subscription price	• NOK 231.46 per share
Use of proceeds	• Working capital prior to closing of the Shell Acquisition, including the continued expansion of OKEA's business through strategic and structural opportunities, transition costs related to the Shell Acquisition and general corporate purposes
Warrant trigger event	• Event which may be triggered depending on the progress of the Grevling project relative to timing of IPO, which may cause an economical equivalent adjustment of the subscription price to either NOK 253.05 or to NOK 209.87. Please see slide 34 for more details
The New Shares	• The New Shares (and the holders thereof) will: i) have benefit of the Put Option Undertaking; ii) be allocated and issued together with New Share Warrants; iii) be subject to the Shareholders' Agreements
New Share Warrants	• For each 10 New Shares allocated and subscribed, the subscriber will be allocated 1.0288 warrants in the capital of OKEA (rounded down to the nearest whole number) • Each New Share Warrant gives the right to subscribe for one ordinary share in OKEA at a subscription price of NOK 1.00
Put Option Undertaking	• Undertaking from OKEA Holdings Ltd. for the benefit of the holders of New Shares that, i.a., (i) it will, at the request of each such holder, purchase its holding of New Shares at a price of NOK 231.46 per New Share if the Shell Acquisition is not completed by 31 Oct 2019 and (ii) prior to the completion of the Shell Acquisition, no shares shall be issued at a subscription price below NOK 231.46
Shareholder agreement, restrictions on transfers of New Shares and New Share Warrants	• According to the Shareholders' Agreements, which all shareholders will have to enter into, a transfer of shares requires consent from the Board of Directors of OKEA and will trigger a right of first refusal for all shareholders, with some exceptions. These restrictions will terminate upon completion of an IPO of the shares in OKEA • Transfer of New Share Warrants are subject to prior written consent from the Board of Directors of OKEA

Funding Undertaking	• Undertaking from OKEA Holdings Ltd. towards OKEA AS to underwrite i) any balance required to fund obligations as they fall due in 2018 up to an amount of NOK 220m (less the amount raised in the contemplated Private Placement) and ii) satisfy conditions required to release net bond proceeds to be used to fund the completion of the Shell Acquisition. OKEA Holdings Ltd.'s obligations terminate at the earliest of completion of the Shell acquisition and 31 December 2018
Application period	• Start of Application Period: 11 September 2018 at 09:00 AM CET. • Close of Application Period: 21 September 2018 at 12:00 noon CET.
Settlement dates	• Conditional allocation: on or about 24 September 2018. • Payment date: Expected 2 October 2018. • Delivery date: Expected 12 October 2018.
Minimum order and allocation	• NOK equivalent of EUR 100,000. • Existing shareholders and employees in the Company are exempt from requirement.
Allocation criteria	• Allocations will be made at the sole discretion of the Board of Directors of OKEA, in consultation with the Managers, with the exception that existing shareholders, through the Shareholders' Agreement, will have a preferential right to allocation of their pro rata share of the Private Placement based on their current shareholding. • The Board of Directors of OKEA will focus on criteria such as (but not necessarily limited to) current ownership in the Company, timeliness of the application, relative order size, perceived investor quality, investment horizon and sector knowledge.
Listing	• The Board of Directors in OKEA is committed to use its best endeavours to complete an IPO of the shares in OKEA on an Oslo Børs regulated market place within 12 months from the date of completion of the Private Placement.
Lock-up	• The founders and employee shareholders in OKEA have agreed or will agree (as the case may be), under the terms of the Shareholders' Agreements, to a lock-up expiring on 26 February 2020.
Conditions to the Private Placement	• The allocation and issue of New Shares (and, by implication, New Share Warrants) is subject to: **i)** All necessary corporate resolutions being validly made, by the Company, including without limitation: **a)** Approval by the Company's Board of Directors of the subscription price and allocation of New Shares and the New Share Warrants. **b)** Approval of the share capital increase and issue of the New Shares and the New Share Warrants required for completion of the Private Placement by an extraordinary general meeting on or about 1 October 2018. **ii)** Payment being received for allocated New Shares. **iii)** Registration of the share capital increase in the Company and issuance of New Share Warrants pursuant to the Private Placement with the Norwegian Register of Business Enterprises. **iv)** New investors having acceded to the Existing Shareholders' Agreement and the New Shareholders Agreement with effect from the time it replaces the Existing Shareholders Agreement (each as defined in the Application Agreement).
Investor documentation	• i) Application Agreement, ii) Term Sheet, iii) Investor Presentation, iv) Shareholders' Agreements, v) Warrant Terms, vi) Put Option Undertaking , vii) Funding Undertaking
Managers	• Pareto Securities AS and Sparebank 1 Markets AS

1) Please refer to the term sheet for full details of the offering terms

Transaction structure and use of proceeds

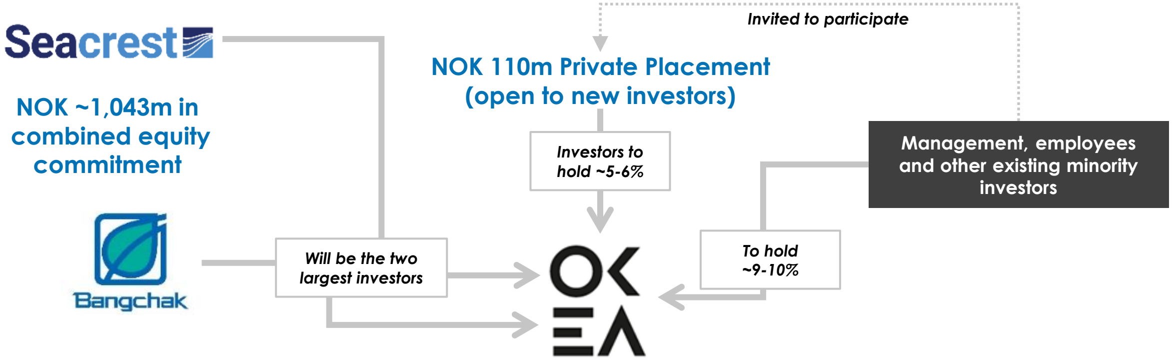
Transaction structure

- NOK 4.5bn Shell acquisition is fully funded through:
  1. NOK ~1,043m underwritten equity commitment from the current majority owner Seacrest Capital Group ("Seacrest") (NOK ~104m)[1] and its strategic co-investor Bangchak Corporation ("Bangchak") (NOK ~939m)
  2. USD 180m bond offering completed in June 2018 and remaining proceeds from the USD 120m OKEA 01 bond
  3. Pro et contra settlement in relation to the acquisition
  4. OKEA Holdings Ltd. (Seacrest controlled) has undertaken towards OKEA AS to underwrite i) any balance required to fund obligations as they fall due in 2018 up to an amount of NOK 220m (less the amount raised in the contemplated Private Placement) and ii) satisfy conditions required to release net bond proceeds to be used to fund the completion of the Shell acquisition[2]
- The contemplated NOK 110m Private Placement allows existing OKEA shareholders and new investors to participate in the transaction at similar terms as Bangchak and Seacrest
- The company intends to apply for a listing on the Oslo Stock Exchange within 12 months
- Investors in the Private Placement will have a put option that gives the right to sell the shares at the subscription price in the event the Shell transaction does not complete[5]

Sources & Uses – indicative[3,4]

	USDm
Sources:	
Current cash position	10
OKEA02 - net proceeds from Senior Unsecured Bond issued in June	170
OKEA01 - remaining proceeds at escrow	95
Equity from BCP, Seacrest and Private Placement	130
Total sources	**404**
Uses:	
Net payable to Shell for the acquisition of Draugen and Gjøa	-297
OKEA corporate and portfolio expenditures, transition cost until closing of Shell acquisition, fees and other expenses	-62
Total uses	**-359**
Estimated pro forma cash balance at closing (if 31 Dec-18)	**45**

Ownership structure – post completion of Shell acquisition[4]



1) To accommodate the Private Placement, Seacrest will scale back pro rata on its new equity subscription but remain one of the two largest shareholders (Bangchak being the other). 2) OKEA Holdings Ltd.'s obligations terminate at the earliest of completion of the Shell acquisition and 31 December 2018. The NOK 220m maximum underwriting amount shall be reduced by the amount raised in the Private Placement and any other form of financing not described in the overview of equity capital and warrant structure on slide 34. 3) Cash position as of 1 September, 2018. Based on a USD/NOK of 8.25. Net payable consideration as of 1 January 2018 of NOK 4.5bn adjusted for estimated net pro et contra to OKEA based on closing 31 December 2018. 4) Source & Uses and ownership structure are indicative. Exact figures will depend on several factors, including whether i) any additional funding by OKEA Holdings Ltd. is required pre closing of the Shell acquisition and ii) whether any new or existing warrants are exercised. Please refer to slide 34 for further details, in addition to the Term Sheet and Application Form. 5) Please refer to the Term Sheet and Application Form for further details

Shell transaction – summary of key terms

Shell acquisition

- On June 2018, OKEA announced that it has entered into to an agreement with A/S Norske Shell to acquire:
  - 44.45% interest and operatorship Draugen
  - 12% interest in Gjøa
- Total consideration of NOK 4.52bn, per the effective date 1 January 2018
- 80% of decommissioning financial liabilities will remain with Shell up to an agreed cap
- The transaction is subject to government approvals, with completion expected by end Q4'18

Deposit agreement

- OKEA has provided a NOK 410m deposit to Shell
- In the event the transaction does not complete, Shell is entitled to keep part of (50%) or the full deposit (100%) depending on the cause of non-completion by the long stop date
- Investors in the Private Placement will have a put option that gives the right to sell the shares at the subscription price in the event the Shell transaction does not complete[1]

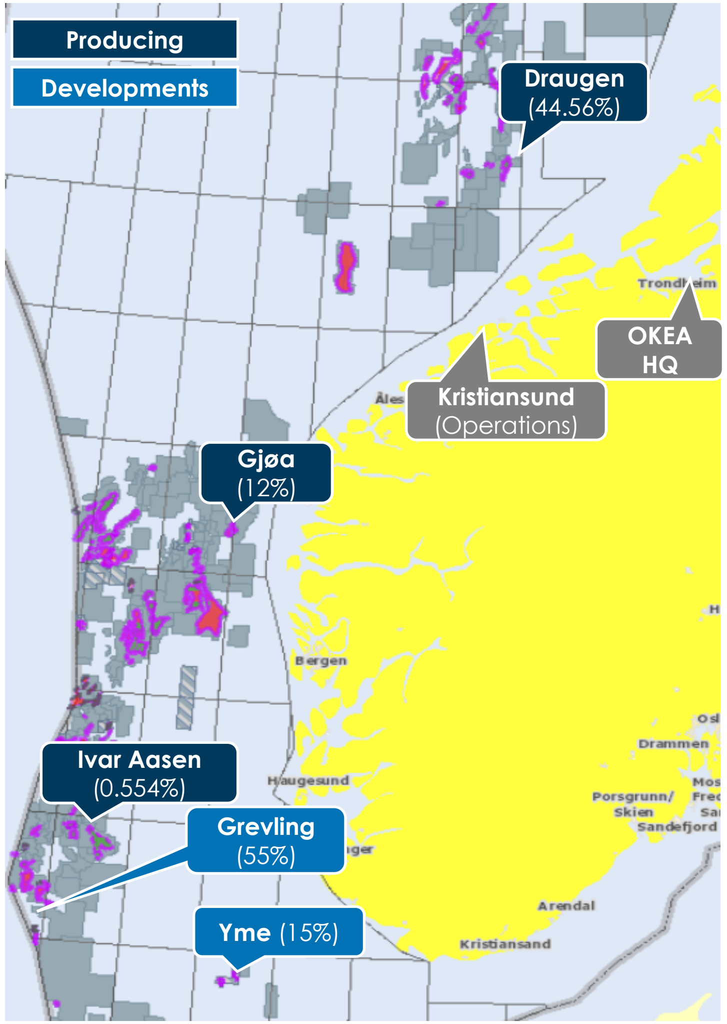
1. Please refer to the Term Sheet and Application Form for further details

OKEA – Emerging as the next leading NCS operator

Introduction to OKEA

- **Norway based pure play NCS independent**
  - Founded in 2015 by a management team with strong track record
  - Transformational NOK 4.52bn asset acquisition from Shell announced 20 June 2018
  - Integrating top-tier operator organisation, systems and work procedures from A/S Norske Shell
- **Diversified producing portfolio with significant upside**
  - 93 mmboe 2P+2C resources (55% producing)[1]
  - Producing 20,000 boe/d (2018[1]) with stable outlook
  - Material identified upsides through life extensions, IOR and infill
- **Targeting substantial growth through M&A and low cost field developments**
  - Looking to acquire both producing and development assets
  - Actively pursuing field developments with sub 100 mmboe
  - Several near term value triggers prior to IPO (next 12 months)

Diversified NCS portfolio

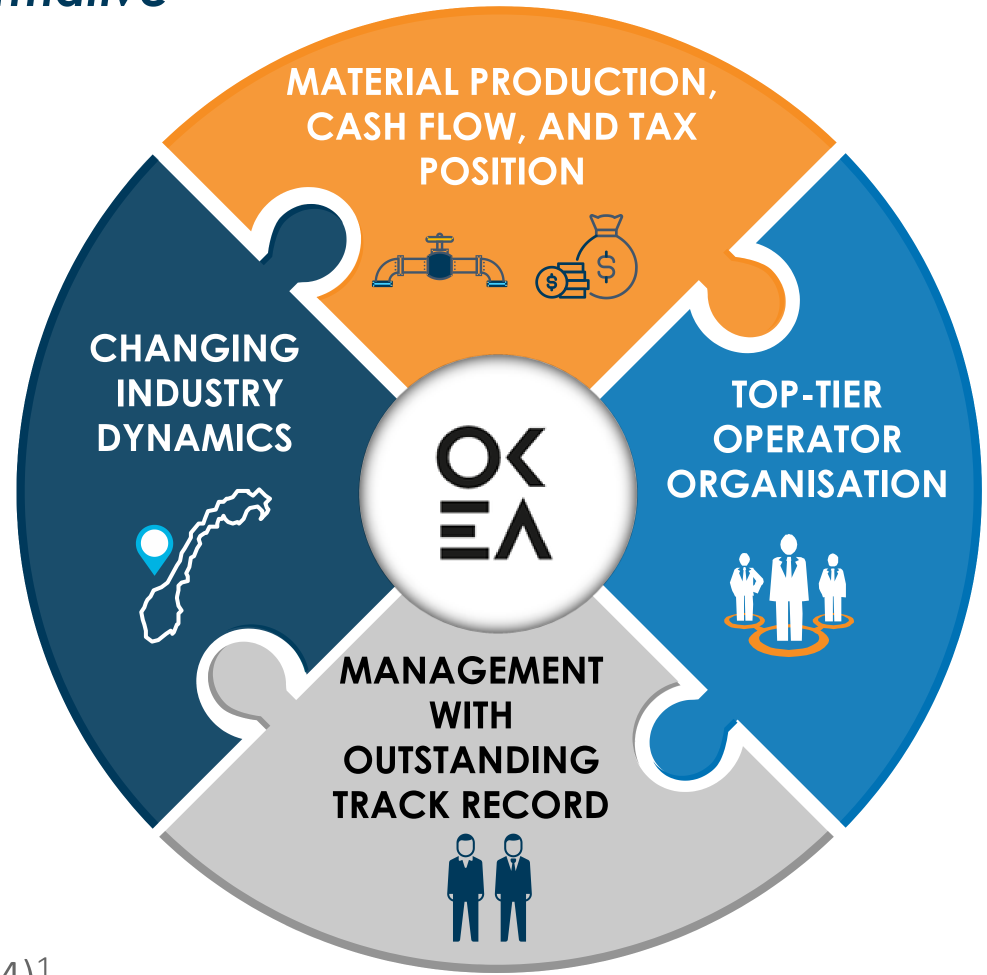


1) OKEA estimates based on license information
2) Pro forma 2018 production with Draugen and Gjøa contributing from the effective date 1 January 2018

Positioned for value creation

Post Shell transaction, OKEA is perfectly positioned for transformative growth in the new operator environment on NCS

1. NOK 4.5bn asset acquisition from Shell provides material production, strong cash flow, tax position …
2. … and a tier-one operator organisation ensuring operational excellence and materially expanding OKEA's opportunity set
3. Management team with a unique track record of creating value from changing NCS industry fundamentals..
4. … looking to exploit changing NCS industry dynamics enabling transformational M&A and small field developments

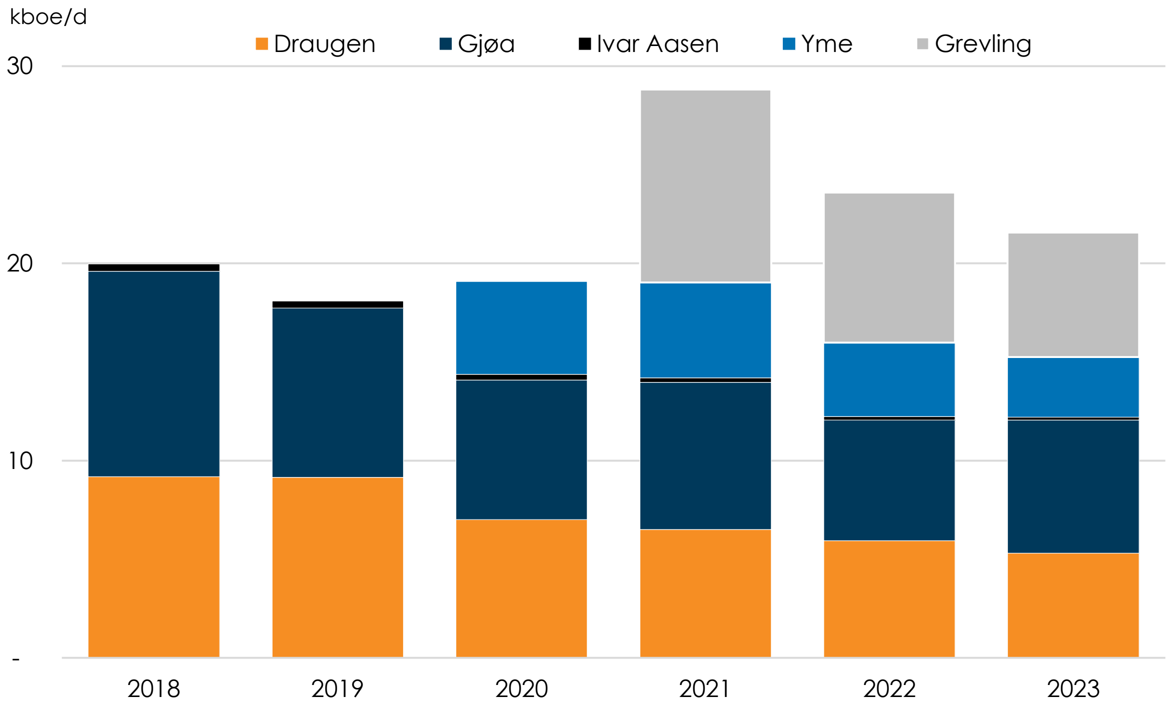


20,000	93 mmboe	200	USD 550m
PRODUCTION[1]	2P + 2C[1]	EMPLOYEES	CASH FLOW (2019-24)[1]

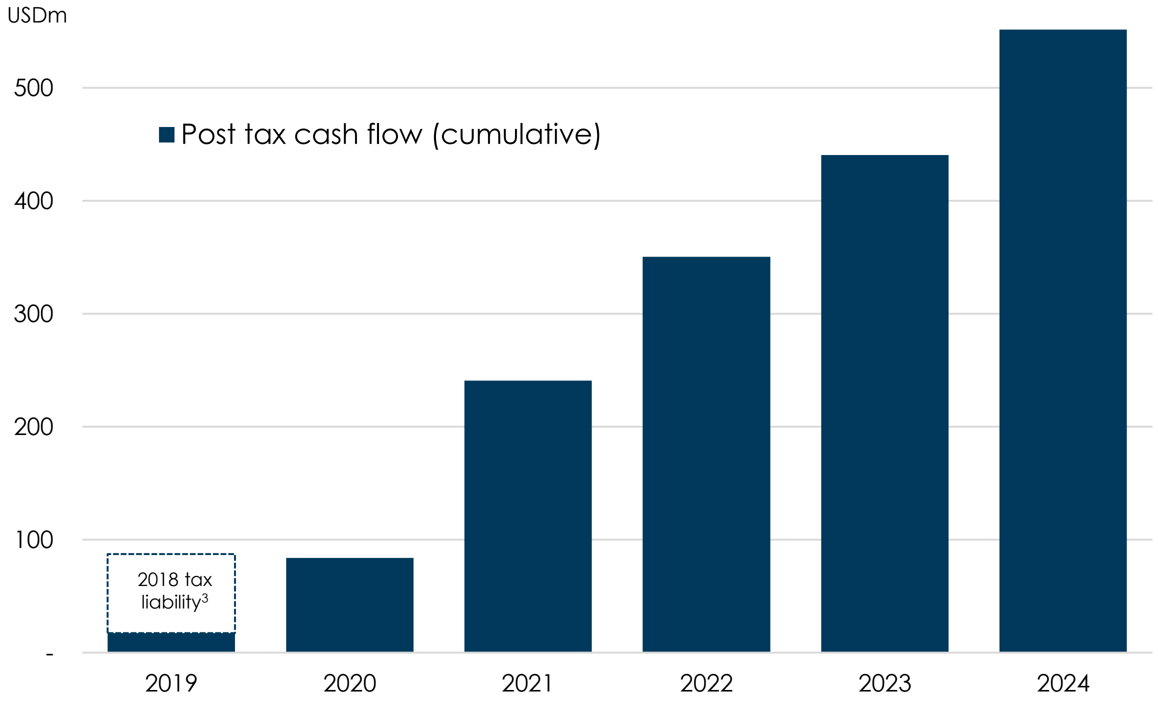
1) OKEA estimates based on license information. Production is pro forma for 2018 and reserves and resources are per 1.1.2018. Cash flow includes interest but is before M&A and financing. Based on USD 75/bbl Brent, USD 7/mcf gas price, and 8.25 USD/NOK

Robust cash flow to be invested in further growth

Production profile[1]



Cumulative cash flow pre M&A and financing[2]



- **Shell transaction establishes OKEA with an attractive portfolio of low risk producing assets with material upsides**
  - OKEA will generate USD ~550m in post tax cash flow before M&A and financing the next six years[2]
  - Diversified with three producing fields in addition to Yme which is expected to come on stream by Q1'20
- **Portfolio forms a strong platform for further growth and positions OKEA to execute on its development strategy**

1) OKEA estimates based on license information. Production is pro forma for 2018. Production from Draugen and Gjøa appraisal targets, prospects and the Hasselmus discovery at Draugen are not included
2) Based on USD 75/bbl Brent, USD 7/mcf gas price, 8.25 USD/NOK, and production, opex and capex based on OKEA estimates of license information. 2% inflation on costs and prices. Interest cost is included
3) All 2018 tax will be paid in 2019

Tier-1 operator organisation integrated from Shell

Operational excellence

High performing workforce demonstrating operational excellence – used as benchmark within Shell

Won Shell CEO's HSSE & SP award in 2017

Significant strengthening of OKEA's operational and technical capability and capacity

165 employees from Shell

Strong operational performance through 25 years

Average 92.6%[1] uptime on Draugen last 3 years

Enabler for future M&A

Strong synergies - potential acquisitions of operated fields can be included in the operational organisation at Draugen with minimal additional manning

Draugen overview

1) Excludes planned downtime. 86.3% uptime if including planned downtime

Experienced team with proven NCS track-record

Management team

Erik Haugane
CEO

- Founder / CEO of Pertra (2001-05) and co-founder / CEO of Det norske oljeselskap (2005-13)

DETNORSKE · pertra · PGS

Knut Evensen
CFO

- Acting CFO / VP Business Development / Investor Relations at Det norske oljeselskap

DETNORSKE · Pareto · Danske Bank Markets

Anton Tronstad
COO

- 35 years operational experience - SVP Drilling and co-founder Det norske oljeselskap

pertra · DETNORSKE · Statoil · KVÆRNER

Ola Borten Moe
CCO

- Former Norwegian Minister of Petroleum and Energy
- Former Member of Norwegian Parliament

1 Pertra: Norway's first small oil production company as the NCS "opens up"

- Acquired 70% in the Varg field for USD 1 in 2001, a field scheduled for abandonment
- Production up from 6,000 to 30,000 boe/d. Produced until 2016. 75 mmboe incremental reserves
- **Sold to Talisman in 2005: USD +600m value creation**

2 Det norske oljeselskap: Evolves into Aker BP

- Built Norway's #2 most active exploration company
- Discovered and developed Ivar Aasen as operator
- Part of Johan Sverdrup 2.2 – 3.2bn discovery
- **USD 12.5bn mcap – 21% IRR, 930% total return[2]**

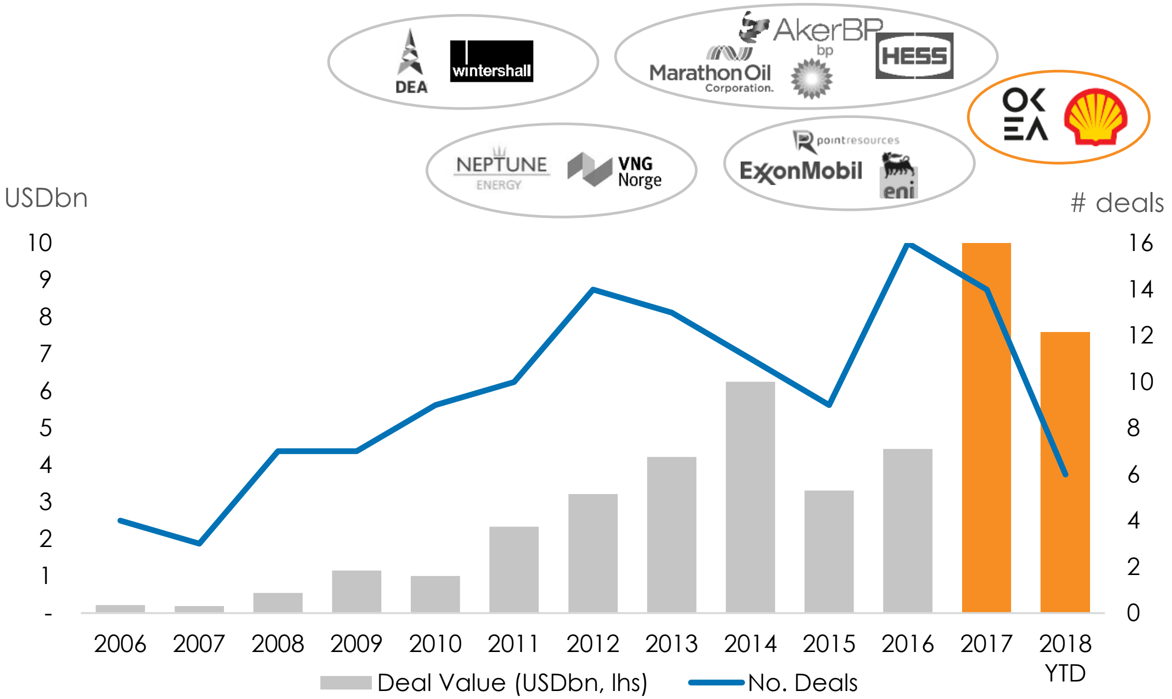
3 OKEA: Founded to capitalise on new industry dynamics

- Established a tier-one operating organisation
- 2018 production of 20,000 boe/d
- **Uniquely positioned to exploit changing NCS industry dynamics and grow further**

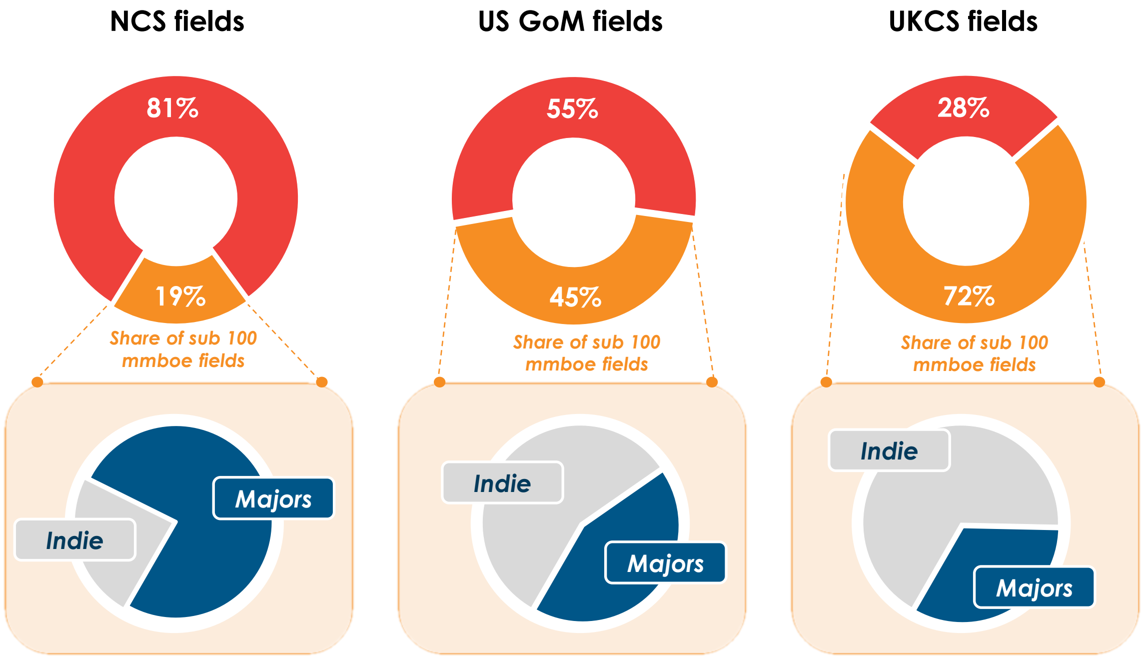
1) Awards in predefined Areas
2) Market capitalisation per 6 September 2018. Combined return for pre-IPO and IPO investors

Industry dynamics: Great opportunity set for independents

Key trend 1: Increasing consolidation[1]



Key trend 2: Small field developments underrepresented on NCS[2]



Corporate landscape is changing – record-high transaction volumes in recent years driven by larger corporate deals and majors selling out…

…. while the NCS is still lagging comparable basins. Smaller fields will become more important giving more running room for the growth-oriented independents

1) Source: MergerMarket and Wood Mackenzie. DEA / Wintershall merger discussions are ongoing. Aker BP's acquisition of Marathon Oil was completed in 2014
2) Share of production from sub 100 mmboe fields

…with OKEA uniquely positioned

Competitive landscape

1. *NCS universe*
2. *Tax-paying position*
3. *Full operatorship capabilities*
4. *Acquisitive M&A*
5. *Smaller deals matter*

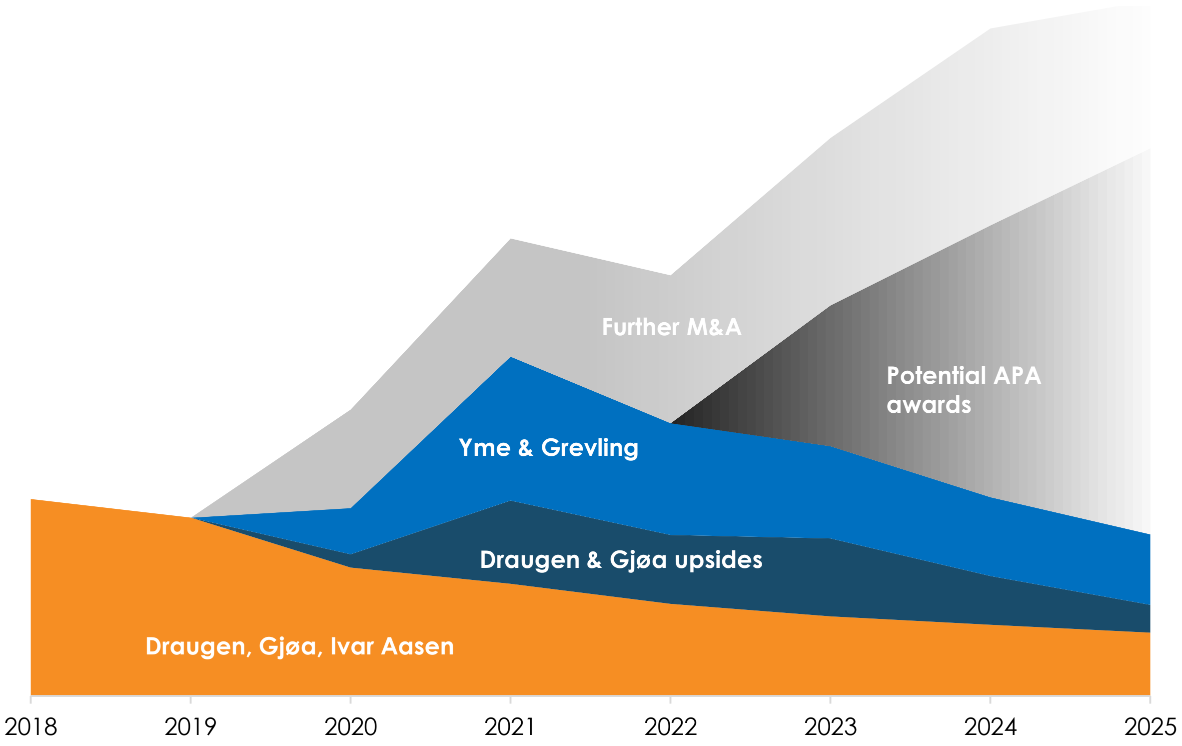
Combination of several attributes position OKEA to execute additional accretive M&A

- Strong cash flow and taxable income enables OKEA to optimally fund developments and maximise value creation
- A competent and large operator organisation makes OKEA an attractive partner and enhances the opportunity set
- Perfect size for further high impact deals – not too small, not too large

1) Interest in producing fields, developments or discoveries on the NCS with total reserves of min 10 mmboe, in addition to Mime, Edge, DNO and Dyas. 2) Expected to be in a tax-paying position in 2018 according to Rystad. Faroe is expected to be in tax position in 2018 but not in 2019, and have been excluded due to this. 3) Companies with full operatorship responsibility of assets in production or development stage. Subsea and exploration operations are excluded. 4) Observed acquisitive M&A activities last two years 5) Reserves of less than 500 mmboe. Source of numbers: Rystad Energy

Positioned to grow and to IPO within 12 months

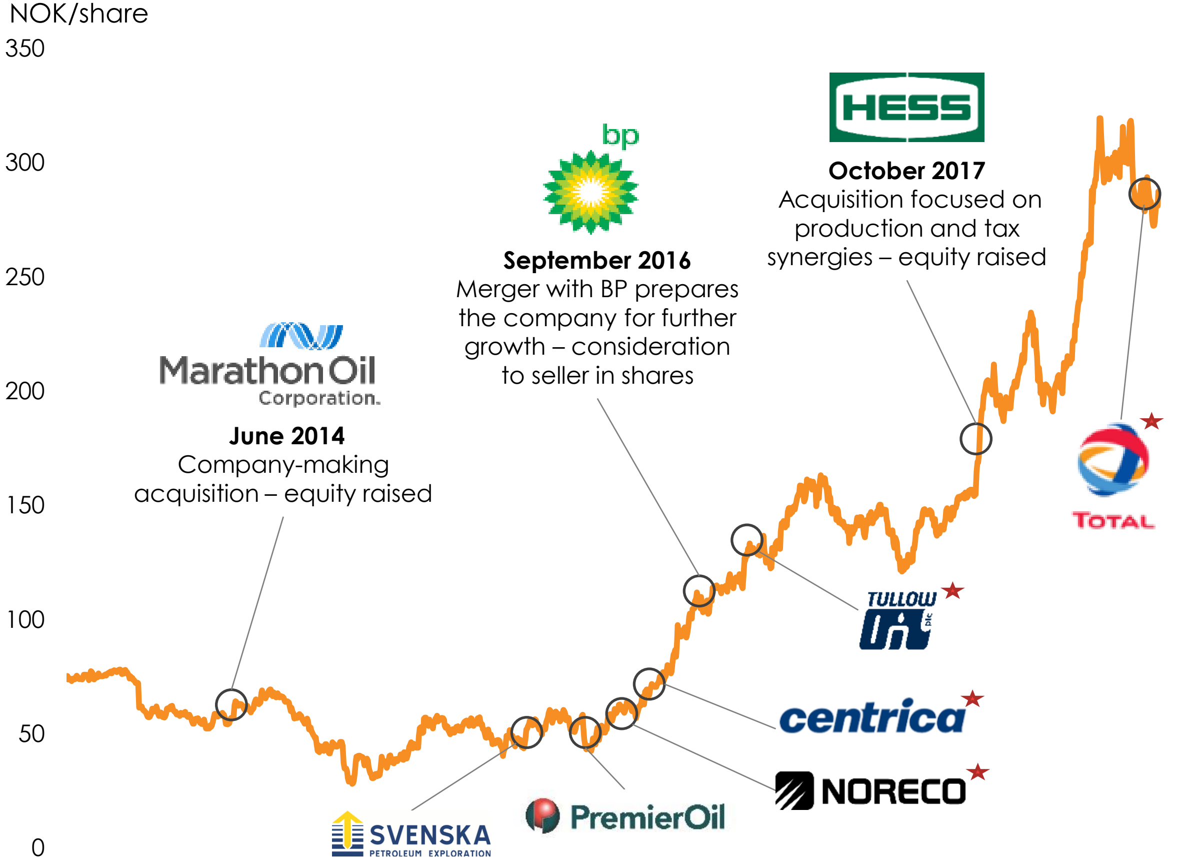
Production profile – net to OKEA[1]



Producing assets | Identified upsides

Developments | Further M&A & APA rounds

Aker BP – creating shareholder value through M&A / consolidation



Larger opportunity set for M&A/BD growth as a listed company – OKEA plans to IPO

★ Pure asset deals

1) Production profile with illustrative M&A growth from 2020

Unique platform to drive long term NCS growth

Producing assets

Draugen (44.56%, op.)

- Giant oil field with substantial remaining reserves and highly accessible upsides
- Track-record of reliable operations and tier-1 team

Gjøa (12%)

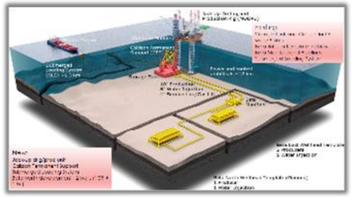
- High margin production with tie-in and IOR upside
- Consistently outperforming expectations

Ivar Aasen (0.554%)

- Long lived, low cost oil producer

Developments

Yme (15%)

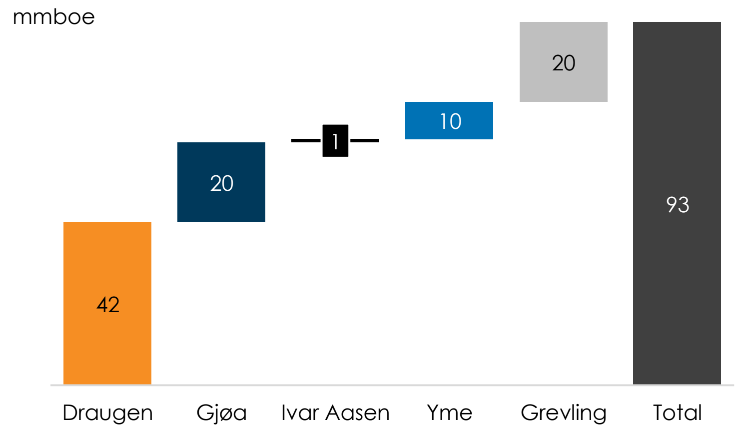


- Redevelopment project on track for 1st oil Q1'20
- Well documented reserves and extensive existing infrastructure

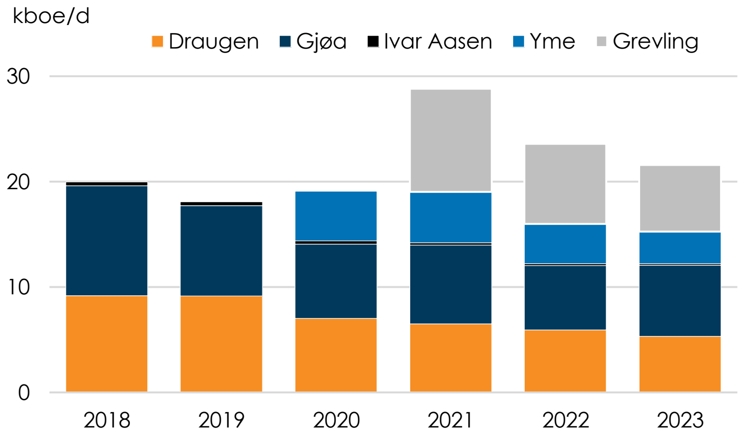
Grevling (55%, op.)[1]

- Potential low-cost greenfield development
- At the heart of OKEA's business philosophy

Net reserves & resources per 1.1.2018[2]



Net production[2]



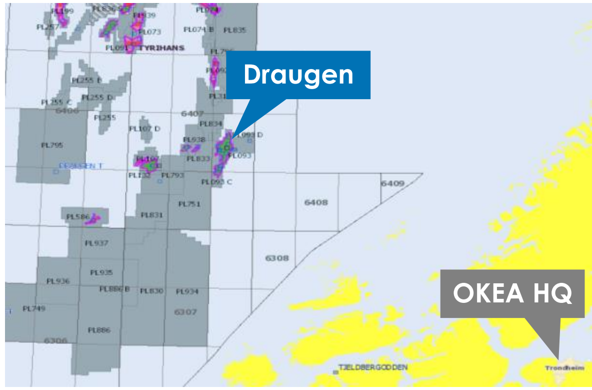
1) Currently OKEA has 55% interest. Chrysaor has an option to acquire an additional 20%, leaving OKEA with 35%
2) OKEA estimates based on license information. Resources / production in appraisal targets and prospects are not included. Based on current 55% interest in Grevling. Chrysaor has option to acquire another 20% interest from OKEA

Draugen – Material and long life oil producer

Asset overview

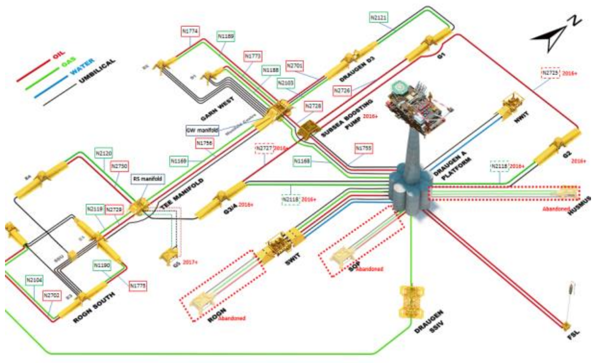
- Giant oil field in production since 1993
- Well defined and truly world class reservoir with potential to produce into the 2040s
- Remaining gross reserves and resources of 65 mmboe based on production till 2027
- Plans to extend field life beyond 2040 through further investments and extract another +30 mmboe
  - Further IOR and appraisal upside
- Experienced and tier-one operating team – used as benchmark globally within Shell
  - Team with decades of operational experience - will be fully integrated into existing OKEA organisation
  - Consistent high production performance
- A key cash generator for OKEA in the foreseeable future

Field facts[1]



- **Partners:** OKEA (44.56%, O), Petoro / Norway State DFI (47.88%), VNG (7.56%)
- **Discovered:** 1984
- **Production start:** 1993
- **Reserves and resources:** 25 mmboe 2P and 69 mmboe 2C (till 2040)
- **2018 production:** 20,600 boe/d
- **Rem. life of field opex:** USD 26/bbl

Area infrastructure



- *Facilities include a concrete mono-tower with five subsea satellites with a total of 16 production wells and 4 water injection wells*
- *Oil loaded offshore and gas exported via Åsgard Transport System to Kårstø*

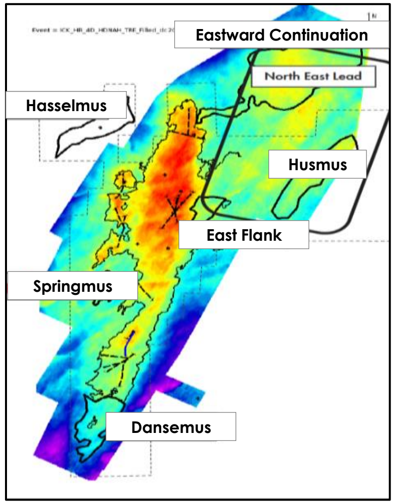
1) All data is on a 100% basis. Reserves and resources as of 1/1/2018. Costs are in real terms. Production, reserves and cost data are OKEA estimates based on license information

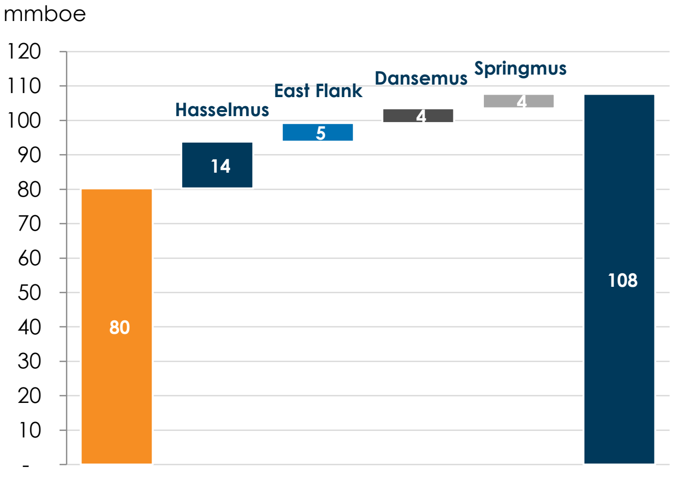
Draugen – Low risk upside of more than 50 mmboe gross

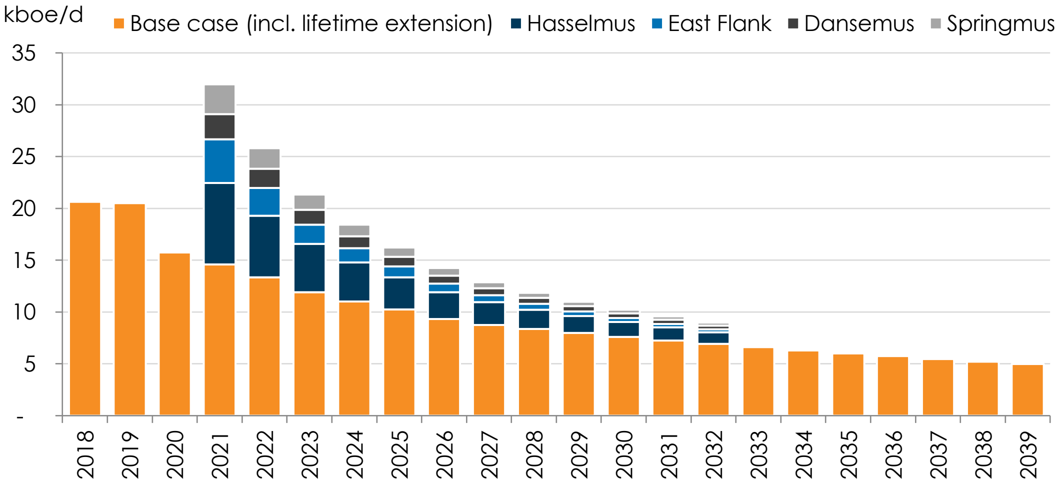
Draugen – identified upsides[1]

Lifetime extension project *+30 mmboe*	▪ Investments and cost cutting initiatives to extend field life to the 2040s ▪ Additional reserves of ~30 mmboe
Near field discoveries and prospects *+27 mmboe*	▪ **Hasselmus:** 14 mmboe discovery with potential 1st oil in 2021 ▪ **East Flank, Dansemus, Springmus:** Low risk appraisal targets (~50% CoS) • Planned drilled back-to-back in 2019 – 1st oil 2021 in case of success • Phased, low cost approach with initial appraisal well (USD ~3m post-tax gross cost) and horisontal production well in case of success ▪ **Additional prospects** being screened and matured
Production optimisation	▪ Further improvement of a high performing asset including: 1. Debottlenecking from reservoir to storage 2. Optimise drainage strategy ▪ Implementing culture with strong focus on "continuous improvements"
Hub for future tie-ins	▪ Located in the highly prolific Hatlebanken area with substantial regional exploration potential ▪ Recent 24th round exploration license nominations, as well as several drill and drop decisions to be made in the region near term

Gross reserves, resources and production[1]





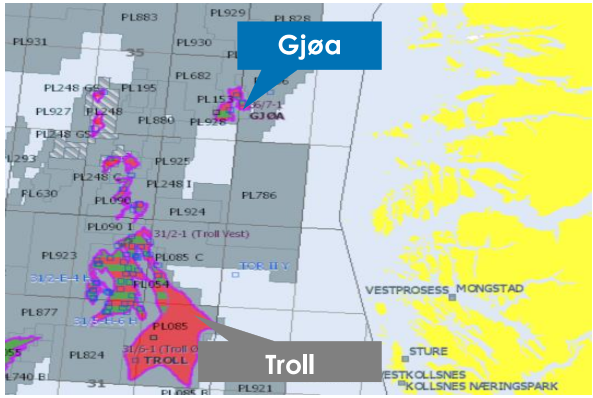


Gjøa – High margin production with tie-in optionality

Asset overview

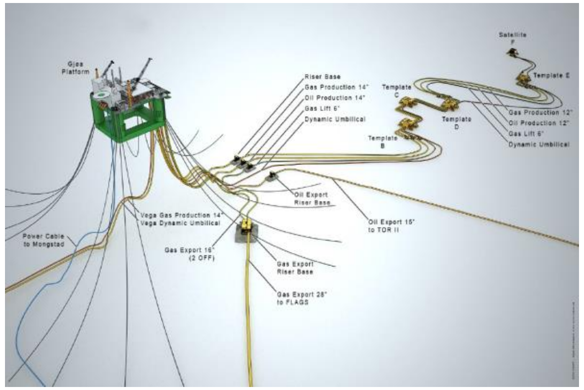
- Gas/condensate field located in the highly prolific Troll North Area
  - Largest North Sea field starting production since 2003
- Dedicated and ambitious operator – Gjøa is Neptune's flagship asset in Norway
- High margin production with low opex - USD 6.5/boe in 2018
- Remaining gross reserves and resources of 170 mmboe with significant upside through IOR, tie-ins and exploration
  - Regularly outperformed reserve and production forecasts
- A regional hub
  - Already a hub for Vega and both Nova and Cara are expected to be tied back to Gjøa
  - Will prolong Gjøa field life, reduce unit costs and yield additional reserves

Field facts[1]



- **Partners:** Neptune (30%, O), Petoro / Norway State DFI (30%), Wintershall (20%), OKEA (12%), DEA (8%)
- **Discovered:** 1989
- **Production start:** 2010
- **Reserves and resources:** 122 mmboe 2P and 48 mmboe 2C
- **2018 production:** 86,700 boe/d
- **Rem. life of field opex:** USD 8/boe [2]

Area infrastructure



- *Facilities include a semi submersible production and processing facility with five subsea satellites with a total of 11 production wells*
- *Oil exported through pipeline to Mongstad; gas exported via FLAGS to St. Fergus*

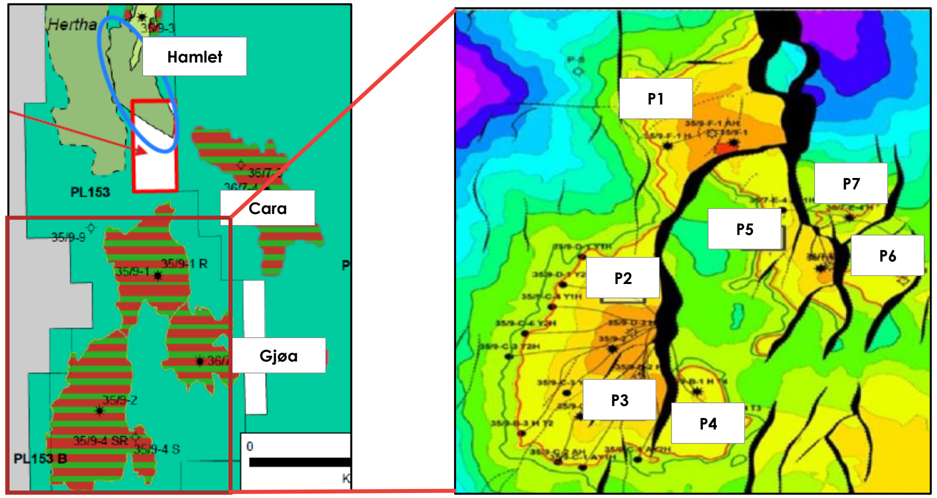
1) All data are on a 100% participation interest basis. Reserves and resources as of 1/1/2018. Costs are in real terms. Production, reserves and cost data are OKEA estimates based on license information
2) Net of Vega opex sharing

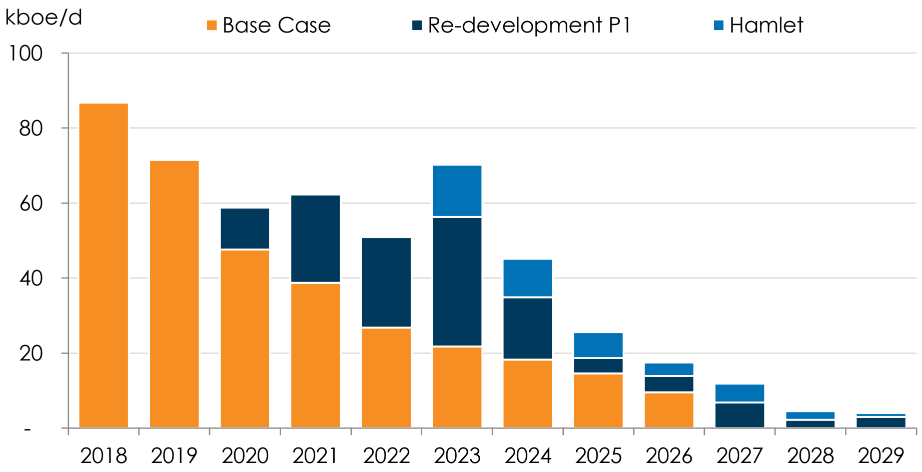
Gjøa – upside for OKEA to tap into

Gjøa – identified upsides[1]

P1 Re-development +48 mmboe	▪ Identified upside in P1 compartment as current wells are not effectively draining all reservoir levels ▪ Project scope includes 4 wells targeting 48 mmboe resources – break-even of USD 20/bbl ▪ Full alignment in partnership to move forward - FID planned for Dec 2018
Hamlet prospect +15 mmboe	▪ Seismic indication for Cretaceous stacked sands developing from the Cara discovery into the Hamlet prospect – CoS of 38% ▪ Possible drilling in 2020
Further IOR potential	▪ Awaiting 4D seismic interpretation to evaluate potential infill wells including; 1. P2 / P3 production optimisation 2. Optimised well placement on P4 3. P5 North gas infill potential 4. Further development of P6 and P7
Regional hub	▪ Located close to the highly prospective Troll North Area - Gjøa is well positioned as a regional hub for future discoveries • Sufficient flexibility at the facilities to take on more volumes ▪ OKEA is well positioned to participate in value creation around Gjøa – e.g. farm into selected discoveries and exploration wells

Field overview and production profile[1]



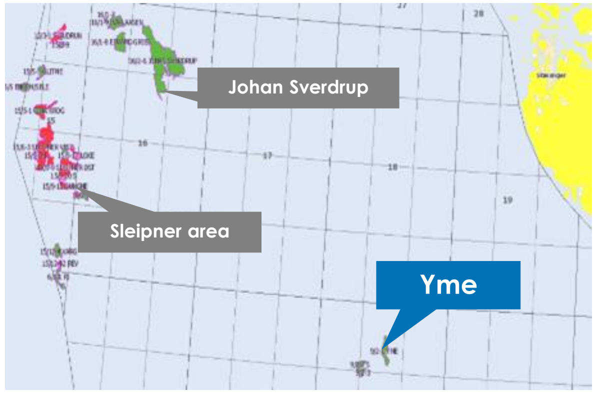


Yme – a material, low cost and de-risked development

Asset overview

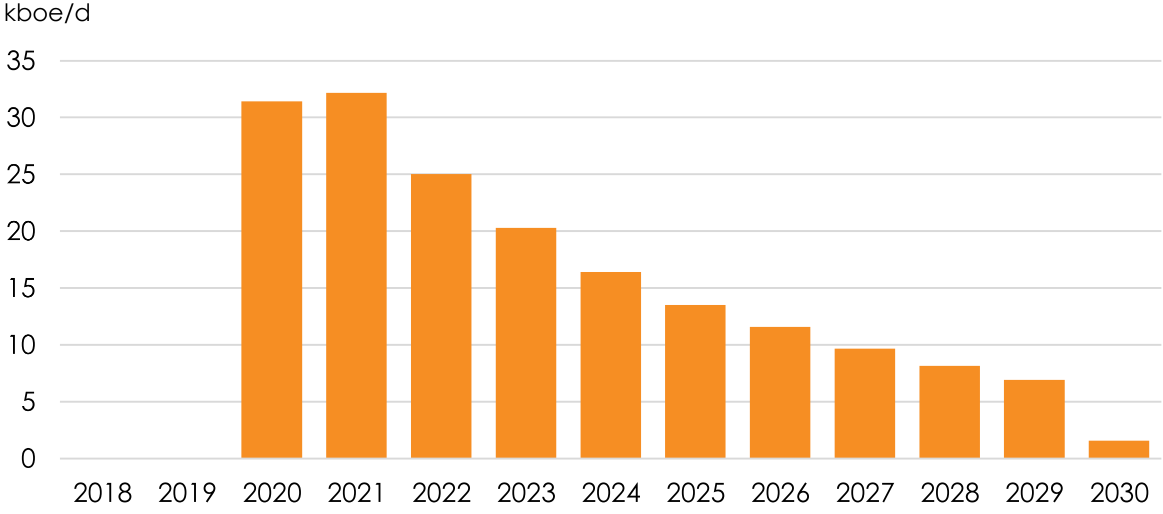
- Ongoing redevelopment project - produced 51 mmbbl with Statoil as operator during 1996-2001
- PDO for redevelopment initially submitted in 2007
  - Due to structural integrity issues with the Mobile Offshore Production Unit ("MOPU"), the field was never put in production and the facility was decommissioned and removed
- Destined for abandonment, the Yme redevelopment was rejuvenated by OKEA in 2016
  - Development concept based on a leased JU-rig with production facilities – PDO approved in March 2018
- Development benefits from NOK 5bn of infrastructure investments already made
  - All subsea infrastructure have been installed - significantly reducing capex and de-risking the development
- Geology and reservoir well known due to extensive well coverage (33 wells in total) and five years production history
- Previous problems only related to the MOPU facility and not associated with the reservoir or other installed infrastructure

Field facts[1]



- **Partners:** Repsol (55%, O), OKEA (15%), LOTOS (20%), KUFPEC (10%)
- **Discovered:** 1987
- **Production start:** Q1'20 – peak production 32,000 bbl/d
- **2P reserves:** 65 mmbbl
- **Capex/opex life of field:** USD 37/bbl

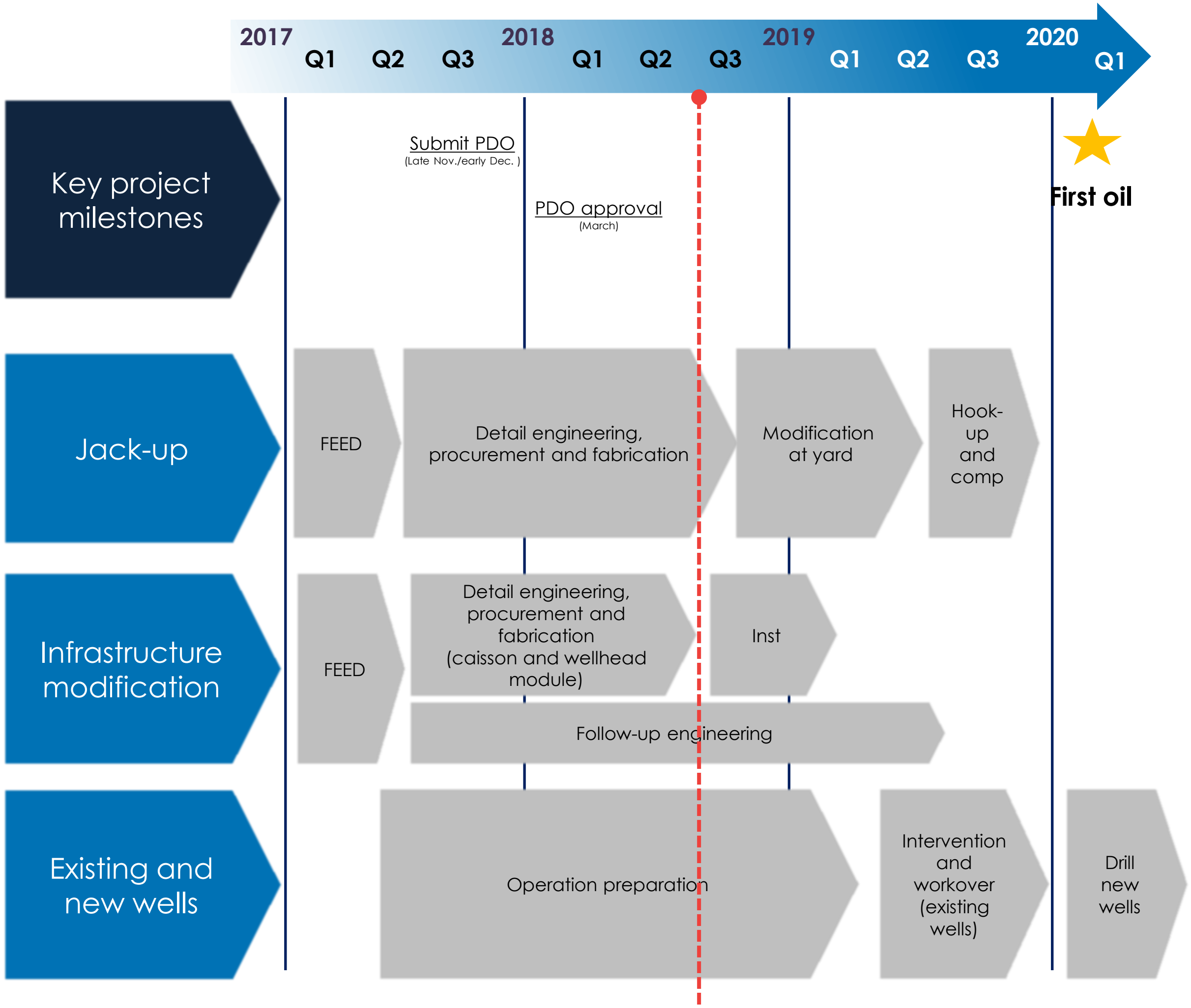
Production profile (Gross)[1]



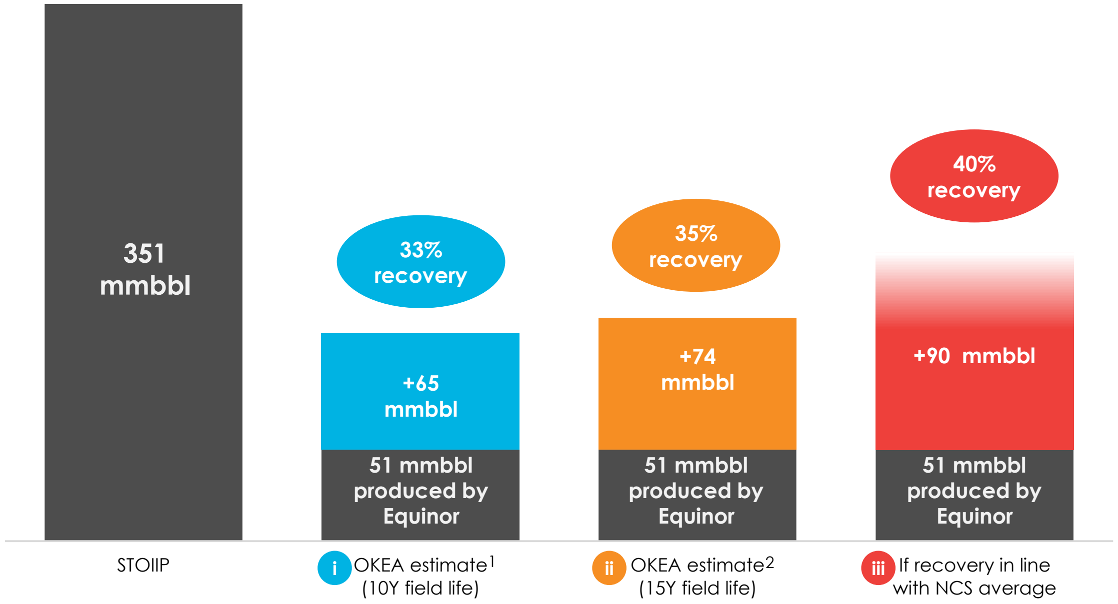
1) All data are on a 100% participation interest basis. Reserves and resources as of 1/1/2018. Costs are in real terms. Sources of production, reserves and cost data are OKEA estimates based license information

Yme – On track for first oil in Q1'20, significant resource upside

Project timeline



Estimated remaining recoverable resources (gross)



- i Reserves of 65 mmbbl based on 10 year field life, which is constrained by the need for renewed classification of the jack-up rig
- ii Assuming 15 year field life, the resource estimate is 74 mmbbl, in line with the "Yme Future" estimate conducted by Talisman in 2014
- iii When in production, the long term ambition for Yme will be up to 40% recovery, implying 90 mmbbl recovered

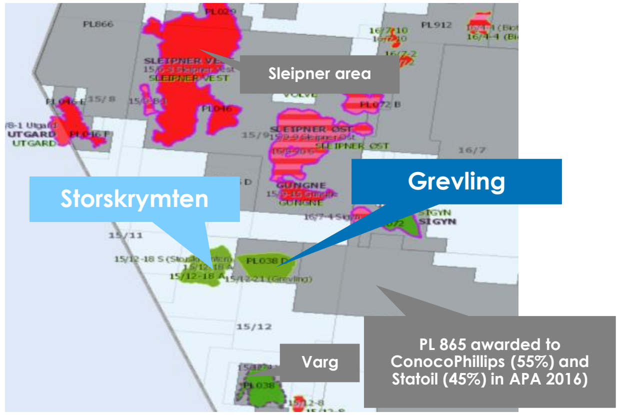
1) OKEA estimates based on license information and PDO
2) In line with the "Yme Future" estimate conducted by Talisman in 2014

Grevling – low cost development option

Asset overview

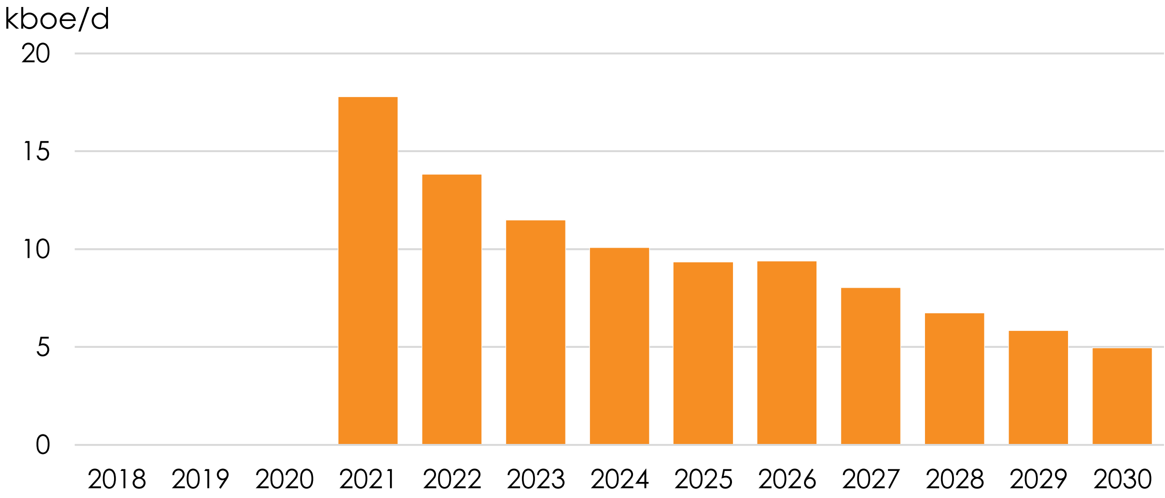
- Oil discovery located in the southern North Sea
  - Discovered in 2009 and appraised in 2010
  - Resource estimates of 16 – 37 - 51 mmboe (Low-Base-High)
- OKEA operator with 55% interest after farm down of 15% to Chrysaor in March 2018
  - Chrysaor has option to increase its interest to 35%
- A possible low-cost greenfield development according to OKEA philosophy
  - Tie-in of existing and future discoveries provides additional upside
  - Development concepts include standalone (jack-up and FPSO) and tie-back (subsea or wellhead platform) solutions
  - DG2 planed in 2019
- Storskrymten: Discovery in open acreage next to Grevling
  - Possible to drain with one well from Grevling (5 km from centre-to-centre) with no other possible development scenarios except as part of a Grevling development
  - Resource estimate of 2 – 16 – 22 mmboe (Low-Base-High)
  - Applied for by OKEA in APA 2018
- ConocoPhillips and Statoil awarded large license east of Grevling in APA 2016

Field Facts



- **Partners:** OKEA (55%, O), Petoro (30%), Chrysaor (15%)
- **Discovered:** 2009
- **DG1:** Q1 2018
- **DG3/PDO:** Q4 2019
- **Production start:** 2021
- **2C resources:** 37 mmboe

Potential production profile (gross)[1]



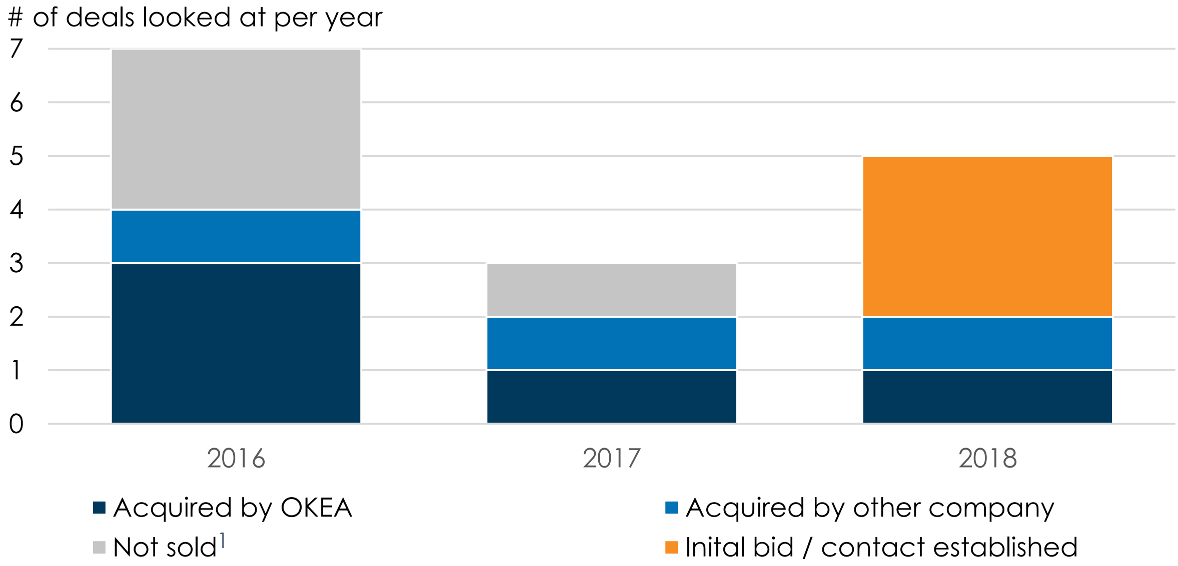
1) All data are on a 100% WI basis. Costs are in real terms. Sources of production, reserves and cost data are OKEA estimates based on DG1 numbers for FPSO case for Grevling without Storskrymten. Due to the maturity of the project there is still substantial uncertainty connected to development solutions and thereby costs and recoverable resources

Clear path to further growth over the next 12 months

Large prospective M&A deal pipeline

- Substantial deal pipeline has been built since 2016
- Mix of bolt-on acquisitions and larger transformational deals
- Several targets can be pursued imminently - the Shell transaction can serve as catalyst and increase deal likelihood

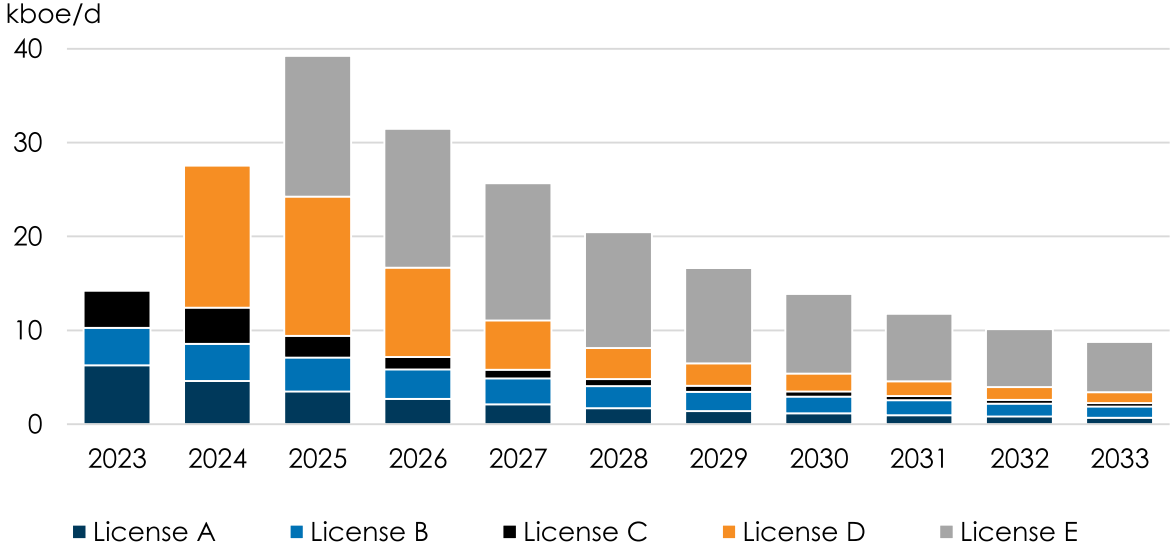
Historic and current deal pipeline



APA licensing rounds[2]: Low cost organic growth options

- APA rounds are a key part of OKEA's organic growth strategy and source of potential future developments
- For APA 2018, OKEA has submitted five license applications – awards will be announced in Q1'19
- Applications are a mix of discoveries and exploration targets – potential 1st oil in 2023

Potential net production addition (risked[3])



1) Deal not concluded for various reasons. Some could still be available
2) Awards in Predefined Areas. Annual licensing round
3) Risked based on OKEA's estimate of geological chance of success

Financial strategy and highlights

Solid financial platform – fully funded with significant capacity for further growth

Robust capital structure

- USD 203m cash equity invested and USD 255m net debt[1]
- ~3-5% cost of debt (post tax)

Substantial cash flow

- USD 550m net cash flow pre M&A and financing next 6 years[2]…
- … to be recycled into further organic growth and M&A
- Large tax position enables optimal funding of development projects

Listing on Oslo Stock Exchange

- To be pursued within 12 months
- Important step to further enhance growth capacity and fully capitalise on large NCS opportunity set

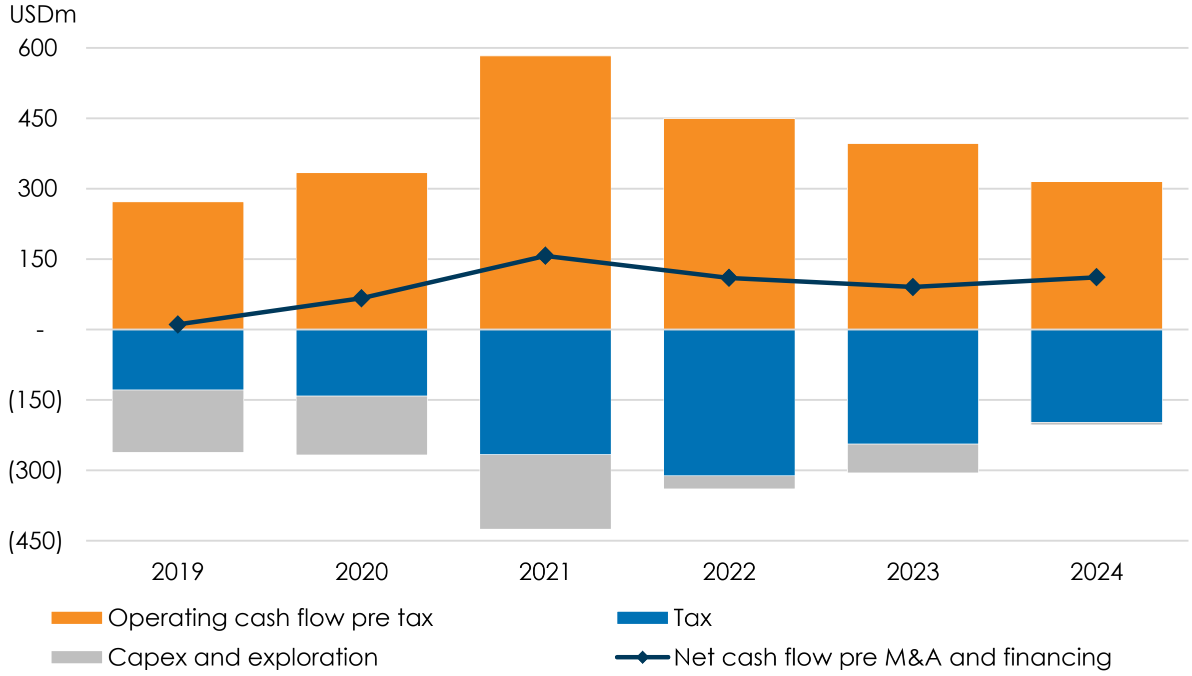
Positions OKEA with the financial capacity and flexibility to:

- Execute its **development strategy**
- Execute **transformational M&A**
- Become the **next NCS consolidator**

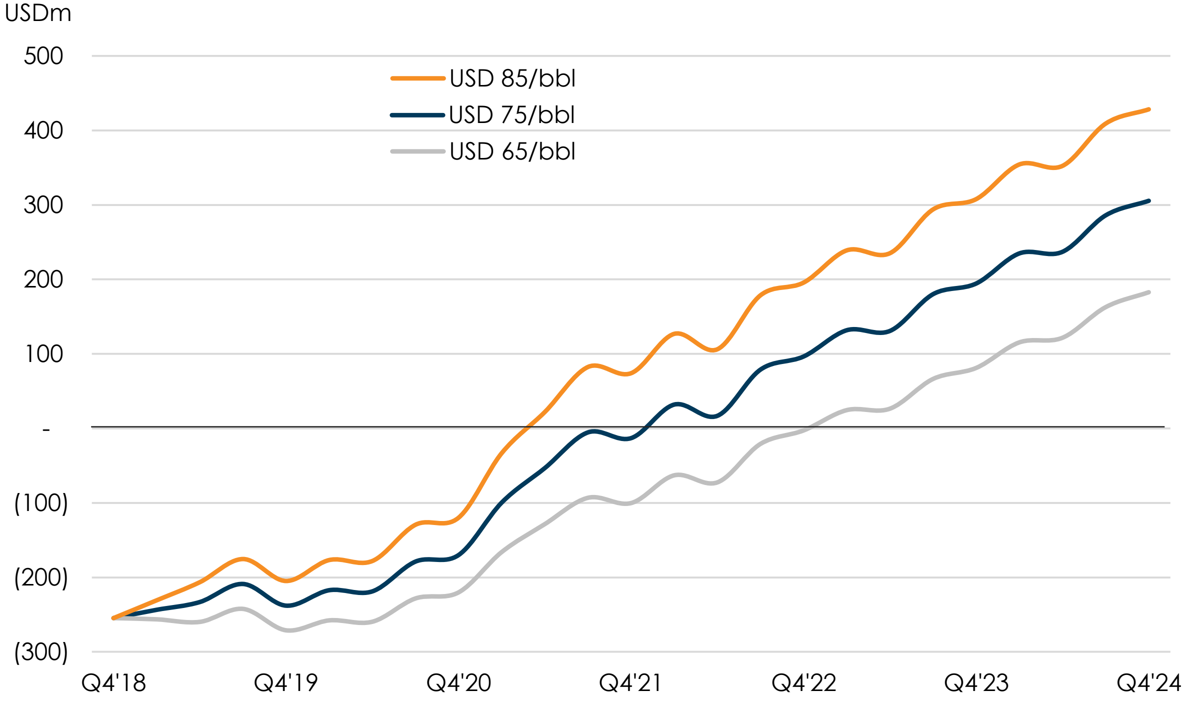
1) OKEA estimate per YE 2018 after closing of Shell acquisition
2) OKEA estimate based on license information, USD 75/bbl Brent, USD 7/mcf gas price, 8.25 USD/NOK. 2% inflation on costs and oil & gas prices

Significant and steady cash flow from day one

Cash flow pre M&A and financing[1]



Estimated net cash position – oil price sensitivity



- **Strong free cash flow generation** before M&A and financing
- Considerable tax payments - means **OKEA is uniquely positioned to:**
  i. **Execute accretive M&A**
  ii. **Finance additional developments optimally**

- **Increasing net cash position due to robust free cash flow**
- Provides **significant flexibility and growth capacity** …
- … and **position of strength when pursuing M&A**

1) Interest cost is included in operating cash flow. Numbers based on USD 75/bbl Brent, USD 7/mcf gas price, 8.25 USD/NOK , and production, opex, capex and abex based on OKEA estimates of license information. 2% inflation on costs and oil & gas prices. Assets included: Draugen and Gjøa base, Ivar Aasen, Yme, Gjøa P1, Grevling (55% interest)

Multiple triggers and extensive de-risking next 12 months

Q4'18 | Q1'19 | Q2'19 | Q3'19

Business development

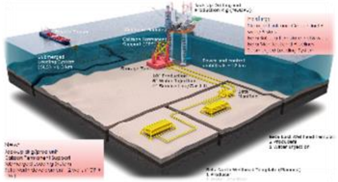
- APA 2018
- OKEA has five license applications targeting discoveries and exploration prospects
- Pursue further M&A – both bolt-on acquisitions and larger transformational deals

Draugen

- Target further debottlenecking and cost reductions
- Drilling and de-risking upsides: 3 wells back-to-back

Gjøa

- Sanction P1
- Establish field wide IOR campaign on back of recent 4D seismic
- IOR drilling



Development assets

- Progress and de-risk Yme towards 1st oil Q1'20
- Grevling concept selection (DG2) target

IPO

- Listing

APPENDIX
SUPPORTING MATERIALS

Overview of equity capital and warrant structure

Warrant mechanism and rationale

- A pre-money value of OKEA of NOK 860m was agreed in the transaction between Seacrest and Bangchak
  - Equates to a subscription price of NOK 231.46 per share for new equity from Bangchak and/or Seacrest – the same as being offered to investors in the Private Placement
- Further, a price adjustment mechanism up/down by ~9.3% was agreed depending on how quickly OKEA can progress its Grevling development project
  - **Trigger 1:** In the event OKEA has not achieved DG2 status[1] on Grevling prior to an IPO/trade sale – the share price shall be adjusted to NOK 209.87 reflecting a pre money of NOK 778m
  - **Trigger 2:** In the event OKEA has achieved PDO status prior to an IPO/trade sale – the share price shall be adjusted to NOK 253.05 reflecting a pre-money of NOK 940m

Overview of equity capital structure, pre- and post-money[2,3]

	Pre-money	Post-money at close of Shell acquisition: No add'l funding	Post-money at close of Shell acquisition: Add'l funding	Comments
Existing shares outstanding	3,715,144	3,715,144	3,715,144	Ordinary Shares
New equity contribution (BCP/SC)		4,054,775	4,054,775	Total BCP and/or SC holding, SC share reduced pro rata to accomodate PP
of which Ordinary shares		*3,153,714*	*3,153,714*	
of which Class A Ordinary Shares		*901,061*	*901,061*	*Economic but no voting rights, convertible at IPO*
New Private Placement shares		475,000	475,000	Reduces final new equity contribution pro-rata
Additional funding scenario (if required)			475,000	Assuming add'l NOK 110m funding pre-close at same terms
Total shares outstanding (A)	**3,715,144**	**8,244,919**	**8,719,919**	
Trigger 1 warrants (B)	-	466,026	466,026	Incl. warrants received by subscribers in the PP
of which New Share Warrants		*48,868.0*	*48,868*	Share of Trigger 1 warrants received by subscribers in PP
Trigger 2 warrants (C)	-	346,562	346,562	Received by existing shareholders
Existing incentive programme warrants	125,000	125,000	125,000	Strike of NOK 179/share
Total shares outstanding (A)	**3,715,144**	**8,244,919**	**8,719,919**	
Valuation at NOK 231.46/share (NOKm)	*860*	*1,908*	*2,018*	*Pre-money plus capital injected*
Total shares - Trigger 1 event (A + B)	**3,715,144**	**8,710,945**	**9,185,945**	**Assuming all warrants exercised**
Valuation based on agreed pre-money (	*780*	*1,828*	*1,938*	*Pre-money plus capital injected*
Total shares - Trigger 2 event (A + C)	**3,715,144**	**8,591,481**	**9,066,481**	**Assuming all warrants exercised**
Valuation based on agreed pre-money (	*940*	*1,989*	*2,099*	*Pre-money plus capital injected*

Warrant details

- A warrants structure has been agreed to facilitate economic equivalent of the price adjustment
- **Trigger 1 event:** Warrants issued to BCP/Seacrest to dilute existing shareholders to a level reflecting the Trigger 1 valuation. Investors in the Private Placement will receive warrants at the same terms
- **Trigger 2 event:** Warrants issued to existing OKEA shareholders (incl. Seacrest) to dilute BCP/SC and Private Placement investors to a level reflecting the Trigger 2 valuation
- Please refer to the Term Sheet and Application Form for further details

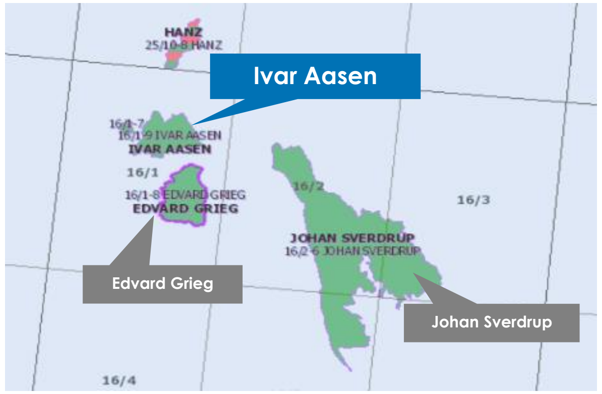
1) Decision of continuation, typically referred to as concept selection – *Norsk: beslutning om videreføring). 2)* BCP to receive 4,054,775 ordinary shares and 901,061 A ordinary Shares (ordinary economic but no voting rights, convertible into ordinary shares at the time of IPO). 3) The Company has previously issued 125,000 warrants to certain employees with a strike price per share of NOK 179. The warrants are non-transferable and must be exercised within 1 October 2022. As part of the established employee incentive program in the Company, the existing shareholders of the Company will also be asked to approve an authorization to the Board of Directors of the Company to issue up to ~2% equivalent to around 165.000 shares, with strike NOK 231/share). No shares are intended to be issued under such authorization prior to the closing of the Shell Transaction.

Ivar Aasen – small interest in material producing field

Asset overview

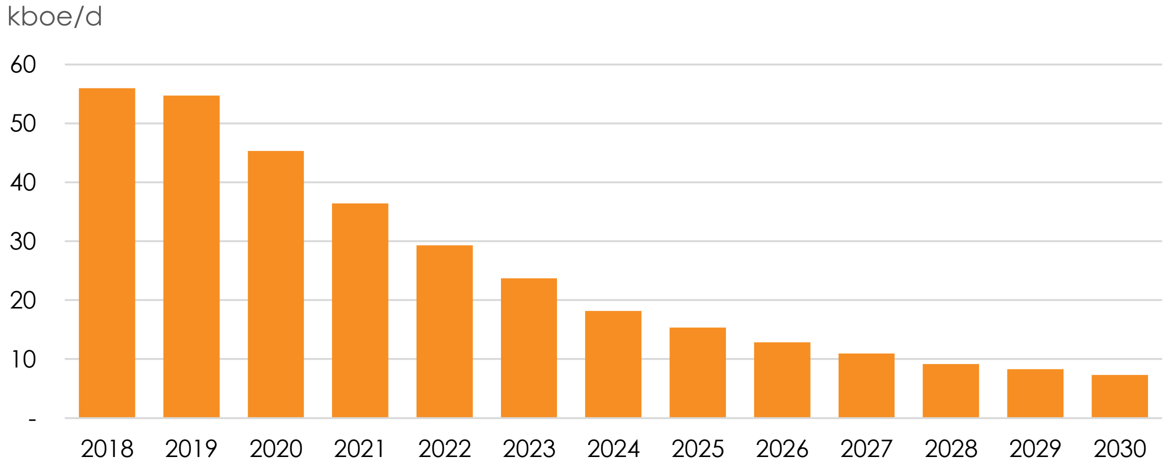
- Developed on time and budget with first oil 24 December 2016
- Developed using a steel jacket platform with first stage separation and final processing at the Edvard Grieg platform
- OKEA entered the license six months prior to first oil - key employees have significant knowledge about the field from their previous positions in the operating company Aker BP
- Provides OKEA with its first cash flow and calibration of the management team and work processes, including inter alia establishing oil and gas trade agreements with Shell and Hartree
- Opportunity in the future to capitalise on learning phase going from field development to production – state of the art project execution

Field facts



- **Partners:** Aker BP (34.79%, O), Statoil (47.47%), Bayerngas (12.79%), Wintershall (6.46%), VNG (3.02%), Lundin (1.39 %), OKEA (0.55%)
- **Discovered:** 2008
- **Production start:** 2016 – peak production 70,000 boe/d
- **2P reserves (YE'16[2]):** 182 mmboe (70% oil) ex. Hanz
- **Cost life of field**: USD 15/boe

Production profile – gross



Extensive knowledge of the Yme geology and reservoir

Low uncertainty on total volumes in place and recoverable volumes

Conventional North Sea reservoir

- Reservoir sandstones in the Late Jurassic Sandnes Formation, shallow marine deposits
- High oil quality with 37° API and low gas-oil ratio
- Medium reservoir quality[1] with substantial vertical heterogeneity

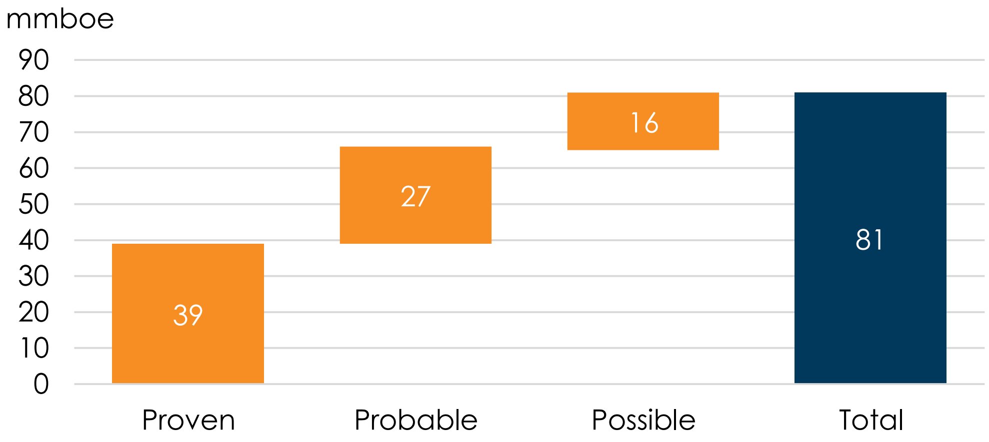
Significant geology and reservoir knowledge

- Extensive well coverage and five years of production history
  - 7 exploration wells
  - 17 wells from first production period (plugged and abandoned)
  - 9 wells from the Talisman re-development project (existing)
- All subsurface models updated based on information from drilling of the 9 PDO wells in 2009-10

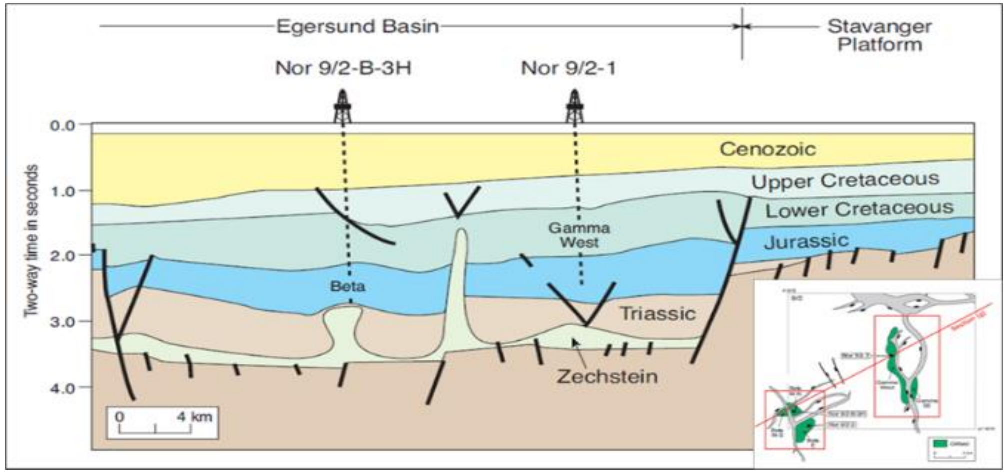
Operational planning and production forecasts de-risked

- Five years production history from initial development
  - Reduced reservoir uncertainty
  - Reliable input to operational planning
- Majority of development drilled and completed (i.e. "ready to start")

Recoverable volumes – reserves by class[1]



Yme Gamma and Beta cross section



Four development concepts for Grevling being evaluated

1 Jack-Up (MOPU) standalone – Break-even <USD 35/bbl[1]

- Newbuild, leased production jack-up with FSO existing/newbuild (dry wells) or optional with subsea storage tank or export pipeline
- Designed for achieving effective maintenance/operation - low manning (on-/offshore) and low OPEX
- Low cost well intervention possibilities with coiled tubing and wireline (eliminate standard drilling cantilever)

2 FPSO standalone – Break-even <USD 40/bbl[1]

- Redeployment of leased FPSO (Voyageur Spirit is available in 2019)
- Subsea wells
- Proven concept with high uptime

3 Subsea development - Break-even <USD 35/bbl[1]

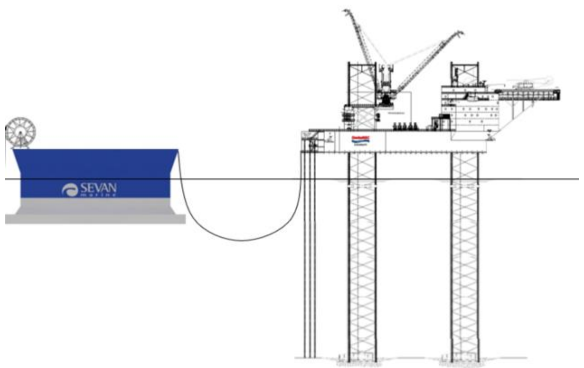
- Subsea development with transport pipeline and umbilical to adjacent host platform
- Flexible and expandable concept for phased development

4 Remote wellhead platform – Break-even <USD 35/bbl[1]

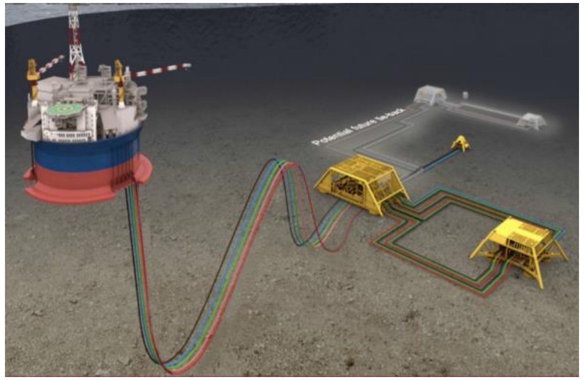
- Dry wells on jacket with transport pipeline and umbilical to adjacent host platform
- Wellhead platform will be unmanned

Earliest first oil/expected first oil

Jack-up: 2021/22



FPSO: 2020



Subsea: 2020/21

RWP: 2021/22

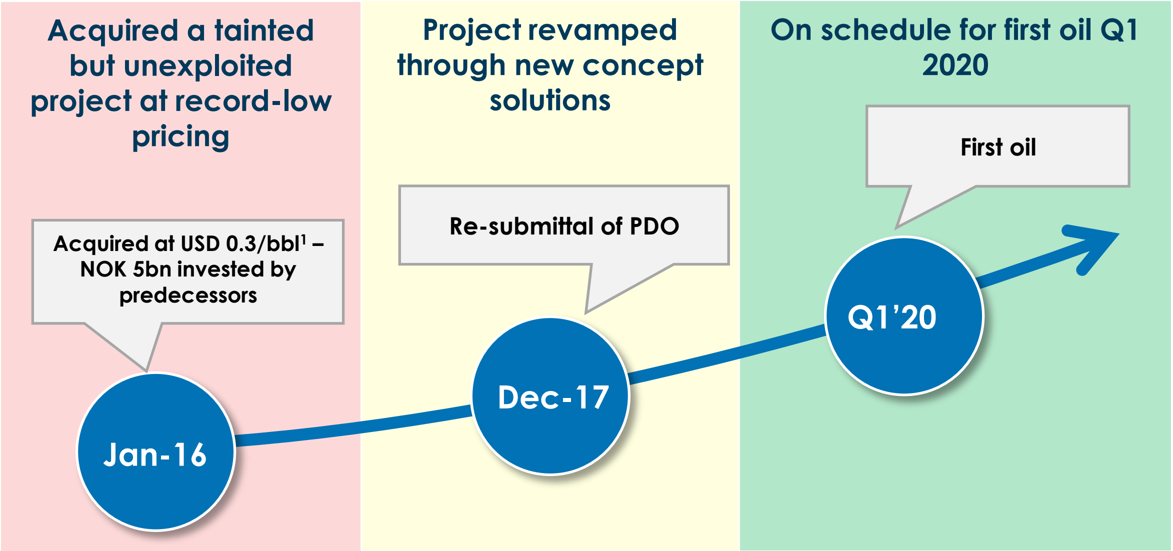
1) The break even costs are cash break even with Grevling and Storskrymten combined

OKEA has delivered on its development strategy

OKEA's small field NCS development strategy

- Lean and focused company with effective decision making processes and no cost-driving "big oil" company standards
- Positioned in the development and production phase – volumes tend to be lower than expected in the exploration phase, and higher than expected in the production phase
- Reduce costs by working closely with key suppliers, targeting both innovation and standardisation of fabrication
- Incentivise service contractors through performance contracts and aligning interests throughout the value chain
- Re-use existing, proven concepts and infrastructure
- Targeting unmanned production systems
- Risk mitigation through portfolio approach to developments

Case study – Yme



- **With Yme OKEA saw an opportunity where other companies saw problems and reputational risk**
- **Innovative initial deal (an option) with Repsol gave OKEA a possibility to prove its field-development philosophy without taking on financial liabilities**
- **OKEA came up with a simple development solution based the Maersk Inspirer jack-up, which at that point was working for Equinor on Volve – in combination with reuse of existing wells and installations**

OKEA turned Yme from a decommissioning project to a low-cost and low-risk redevelopment in less than 12 months

1) Excludes tax balances

New equity investor: Bangchak Corporation

Bangchak Corporation in brief

- Bangchak Corporation Public Company Limited ("BCP") is a Thai energy company engaging in business alongside social and environmental stewardship
- Its core business - petroleum refining - spans procurement of crude oil from domestic and overseas sources and refining it into various standard products
  - With a current production capacity of 120,000 bbl/day, BCP distributes its refined products to over 1,100 retail stations around the country
  - BCP will invest an additional Bt 10bn (USD ~310m) to increase the capacity to 130,000 bbl/day
- Its portfolio has been expanded to include power production from solar energy (solar farm), biomass energy, petroleum exploration and production, and innovation-oriented businesses
  - Strategic focus to increase ownership in petroleum exploration and production assets both domestically and internationally
- BCP's mission is to enhance national energy security, while investing in new businesses to keep the organisation moving forward and ensure sustainability
- BCP is listed on the Stock Exchange of Thailand (ticker: BCP) with a market capitalisation of approx. USD 1.5bn

Revenues 2017 (USDm)	EBITDA 2017 (USDm)	NIBD 2017 (USDm)	Assets 2017 (USDm)
5,073	338	939	3,513

Five focus areas

Shareholder overview

	Shareholder structure as per 14 March 2018	Shares (m)	Ownership (%)
1	Social Security Office	185.7	13.5
2	Ministry of Finance	137.4	10.0
3	Thai NVDR Co., Ltd.	135.3	9.8
4	VAYUPAKSA MUTUAL FUND 1 MANAGED BY MFC	100.9	7.3
5	VAYUPAKSA MUTUAL FUND 1 MANAGED BY KTAM	100.9	7.3
6	STATE STREET EUROPE LIMITED	33.5	2.4
7	AIA COMPANY LIMITED - EQ4-P	30.0	2.2
8	Krungsri Dividend Stock Fund	25.3	1.8
9	Bangkok Life Assurance Public Company Limited	23.1	1.7
10	HSBC (SINGAPORE) NOMINEES PTE LTD	18.2	1.3
	Top 10	**790.4**	**57.4**
	Other	586.6	42.6
	Total	**1,376.9**	**100.0**

Backed by strong Board[1] and owners supporting growth

Henrik Schröder
Chairman of the Board (since inception in 2015)

- Co-founder and Partner for Seacrest Capital Group
- 30 years in international finance, management and business development including president of Saab Aircraft, co-founder of Sven Hagströmer Företagsfinansiering and private investor in the E&P sector
- Chairman of the Board since inception in 2015

Paul A. Murray
Board member (since inception in 2015)

- Co-founder and Partner of Seacrest Capital Group
- 20 years in technology and growth capital investment, fund management including Investment Director at 3i and Cazenove Private Equity and Founder and Managing Partner of DFJ Esprit, a USD 1bn+ investment firm

Kaare M. Gisvold
Board member (since 2018)

- Independent consultant, investor, director and advisor to various businesses
- Extensive O&G senior management and board experience from companies like Golar Nor (now Teekay), PGS, Pertra and Det norske oljeselskap ASA

Arild Selvig
Board member (since 2018)

- Vice President BD & Tendering Subsea Projects in TechnipFMC
- 30 years experience within O&G management from amongst other Norsk Hydro and FMC
- Board experience from Norwegian Oil & Gas Supplier Association, Norwegian Petroleum Society, FMC Eurasia and ONS Foundation

Knud Hans Nørve
Board member (since 2018)

- CEO Infragas Norge AS. 30 years experience within O&G management and financial analysis from amongst other Norsk Hydro, Fortum Petroleum, Econ Analysis and Rystad Energy
- Board experience from Misen Energy AB and P/F Atlantic Petroleum

Seacrest

A leading international energy investor specialising in offshore oil and gas investments

Seacrest is funded by long term investments primarily from US and European institutions, incl. university endowments, energy funds, family offices and banks

Since 2010, Seacrest has created and grown a number of successful upstream oil and gas companies

Bangchak Corporation Public Company Ltd

Bangchak

Bangchak Corporation Public Company Limited ("BCP") is a Thai energy company, with its core business comprising petroleum refining and marketing. BCP has capacity of 120,000 bbl/d and distributes its products through >1,100 service stations

The business has further been expanded into oil trading, green power, bio-based products and upstream ownership

Market cap	Revenues
USD 1.5bn	USD 5bn

Total assets	Employees
USD 3.5bn	1,000+

1. Post completion of the Shell acquisition the Board will consist of up to 12 Directors, with Seacrest, BCP, the founders and the minority shareholders all having separate rights with respect to appointing Directors. Please refer to the Application Form and summary for further details

Overview of existing shareholders

Existing shareholders

No.	Name	Shares	Share of total
1	OKEA Holdings Ltd.	2,875,000	77.4 %
2	SPAREBANK 1 SMN INVE	111,730	3.0 %
3	KØRVEN AS	82,134	2.2 %
4	SJÆKERHATTEN AS	81,857	2.2 %
5	FORTE TRØNDER	56,000	1.5 %
6	SKJEFSTAD VESTRE AS	54,539	1.5 %
7	KEBS AS	53,139	1.4 %
8	JENSSEN & CO A/S	50,000	1.4 %
9	LIGNA AS	44,693	1.2 %
10	JOHAN VINJE AS	20,000	0.5 %
11	Bernhd. Brekke A/S	16,760	0.5 %
12	HOLMETJERN INVEST AS	16,759	0.5 %
13	TRIPPEL-L AS	16,750	0.5 %
14	365 FRI AS	15,319	0.4 %
15	LYCKLIGA GATAN AS	13,618	0.4 %
16	UNIQUM AS	12,000	0.3 %
17	WIST HOLDING AS	11,200	0.3 %
18	JARAS INVEST AS	11,175	0.3 %
19	VINTERVEIEN EIENDOM	11,174	0.3 %
20	LYNG GRUPPEN AS	11,173	0.3 %
	Top 20 shareholders	**3,565,020**	**96.0 %**
	Other shareholders	150,424	4.0 %
	Total	**3,715,444**	**100.0 %**

Comments

- Seacrest is the majority investor with 77%, held through OKEA Holdings Ltd.
- Management team and founders hold 7% in total

Definitions and abbreviations

Term	Definition
2C	Best estimate of contingent resources
2P	Proved and probable reserves
Abex	Abandonment expenditure
APA	Awards in predefined areas
bbl	Barrels of oil
bcf	Billions of standard cubic feet
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
b/d	Barrel of oil per day
bps	Basis points
Capex	Capital expenditure
CoS	Chance of Success
DD&A	Depreciation, depletion and amortization
Decom	Decommissioning
DG1	Decision Gate 1: Feasibility
DG2	Decision Gate 2: Concept selection
DG3	Decision Gate 3: Final Investment Decision
E&A	Exploration and Appraisal
E&P	Exploration and Production
EBITDAX	Earnings before interest, taxation, depreciation, amortization and exploration expenses
mmbbl	Million of barrels of oil
mmboe	Million of barrels of oil equivalent
mmscf	Million standard cubic feet
mmscfpd	Million standard cubic feet per day

Term	Definition
EFF	Exploration Financing Facility
EoP	End of Period
EOR	Enhanced Oil Recovery
FDP	Field Development Plan
FID	Final Investment Decision
FPSO	Floating Storage, Production and Offloading unit
FSO	Floating Storage and Offloading unit
G&A	General and Administration
G&G	Geology and Geophysics
GDP	Gross Domestic Product
HSEQ	Health, Safety, Environment and Quality
IBD	Interest-bearing debt
IOR	Improved Oil Recovery
kboe/d	Thousand barrels of oil equivalent per day
km	Kilometers
LoF	Life of Field
LTI	Lost Time Incident
LTM	Last 12 months
M&A	Mergers and acquisitions
MPE	Ministry of Petroleum and Energy
NCS	Norwegian Continental Shelf
NIBD	Net interest-bearing debt
NOK	Norwegian Kroner

Term	Definition
NPD	Norwegian Petroleum Directorate
NPI	Net Profit Interest
NPV	Net Present Value
Opex	Operating expenditure
P&A	Plugging and abandonment
p.a.	Per annum
P10	High estimate of reserves and resources
P50	Best estimate of reserves and resources
P90	Low estimate of reserves and resources
PDO	Plan for Development and Operation
PL	Production licence
PoS	Probability of Success
PTA	Petroleum Taxation Act
RBL	Reserve Based Lending
SPA	Sales and Purchase Agreement
SPT	Special Petroleum Tax
STOIIP	Stock tank oil initially in place
USD	United States Dollars
WI	Working interest
YE	Year-end

APPENDIX
RISK FACTORS

Risk factors (I)

The risk factors below are a non-exhaustive summary of the risk factors relevant to Company, its business and its shares, and no investor should make any investment decision without having reviewed and understood the risk factors associated with investing in the Shares. The order of appearance of the risk factors is not intended to indicate importance or likelihood of occurrence. References to the "Company" shall be read as OKEA AS. Reference to the Private Placement is a reference to the contemplated issue of 475,000 shares in the form of ordinary shares in the Company. Reference to the Bonds is a reference to the bonds issued in the USD 120 million bond issue by the Company in October 2017 ("OKEA01") and the USD 180 million bond issue by the Company in July 2018 ("OKEA02").

RISKS RELATING TO INSUFFICIENT FUNDING OF THE COMPANY AND INABILITY TO COMPLETE TRANSACTION WITH A/S NORSKE SHELL

The Company's planned and committed financing to cover transaction and transition costs prior to and in connection with completion of the acquisition from A/S Norske Shell of license interests in the Draugen and Gjøa fields (the "Shell Acquisition"), may not be enough to complete the Shell Acquisition, and as a result trigger a mandatory repayment of OKEA02, create new subordinated debt, make the Company unable to service debts and negatively impact the value of the shares issued in the Private Placement

The Company plans to pay for transaction and transition costs involved with the completion of the Shell Acquisition in the form of proceeds from the Private Placement, from the release from the respective escrow accounts under the Bonds, from an NOK 1,042,795,000 equity commitment from Banchak Corporation PCL ("**Bangchak**") and Seacrest Capital Group Limited (the latter to be reduced by proceeds from the Private Placement) and from a funding undertaking to the Company from Okea Holding Ltd., to provide additional funding, if required, subject to certain conditions (see description below). There can however be no assurance that the financing sources will be fully available and should the net proceeds received not be sufficient, the Company may not be able to complete the Shell Acquisition. If so, the Company will be required to repay OKEA02 at 101% of par. Further, the Company may risk losing a deposit in the amount of NOK 41,000,000 and Bangchak may have a recourse claim against the Company for an amount of NOK 369,000,000 in relation to a guarantee posted to A/S Norske Shell in lieu of a larger deposit being paid by the Company, such recourse claim to be structured as a subordinated debt of the Company to Bangchak. In the event the Shell Acquisition does not complete, Bangchak will have no obligation to provide equity funding to the Company.

The result of insufficient funding to cover transaction and transition costs and the inability to complete the Shell Acquisition may consequently lead to the Company being unable to cover its liabilities and becoming insolvent, and the value of the shares may be negatively impacted or even lost in its entirety. To mitigate the risk and adverse effects of the Shell Acquisition not being completed, investors in the Private Placement will be granted a put option against OKEA Holdings Ltd. with respect to the shares subscribed in the Private Placement, but investors are still subject to counterparty risk as further described below.

Release of funds from the Bonds is subject to the Company raising USD 130 million in equity, and the Company may not be able to raise such funds

As a condition for the release of funds currently in escrow under OKEA01 and OKEA02 for funding of the Shell Acquisition, the Company must raise USD 130 million in new equity. Bangchak has committed to fund most of this amount subject to customary closing conditions. However, the conditions for such funding may not be met, in which case the commitment terminates. Further, Bangchak will fund in NOK whereas the Bond requirement is stated in USD. Hence, movements in the exchange rate between NOK and USD may result in a funding shortfall in the USD amount required under the Bonds. In addition to the Bangchak funding, the Company intends to use the equity raised from the Private Placement to satisfy the requirements for the release of funds under the Bonds. OKEA Holdings Ltd. has provided a funding undertaking to the Company to provide additional funding, if needed, subject to certain conditions described below.

The terms agreed between Bangchak, OKEA Holdings Ltd. and the Company regarding the equity investment by Bangchak includes an undertaking from OKEA Holdings to procure that prior to completion of the Shell Acquisition, the Company shall not, unless otherwise contemplated for in the agreement or agreed in writing by the parties, alter its share capital, or create or incur any indebtedness other than (i) the Bonds (ii) as contemplated by the budgets of the Company or (iii) in the ordinary course of business . The parties have also agreed not to take any action, or omit to do anything, that would cause the Shell Acquisition not to be completed. The contemplated Private Placement is pursued in understanding with Bangchak but Bangchak has not in writing formally confirmed that the Private Placement does not represent a breach of the abovementioned undertaking.

Should Bangchak for some reason not fulfil its commitment, or in the event the Company is not able to agree with Bangchak and OKEA Holdings Ltd. on additional equity funding required, if any, and/or should OKEA Holdings Ltd. not be able to fulfil its obligations under the funding undertaking to meet the USD 130 million cash equity requirement under the Bonds, release of remaining funds under OKEA01 (to be used for funding of the Shell Acquisition) and release of funds under OKEA02 may not take place. Further, in such an event, the Company may not be able to fund and complete the Shell Acquisition, and the Company may not have the funds to repay OKEA02 at 101% of par.

All of the above may consequently lead to the Company being unable to cover its liabilities and becoming insolvent, and the value of the shares may be negatively impacted or even lost in its entirety.

The pro et contra adjustment under the Shell Acquisition may have a material negative impact on the financial position of the Company

Pursuant to the terms and conditions for the Shell Acquisition, there will be a pro et contra adjustment to the consideration payable at completion. Such adjustment will, *inter alia*, be based on the income and costs associated with the assets to be acquired, from the period 1 January 2018 to completion. It is not possible to accurately predict the amount of such adjustment and consequently, even if the Company believes it has sufficient funding for the Shell Acquisition, an unexpected adjustment could result in the Company not being able to fund the Shell Acquisition and that completion of the Shell Acquisition does not take place. In turn, this could have a material negative impact on the financial position of the Company, its future prospects and the value of the shares may be negatively impacted or even lost in its entirety.

Risk relating to put option

As part of the Private Placement, investors will be granted a put option against OKEA Holdings Ltd. with respect to the shares subscribed in the Private Placement. OKEA Holdings Ltd.is an entity incorporated and existing under the laws of Bermuda and any enforcement of the put option will be subject to the laws of Bermuda. The Company cannot give any assurances that OKEA Holdings Ltd. will be able to honor its obligations under the put option, nor that investors in the Private Placement will be able to, should that be necessary, enforce its rights under the put option.

Should OKEA Holdings Ltd. not fulfil its obligations under the put option, or should investors experience difficulties to enforce the rights under the put option, the value of the put option may be lost and investors may be forced to retain ownership to the shares in a situation where the value of the shares may be substantially reduced and the possibility to sell the shares materially restricted.

Risk factors (II)

Risk relating to fulfilment of funding undertaking

OKEA Holdings Ltd. has issued an undertaking in favour of the Company under which OKEA Holdings Ltd. undertakes to provide the Company with the funds and capital required to (i) meet its obligations as they fall due in 2018, but only up to a maximum amount of NOK 220,000,000, and (ii) complete the Shell Acquisition. This funding undertaking will terminate on the earlier of the date of completion of the Shell Acquisition and 31 December 2018. The Company cannot give any assurances that OKEA Holdings Ltd. will be able to honor its obligations under the funding undertaking, in which case the Company may not to be able to fund the Shell Acquisition. In turn, this could have a material negative impact on the financial position of the Company, its future prospects and the value of the shares may be negatively impacted or even lost in its entirety.

The Company may need additional funding if the closing of the Shell Acquisition does not occur in 2018

If the Shell Acquisition does not complete in 2018, the Company may require further funding to cover working capital needs. Existing contractual obligations may restrict the Company from obtaining such funding either in the form of equity or debt. Under any circumstance, no assurances can be given that such funding will be available at acceptable terms, or at all. If further funding is required but not available, this could have a material negative impact on the financial position of the Company, the ability to complete the Shell Acquisition and the future prospects of the Company.

Completion of the Shell Acquisition is subject to certain closing conditions, including consent from the Norwegian Ministry of Petroleum and Energy and the Norwegian Finance Ministry

Pursuant to article 10-12 of the Norwegian Petroleum Act, completion of the Shell Acquisition will be subject to consent from the Norwegian Ministry of Petroleum and Energy. Consent is also required from the Ministry of Finance. Although the Company expects to receive such consents there can, like in all other transactions that are subject to the same consent requirements, not be given any assurance that such consents will be granted within the expected timeframe, without any conditions (e.g. related to the acquisition structure) or that such consents will be granted at all.

RISKS RELATING TO THE COMPANY'S BUSINESS AND OPERATIONS

The Company's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon and may be adversely affected by the level of oil and gas prices, which are highly volatile

Prices for oil and gas may fluctuate substantially based on relatively small changes in the supply and demand for oil and gas, based on geo-political changes and certain other factors beyond the Company's control. Consequently, it is impossible to accurately predict future oil and gas price movements. Sustained lower oil and gas prices or price declines may inter alia lead to a material decrease in the Company's net production revenues. The Company may from time to time enter into hedging arrangements in the form of put options to offset the risk of revenue losses if commodity prices decline. However, such arrangements may be expensive and there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, hedging itself carries certain risks, including expenses associated with terminating any hedging agreements. Further, sustained lower oil and gas prices may also cause the Company to make substantial downward adjustments to its oil and gas reserves. If this occurs, or the Company's estimates of production or economic factors change, the Company may be required to write-down the carrying value of its proved oil and gas properties for impairments. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves. Further, certain development projects which are or become of substantial importance to the Company could become unprofitable as a result of a decline in price and could result in the Company having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if oil and gas prices remain depressed over time, it could reduce the Company's ability to raise new debt or equity financing or to refinance any outstanding loans on terms satisfactory, or at all.

Reserves and contingent resources are by their nature uncertain in respect of the inferred volume range

Included in this Presentation is information relating to the reserves and resources of certain of the Company's assets. Reserves are defined as the volume of hydrocarbons that are expected to be produced from known accumulations in production, under development or with development committed. Reserves are also classified according to the associated risks and probability that the reserves will be actually produced. 1P – Proven reserves represent volumes that will be recovered with 90% probability 2P – Proven + Probable represent volumes that will be recovered with 50% probability 3P – Proven + Probable + Possible volumes that will be recovered with 10% probability. Contingent resources are the volumes of hydrocarbons expected to be produced from known accumulations in planning phase, where development is likely or where development is unlikely with present basic assumptions (e.g. due to the lack of a firm plan of development with the necessary partner or governmental approval, the lack of a market, or the lack of the proper delineation necessary to establish the size of the accumulation for commercial purposes), or under evaluation. Contingent resources are reported as 1C, 2C, and 3C, reflecting similar probabilities as reserves.

Many of the factors in respect of which assumptions are made when estimating reserves and resources are beyond the Company's control and therefore these assumptions may prove to be incorrect over time. For example, sustained lower oil and gas prices may cause the Company to make substantial downward adjustments to its oil and gas reserves and resources. If this occurs, or the Company's estimates of production or economic factors change, the Company may be required to write-down the carrying value of its proved oil and gas properties for impairments. In addition, the depreciation of oil and gas assets charged to its income statement is dependent on the estimate of its oil and gas reserves.

Evaluations of reserves and resources necessarily involve multiple uncertainties. The accuracy of any reserves or resources evaluation depends on the quality of available information and petroleum engineering and geological interpretation. Exploration drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in the Issuer's reserves or resources data.

Moreover, different reservoir engineers may make different estimates of reserves and cash flows based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates, and the variances may be material. Also, effects of regulations adopted by governmental agencies, future operating costs, royalties, tax on the extraction of commercial minerals, development costs and well as work-over and remedial costs represent further variables and assumptions which makes the estimation of reserves and resources uncertain and incorrect.

Risk factors (III)

Special uncertainties exist with respect to the estimation of resources in addition to those set forth above that apply to reserves, such as:

- The quantities and qualities that are ultimately recovered;
- The production and operating costs incurred;
- The amount and timing of additional exploration and future development expenditures;
- Demand for oil and gas; and
- Future oil and gas sales prices.

The probability that contingent resources will be economically developed, or be economically recoverable, is considerably lower than for proven, probable and possible reserves. Forward-looking statements contained in this Presentation concerning the reserves and resources definitions should not be unduly relied upon by potential investors. If the assumptions upon which the estimates of the Issuer's oil and gas reserves or resources are based prove to be incorrect, the Issuer may be unable to recover and/or produce the estimated levels or quality of oil or gas set out in this Presentation, which could have a material adverse effect on the Company's business, prospects, financial condition or results of operations.

Developing a hydrocarbon production field, such as the Yme field, requires significant investment

Developing a hydrocarbon production field, , requires significant investment, some times over several decades, to build the requisite operating facilities, drilling of production wells along with implementation of advanced technologies for the extraction and exploitation of hydrocarbons with complex properties. Making these investments and implementing these technologies, normally under difficult conditions, can result in uncertainties about the amount of investment necessary, operating costs and additional expenses incurred as compared with the initial budget, thereby negatively affecting the business, prospects, financial condition and results of operations of the Company. Further, with respect to contingent resources, the amount of investment needed may be prohibitive, such that conversion of resources into reserves may not be commercially viable. The Company may be unable to obtain needed capital or financing on satisfactory terms. If the Company's revenues decrease, it may have limited ability to obtain the capital necessary to sustain operations at current levels. If the Company's available cash is not sufficient, a curtailment of its operations relating to development of its prospects could occur, which in turn could lead to a decline in its oil and natural gas reserves, or if it is not possible to cancel or stop a project, be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Company may inter alia fail to make required cash calls and thus breach license obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the Company and its financial position.

The Company is dependent on finding/acquiring, developing and producing oil and gas reserves that are economically recoverable

The future success of the Company depends in part on its ability to find and develop or acquire additional reserves that are economically recoverable, which is dependent on oil and gas prices. Oil and gas exploration and production activities are capital intensive and inherently uncertain in their outcome. Significant expenditure is required to establish the extent of oil and gas reserves through seismic and other surveys and drilling and there can be no certainty that further commercial quantities of oil and gas will be discovered or acquired by the Company. The Company's existing and future oil and gas appraisal and exploration projects may therefore involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Few prospects that are explored are ultimately developed into producing oil and gas fields. Even if the Company is able to discover or acquire commercial quantities of oil and gas in the future, there can be no assurance that these will be commercially developed.

Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. Additionally, the cost of operations and production from successful wells may be materially adversely affected by unusual or unexpected geological formation pressures, oceanographic conditions, hazardous weather conditions, delays in obtaining governmental approvals or consents, shut-ins of connected wells, difficulties arising from environmental or other challenges or other factors. Any inability on the Company's part to recover its costs and generate profits from its exploration and production activities could have a material adverse effect on its business, results of operations, cash flow and financial condition.

Additionally, producing oil and natural gas reservoirs, particularly in the case of mature fields, are generally characterized by declining production rates that vary depending upon reservoir characteristics and other factors. The rate of decline will change if production from existing wells declines in a different manner than we have estimated and can change under other circumstances. Thus, the Company's future oil and natural gas reserves and production and, therefore, its cash flow and results of operations are highly dependent upon the Company's success in efficiently developing and exploiting its current properties and economically finding or acquiring additional recoverable reserves. The Company may not be able to develop, find or acquire additional reserves to replace its current and future production at acceptable costs. If the Company is unable to replace its current and future production, the value of its reserves will decrease, and its business, financial condition and results of operations would be adversely affected.

The Company's current production and expected future production is concentrated in a limited number of offshore fields

Currently, all of the Company's production comes from Ivar Aasen. Conditional upon completion of the possible transaction with A/S Norske Shell, the Company will also have production from Gjøa and Draugen. In addition, the Company expects that a significant proportion of its future production will come from the Yme field. If mechanical or technical problems, storms, shutdowns or other events or problems affect the current or future production on one of these fields, it may have direct and significant impact on a substantial portion of the Company's production or if the actual reserves associated with any one of the Company's fields are less than anticipated, this may result in material adverse effects for the Company, including on the Company's ability to fulfil its obligations under the Bonds, make new investments and raise further financing.

Risk factors (IV)

The Company's current or future development projects are associated with risks relating to delays, cost inflations, potential penalties and regulatory requirements and the estimated development costs and time to achieve first oil for the Yme Licenses may be substantially exceeded and/or delayed

Development projects inter alia involve complex engineering, procurement, construction work, drilling operation to be carried out and governmental approvals obtained prior to commencement of production. The exploration or development period of a license, are commonly associated with higher risk, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. The complexity of offshore development projects also makes them very sensitive to delays or costs increases. For the Company, this will currently in particular apply to the Yme and Grevling fields. Current or future projected target dates for production may be delayed and significant cost overruns may incur. The Company's estimated exploration costs are subject to a number of assumptions that may not materialize. Such factors may again impact on to what extent fields to be developed is fully funded or remain commercially viable, and consequently could result in breach by the Company of its obligations and/or require the Company to raise additional debt and/or equity. Any delays, cost increases or other negative impact relating to the current or future development projects of the Company, may have a material adverse effect on its business, results of operations, cash flow, financial condition and prospects.

The Company's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors

The Company's hydrocarbon production may be restricted, delayed or terminated due to a number of internal or external factors, among which are malfunctions of hydrocarbon discharge or production facilities, administrative delays (particularly in the approval of development projects by public authorities), shortages or delays in the availability of drilling and/or production rigs and delivery of equipment and materials, pressure or irregularities in geological formations, equipment failures or accidents or adverse weather conditions or malicious actions. In particular, production from the Yme field will in part depend on the functionality of existing facilities, such as pipelines, wells and umbilicals, which have not been in use for some time and which the Company cannot be certain will function properly. These factors may have a material adverse effect on the Company's cash flow as well as on its business, prospects, financial condition or results of operations and consequently affect the Company's ability to serve its debts and fulfil its obligations under the Bonds and otherwise.

The Company's operations are dependent on compliance with obligations under licenses, joint operating agreements and field development plans

In all production licenses on the NCS there are obligations amongst the parties in the joint venture and obligations between the production license and the authorities. Failure to comply with the obligations under the licenses may lead to fines, penalties, restrictions, revocation of licenses and termination of related agreements. A failure to comply with payment obligations (cash calls) under joint operating agreements (and unitization agreements) for the Company's licenses, may lead to penal interest on the defaulted amount, loss of voting rights and information within the license and a right for the other licensees to acquire the Company's participant interest on terms that are unfavourable to the Company and disconnected from the value of the license interest. Further, if other joint venture partners default on their payment obligations (cash calls), the Company may have to increase its interest level in the relevant field, which in turn will result in a corresponding increase in the Company's exposure and investment obligations towards the relevant field. Also, the Company has been approved as an operator on the NCS. Although future operatorship is performed based on a "no gain, no loss" principle, the Company's license partners are provided with audit rights and other rights that may ultimately inflict losses on the Company as an operator should the Company be found not to have managed the operatorship in compliance with relevant requirements.

All such risks, non-compliance, sanctions or losses could have a material adverse effect on the Company and may result in the Company not being fully funded to meet such increased exposure and obligations and consequently could result in breach by the Company of its obligations and/or require the Company to raise additional debt and/or equity.

The Company is subject to risks relating to capacity constraints and cost inflation in the service sector and lack of availability of required services and equipment

The Company is highly reliant upon services, goods and equipment provided by contractors and other companies to carry out its operations (including current and planned exploration and development projects). There is a continuing risk for capacity constraints and cost inflation in the service sector. Any non-performance, delays or faulty deliveries by contractors, or any other failure to obtain necessary services, goods or equipment, at all or at a reasonable cost, may expose the Company to significant delays, cost increases or liability, which may again lead to material adverse effects for the Company. Further, the Company's contractors and other companies may potentially be adversely affected by market conditions. If the Company's contractors, their suppliers or other companies should be unable to respect their obligations (towards the Company or others), become insolvent or otherwise unable to pay debts as they come due, this could lead to material adverse effects for the Company.

The Company is subject to third-party risk in terms of operators and partners

Where the Company is not the operator of fields in which it has an interest, it has limited control over the management of the assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action may occur, which again may result in significant delays, losses or increased costs to the Company. There are, however, routines in mandatory Joint Operating Agreements that regulate the relationship within the license and how the Operator or others may behave or act. There is, however, a risk that partners with interests in the Company's licenses may not be able to fund or may elect not to participate in, or consent to, certain activities relating to those licenses. In these circumstances, it may not be possible for such activities to be undertaken by the Company alone or in conjunction with other participants. Inversely, decisions by the other partners to engage in certain activities, may also be contrary to the Company's desire not to commence such activities and may require the Company to incur its share of costs in relation thereto, or that the other partners may enforce decisions which will delay or affect the profitability of a project. This is especially an inherent risk in fields under development where the Company only holds a minority interest. Other participants in the Company's licenses may default on their funding obligations. In such circumstances, the Company may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall. The Company may not have the resources to meet these obligations. Further, the license partners are jointly and severally responsible to the Norwegian Government for financial obligations arising out of petroleum activities pursuant to a license. If any of the Company's partners become insolvent or otherwise unable to pay debts as they come due, the license interest awarded to them may be revoked by the relevant government authority who will then reallocate the license interest. There can be no assurance that the Company will be able to continue operations pursuant to these reclaimed licenses or that any transition related to the reallocation of the license would not materially disrupt the Company's operations.

Risk factors (V)

The Company may not have access to necessary infrastructure or capacity booking for the transportation of oil and gas

The Company is dependent on capacity (whether through pipelines, tankers or otherwise) to transport and sell its oil and gas production. The Company, or the license group in which the Company holds an interest, may need to rely on access to third-party infrastructure to be able to transport produced oil and gas. There can be no assurance that the Company will be able to get access to necessary infrastructure at an economically justifiable cost or access necessary infrastructure at all. If access to third-party infrastructure and necessary capacity bookings are unavailable or unavailable at an economically justifiable cost, the Company's income relating to the sale of oil and gas may be reduced, which may have a material adverse effect on the Company.

The Company is vulnerable to adverse market perception

The Company must display a high level of integrity and maintain the trust and confidence of investors, license partners, public authorities and counterparties. Any mismanagement, fraud or failure to satisfy contracts, fiduciary or regulatory responsibilities, allegations of such activities, negative publicity, or the association of any of the above with the Company could materially adversely affect its reputation and the value of its brand, as well as its business, results of operations, cash flow and financial condition.

The Company faces risks related to decommissioning activities and related costs

There are significant uncertainties relating to the estimated liabilities, costs and time for decommissioning of the Company' current and future licenses. Such liabilities are derived from legislative and regulatory requirements and require the Company to make provisions for such liabilities. The oil and gas industry still has little experience of decommissioning petroleum infrastructure on the Norwegian Continental Shelf.

The Company is jointly and severally liable with its license partners to the Norwegian Government for all decommissioning costs and liabilities of each license in which the Company holds an interest. In Norway, there is no obligation or tradition for license partners to provide security for their respective share of decommissioning liabilities ahead of actual decommissioning. Furthermore, a licensee assigning its interest in a license remains secondarily liable for decommissioning costs related to facilities existing at the time of assignment. For such secondary liability there is an established practice for providing a decommissioning guarantee or other security. In the future, the Company may hold interest in fields that straddle the boundary between UK and Norway and the Company may therefore have responsibilities under or become liable for decommissioning obligations also under UK legislation.

It is, therefore, difficult to forecast accurately the costs that the Company will incur in satisfying decommissioning liabilities. No assurance can be given that the anticipated cost and timing of removal are correct and any deviation from current estimates or significant increase in decommissioning costs relating to the Company's previous, current or future licenses, may have a material adverse effect on the Company.

The Company's ability to sell or transfer license interests may be restricted by provisions in its joint operating agreements including pre-emption rights, if any, or applicable legislation

The Company's exit in relation to any particular oil and gas interest may be subject to the prior approval of its commercial partners pursuant to joint operating agreements, unitization agreements and approval from the relevant authorities, thus restricting the Company's ability to dispose of, sell or transfer a license interest and make funds available when needed.

The Company may be subject to liability under environmental laws and regulations

All phases of oil and gas activities present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances. The legislation also requires that wells and facility sites are operated, maintained and abandoned to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties in addition to loss of reputation. Any pollution may give rise to material liabilities and may require the Company to incur material costs to remedy such discharge. No assurance can be given that current or future environmental laws and regulations will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company.

The Norwegian petroleum tax refund scheme is facing legal challenges

Under current Norwegian tax rules, companies which are not in a tax position may annually claim a refund from the Norwegian state of the tax value of direct and indirect costs, except financial cost, incurred in connection with exploration for petroleum resources on the NCS. The tax value is set to the total of relevant direct and indirect exploration costs multiplied by the tax rate, currently 78%. The refund will reduce the tax loss to be carried forward correspondingly. The amount of exploration costs may not exceed the annual net loss from the petroleum activities of the taxpayer, to ensure that the costs are not already set off against taxable income. A future exploration refund claim may be used as security for financing purposes.

This tax refund scheme has attracted criticism from certain political parties in Norway, and has been subject to scrutiny by, inter alia, environmentalist organizations. Bellona Foundation, a Norwegian environmentalist non-profit organisation has filed a complaint to the EFTA Surveillance Authority ("ESA"), claiming that the mentioned refund scheme is in violation of the prohibition against state aid and subsidies, ref article 61 of the EEA-treaty. ESA has recently commenced its investigations following the complaint. The Norwegian government has vigorously defended the refund scheme, but should the scheme be found to violate the EEA-treaty, this may lead to a claim for repayment of parts of the received refunds as well as preventing such refunds for the future, both of which may have a material adverse effect on the Company's cash position, need for additional funding and financial position in general.

The Company faces the risk of litigation or other proceedings in relation to its business

The Company faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Company to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention.

The Company will have guarantee obligations

The Company will in its ordinary course of business provide guarantees to governmental agencies, joint venture partners or third party contractors in respect of activities relating to its subsidiaries, inter alia for such subsidiaries working and abandonment obligations under licences or obligations under the relevant terms of agreements with third party contractors. Such guarantees, if called upon, may have a material adverse effect on the ability to service the bonds.

Risk factors (VI)

The Company is exposed to political and regulatory risks, including risks and uncertainties relating to the planned regional (area) electrification of the Utsira High in relation to the Ivar Aasen field

The oil and gas industry is subject to extensive government policies, standards, regulations and requirements. No assurance can be given that future political conditions, existing legislation, new interpretation of existing legislation or changes in administrative practice or policies, will not result in a reduction of income, curtailment of production, delays or a material increase in operating costs and capital expenditure or otherwise adversely affect the Company. In particular, the Company is exposed to a risks relating to the planned regional (area) electrification of the Utsira High in relation to the Ivar Aasen field, which includes uncertainties related to the actual cost of electrification, allocation of such costs between the partners in the fields on the Utsira High and the proposed timeline for electrification of the Utsira High.

A failure to comply with applicable legislation, regulations and conditions or orders issued by the regulatory authorities, may lead to fines, penalties, restrictions, withdrawal of licenses and termination of related agreements. Additionally, the Company is dependent on receipt of discretionary government approvals, decisions and permits to develop and produce its assets. Further, the Company may be unable to obtain, renew or extend required drilling rights, licenses (including production licenses), permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. The relevant authorities may also stipulate conditions for any such extension or for not revoking any licenses or permits. Lack of governmental approvals or permits or delays in receiving such approval may delay the Company's operations, increase its costs and liabilities or affect the status of its contractual arrangements or its ability to meet its contractual obligations.

Maritime disasters, employee errors and other operational risks may adversely impact the Company's reputation, financial condition and results of operations

The Company's offshore operations are subject to all the risks common in its industry, including inter alia encountering unexpected rock formations or pressures, seismic shifts, blowouts, pollution, explosions, fires and equipment damage or failure. The facilities on offshore fields will also be subject to the hazards inherent in marine operations, such as inter alia capsizing, sinking, grounding and damage from severe weather conditions. Also, even though the Company's employees are well supervised, trained and experienced, personnel and employee errors and mistakes may take place. If any of these events were to occur, they could, among other adverse effects, result in environmental damage, injury to persons, loss of life, a failure to produce oil and/or gas in commercial quantities, delays, shut-down of operations or other damage. These events can also put at risk some or all of the Company's licenses and could inter alia result in the Company incurring significant civil liability claims, significant fines as well as criminal sanctions. In the Company's capacity as licensee, it is inter alia subject to liability provisions under the applicable statutory and regulatory regimes of the jurisdictions where the Company operates.

Any of these circumstances could adversely affect the operation of the Company's licenses, and result in loss of revenues or increased costs and adversely affect the Company's profitability.

The Company's insurance or indemnities may not adequately cover all risks, liabilities or expenses that could result from its operations

The Company's offshore oil and gas operations are subject to all the significant risks and hazards typically associated with such operations. The Company is not necessarily fully insured against all risks it may face (it has for example currently not taken out business interruption insurance). Furthermore, not all mentioned risks are insurable, or only insurable at a disproportionately high cost. The nature of the hazards and risks typical for the Company's industry is such that liabilities could materially exceed policy limits or not be insured at all, which may result in substantial financial liability or losses. Any uninsured loss or liabilities, or any loss and liabilities exceeding the insured limits, may have a material adverse effect on the Company.

The Company may experience conflicts of interest with shareholders, suppliers, creditors, employees and other stakeholders

Some of the directors, officers and principal shareholders of the Company are or may become engaged in other oil and gas interests (including interests relating to oil and gas services) on their own behalf and on behalf of other companies resulting in a conflict of interest or direct competition with the Company. Such conflicts, if any, will be subject to the procedures and remedies under Norwegian company law (or any similar, foreign laws), but this may not prevent adverse effects for the Company with regard to such conflicts. The Company's directors, officers and principal shareholders may not devote their time on a full-time basis to the affairs of the Company as a result of such conflicts. Certain members of the Company's board of directors and senior management own collectively, directly and indirectly, a significant part of the outstanding share capital of the Company, and will therefore have the possibility to influence the decision-making in the Company and thereby the Company.

The Company risks losing key employees

The Company only has a very limited number of employees and executives. The loss of key employees could adversely affect the Company's ability to operate. The Company believes that its success depends on the continued service of its key employees, as well as its ability to hire additional key employees, when and as needed. The unexpected loss of the services of any of the key employees, or the Company's failure to find suitable replacements within a reasonable period of time thereafter, could have a material adverse effect on the Company's ability to execute its business plan and therefore, on its financial condition and results of operations.

The Company is exposed to risks relating to unionized labour and general labour interruptions

Strikes, labour disruptions and other types of conflicts with employees including those of the Company's independent contractors or their unions may occur in relation to the Company's operations. Any such disruptions or delays in the Company's business activities may result in increased operational costs or decreased revenues from delayed or decreased (or zero) production and significant budget overruns.

The Company faces a major integration of new business and employees

Following completion of the Shell Acquisition, the Company will have a considerable new business, which also will include a large number of new employees, new IT systems and management operating systems. This will require the Company to allocate substantial resources in order to manage integration issues. A successful integration is necessary in order for the Company to fully execute on its current plans and meet its financial targets. No assurance can, however, be given that the integration will be successful or that the integration will not take longer time or incur considerable more costs that expected, all of which could have material negative effect on the Company's business and financial position.

Changes in foreign exchange rates may affect the Company's results of operations and financial position

The Company is exposed to market fluctuations in foreign exchange rates. The Company may from time to time enter into foreign currency exchange hedging arrangements to manage the risk of foreign currency exposure and may also be required to provide security for such derivative transactions. Such security if provided could make it difficult for the Company to service its debt.

Risk factors (VII)

RISKS RELATING TO THE OIL AND GAS INDUSTRY IN WHICH THE COMPANY OPERATES

The market in which the Company operates is highly competitive

The Company competes with a substantial number of other companies with larger technical staffs and greater resources, inter alia in acquiring (prospective) oil and gas licenses and attempting to secure drilling rigs and other equipment or services necessary for operation or projects. As a result of this competitive environment, the Company may inter alia be unable to acquire suitable licenses or licenses on terms that it considers acceptable, or equipment or services it requires may be in short supply. As a result, the Company's revenues may decline over time.

The oil and gas industry is characterized by rapid and significant technological advancements, and the Company may not be able to keep pace

As others use or develop new technologies, the Company may be placed at a competitive disadvantage over time or may be forced by competitive pressures to implement those new technologies at substantial costs. The Company may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. Further, one or more of the technologies used by the Company now or in the future may become obsolete. In addition, new technology implemented by the Company may have unanticipated or unforeseen adverse consequences, either to its business or the industry as a whole.

The Company's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon and may be adversely affected by the level of oil and gas prices, which are highly volatile. It is impossible to accurately predict future oil and gas price movements. Sustained lower oil and gas prices or price declines may inter alia lead to a material decrease in the Company's net production revenues. The Company may from time to time enter into agreements to receive fixed prices on its oil and gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set out in such agreements, the Company will not benefit from such increases and may nevertheless be obligated to pay suppliers and others in the market based on such higher prices. Furthermore, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms, and in addition, hedging itself carries certain risks, including expenses associated with terminating any hedging agreements. Consequently, a sustained level of low prices for oil and/or gas may have a material adverse effect on the Company's reserves and resources, its financial position and future prospects.

Climate change abatement legislation or protests against fossil fuel extraction may have a material adverse effect on the oil and gas industry

Continued political attention to issues concerning climate change, the role of human activity in it and potential mitigation through regulation could have a material impact on the Company's business. International agreements, national and regional legislation, and regulatory measures to limit greenhouse emissions are currently in various stages of discussion or implementation. Given the Company's operations are associated with emissions of "greenhouse gases", these and other greenhouse gas emissions related laws, policies and regulations may result in substantial capital, compliance, operating and maintenance costs. The level of expenditure required to comply with these laws and regulations is uncertain and is expected to vary depending on the laws enacted by particular countries. As such, climate change legislation and regulatory initiatives restricting emissions of greenhouse gases may adversely affect its operations, the Company's cost structure or the demand for oil and gas. Such legislation or regulatory initiatives could have a material adverse effect by diminishing the demand for oil and gas, increasing the Company's cost structure or causing disruption to its operations by regulators. In addition, the Company may be subject to activism from groups campaigning against fossil fuel extraction, which could affect its reputation, disrupt its campaigns or programs or otherwise negatively impact the Company's business.

The Company is affected by the general global economic and financial market situation

The Company may be materially and adversely affected by, amongst other things, the general state of the economy and business conditions, the occurrence of recession, inflation, adverse credit markets, fluctuations in operating expenses, technical problems, work stoppages or other labour difficulties. Weak global or regional economic conditions may negatively impact the business of the Company in ways that it cannot predict. Global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. The Company may inter alia experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under committed loans it arranges in the future if its lenders are unwilling to extend financing to it or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. The Company cannot be certain that financing will be available on acceptable terms, or at all. If financing is not available when needed, or is available only on unfavourable terms, the Company may be unable to meet its future obligations as they come due. The Company's failure to obtain such funds could have a material adverse effect on its business, results of operations and financial condition, as well as its ability to service its indebtedness.

FINANCIAL RISKS AND RISKS RELATED TO DEBT OBLIGATIONS

The Company is exposed to credit risk

The Company may be exposed to financial loss if counterparties to contracts fail to meet their obligations. If significant amounts are not paid this could have a material adverse impact on the Company.

The Company may incur substantial debt in the future, which may make it difficult for it to service its debt

The Company may incur substantial indebtedness in the future, either under the terms of the Bond Agreement, as additional bonds allowed under the terms of the Bond Agreement, or as subordinated debt. Under any circumstance, if the Company incurs new debt or other obligations, the related risks that it faces, will increase. In addition, the Company is currently under and may in the future incur obligations that do not constitute indebtedness as defined under the agreements governing the debt arrangements. The degree to which the Company is leveraged could have important consequences to its business and holders of the Bonds, including, but not limited to:

- making it difficult for to satisfy the Company's obligations with respect to the Bonds or other indebtedness;
- increasing the Company's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of the Company's cash flow from operations to the repayment of the principal of its indebtedness and interest on such indebtedness, thereby reducing the availability of such cash flow;

Risk factors (VIII)

- limiting the Company's ability to obtain additional financing to fund working capital, capital investments, acquisitions, debt service requirements, business ventures, or other general corporate purposes;
- limiting the Company's flexibility in planning for, or reacting to, changes in its business and the competitive environment and the industry in which the Company does business; and
- adversely affecting the Company's competitive position if its debt burden is higher than that of its competitors.

The occurrence of specific change of control events, other put option events or other mandatory prepayment events, will permit the holders of the Bonds to require the Company to redeem the Bonds (and possibly at a premium to outstanding amounts) at a time when the Company may not be able to do so

The agreements for the Bonds contain provisions which, under certain circumstances such as a change of control in the Company, will require the Company to repay outstanding bond debt, and possibly also with a premium. This may also occur if the Company is not able to complete the transaction with A/S Norske Shell, see "Risks relating to insufficient funding of the Company and inability to complete transaction with A/S Norske Shell".

If such repayment obligation is triggered, the Company may be unable to make such payment, which may lead to insolvency for the Company.

The Company will require a significant amount of cash to service future debt and sustain its operations, and its ability to generate sufficient cash depends on many factors beyond its control

The Company's ability to make payments on, or repay or refinance, any debt (including the Bonds), and to fund working capital and capital investments, will depend on its future operating performance and ability to generate sufficient cash. This depends on the success of its business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors as well as the risks discussed in these "Risk Factors", many of which are beyond the Company's control. The Company cannot assure that its business will generate sufficient cash flow from operations or that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, or to fund its other liquidity needs. The Company cannot give assurance that it will be able to refinance any debt on commercially reasonable terms or at all. Any failure by the Company to make payments on debt on a timely basis would likely result in a reduction of its credit rating, which could also harm its ability to incur additional indebtedness. There can be no assurance that any assets that the Company may elect to sell can be sold or that, if sold, the timing of such sale will be acceptable and the amount of proceeds realized will be sufficient to satisfy its debt service and other liquidity needs.

If the Company is unsuccessful in any of these efforts, it may not have sufficient cash to meet its obligations, which could cause an event of default under any debt arrangements and could result in the debt being accelerated, lending reserves and certain bank accounts being frozen, triggering of cross-default provisions, enforcement of security and the companies of the Company, including the Company, being forced into bankruptcy or liquidation, which could result in an investor losing its investment in the Company's Shares or Bonds in its entirety.

The Company is subject to restrictive debt covenants that may limit the Company's ability to finance its future operations and capital needs and to pursue business opportunities and activities

- The Bond Agreement will restrict, among other things, the Company's ability to:
- incur additional debt and issue guarantees;
- make certain payments, including dividends and other distributions, with respect to outstanding share capital;
- repay or redeem subordinated debt or share capital;
- create or incur certain liens and security arrangements;
- make certain investments or loans;
- sell, lease or transfer assets;
- acquire assets or companies;
- expand into unrelated businesses; and
- merge or consolidate with other entities.

All of these limitations are subject to significant exceptions and qualifications. The Company's compliance with these covenants could reduce its flexibility in conducting its operations, particularly by:

- affecting the Company's ability to react to changes in market conditions, whether by increasing its vulnerability in relation to unfavorable economic conditions or by preventing the Company from profiting from an improvement in those conditions;
- affecting the Company's ability to pursue business opportunities and activities that may be in its interest;
- limiting the Company's ability to obtain certain additional financing in order to meet its working capital requirements, make investments or acquisitions and carry out refinancings; and
- forcing the Company to dedicate a significant portion of its cash flows to payment of the sums due for such loans, thus reducing its ability to utilize its cash flows for other purposes.

The Company's working capital needs are difficult to forecast and may be subject to significant and rapid increases which could result in additional financing requirements that the Company may not be able to obtain on satisfactory terms or at all

The Company is unable to predict with certainty its working capital needs going forward. This is primarily due to possible new acquisitions or divestments of current assets, large capital requirements for general operating expenses, exploration and development expenditures. As the future level of income is also difficult to predict with any certainty due to uncertainties concerning prices for oil and gas and actual production levels, forecasting capital requirements is difficult and subject to substantial uncertainty, which could adversely affect the Company's ability to obtain required funds on satisfactory terms, or at all.

Risk factors (IX)

RISKS RELATING TO THE SHARES AND THE CONTROL BY ONE OR A LIMITED NUMBER OF SHAREHOLDERS

The Company's shares are not listed on a regulated market and a public listing may not take place

The Company's shares are currently not listed on a regulated market and hence, no regular trading in the Company's shares exist. Further, there can be no assurances that such listing, and thereby regular trading in the shares, will take place.

After a public listing, prices and liquidity in the shares may fluctuate substantially

If the Company's shares at some point in the future become lusted on a regulated market place, the price for, and liquidity in, the shares may fluctuate substantially, which in turn may make it difficult for investors to sell and buy the shares at appropriate times, or at all.

Substantial future sales of Company shares by its current or future holders or any future share issuances by the Company could cause its share price to decline

If substantial sales or new issues of shares in the Company takes place, this may have a material negative effect on the value of the shares and hence investors may experience that the value of their investment may be substantially reduced.

If the trigger events for exercise of warrants issued to existing shareholders are triggered, this will have dilutive effect for investors in the Private Placement

The Company will issue warrants to the existing shareholders in the Company ("**Trigger 2 Warrants**") in order to facilitate the economical equivalent to an adjustment of the subscription price in the Private Placement to NOK 253.05, in the event the Company has achieved PDO status on the Grevling license prior to any listing or trade sale. In the event the warrants are triggered, this will have a dilutive effect on the investors in the Private Placement as intended to achieve the same effect as an adjustment to the subscription price.

Shareholders may risk being diluted

New shares in the Company may be issued without pre-emption rights for existing shareholder being applied. Further, certain investors may not be able, due to local laws and regulations or due to a lack of funding, to participate in such share issues even if shares are offered for subscription. In such instances, shareholders may have their shareholdings in the Company substantially diluted without being able to claim any form of compensation for such dilution. See also "Pre-emptive rights may not be available to U.S. or other non-Norwegian holders" below.

Limitations on dividends exists, both from an accounting and a contractual perspective

Due to legal and/or contractual restrictions, the Company may not be able to declare or pay any dividends for the foreseeable future.

The Company's Shares are registered with VPS, which will require all new shareholders to open an account with VPS, which will in turn require compliance with KYC procedures and acceptance by banks of the shareholder as a customer

The Company's shares are registered with the Norwegian electronic securities depository, VPS. This will require all new shareholders, either directly or in the case of foreign shareholders, through a nominee, to establish an account with the VPS, which in turn will require certain "know-your-customer" requirements to be met in order for banks and VPS agents to accept the shareholder as a holder of a VPS account. The Company will not be liable for any shareholders who are not willing or able to meet all such requirements and conditions for the opening and holding of a VPS account.

Holders of the shares that are registered in a nominee account may not be able to exercise voting rights as readily as shareholders whose shares are registered in their own names with the VPS

Beneficial owners of shares who are registered with VPS in the name of a nominee may not be able to vote such shares at the Company's general meetings unless their shares are re-registered in their names with the VPS prior to such general meetings. The Company cannot guarantee that beneficial owners of shares will receive the notice of general meetings in time to instruct their nominees to either effect a re-registration or otherwise vote their shares in the manner as desired by such beneficial owners.

The ability to bring action against the Company may be limited under Norwegian law

The Company is a private limited liability company organized under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights might differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. The Company's directors and executive officers are not residents of the United States, and all of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States (and investors in other jurisdictions) to effect service of process, or otherwise obtain personal jurisdiction, on the Company or its directors and executive officers in the United States (or such other jurisdictions) or to enforce in the U.S. judgments obtained in U.S. courts (or foreign judgments obtained in other jurisdictions) against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any state or territory within the United States or other jurisdictions. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

Risk factors (X)

Pre-emptive rights may not be available to U.S. or other non-Norwegian holders

In accordance with Norwegian law, prior to issuance of any shares for consideration in cash, the Company must offer holders of then outstanding shares pre-emptive rights to subscribe and pay for a sufficient number of shares in order to maintain their existing ownership percentages, unless these rights are waived at a general meeting of shareholders. Holders of shares resident in the United States, and possibly shareholders in other jurisdictions as well, may not be able to receive, trade or exercise pre-emptive rights for shares unless a registration statement in the United States (or similar registrations in other jurisdictions) under the U.S Securities and Exchange Act of 1934 is effective with respect to such rights or an exemption from the registration requirements is available. The Company is currently not subject to any reporting requirements of the U.S. Securities and Exchange Act of 1934, as amended, or any other foreign jurisdiction reporting requirements, and it currently has no intention to subject itself to such reporting and will not undertake any obligation to subject itself to such reporting for the purpose of allowing shareholders in the United States to participate in any issues of financial instruments. If holders in the United States, or possibly shareholders in other jurisdictions, are not able to receive, trade, or exercise pre-emptive rights granted in respect of their shares in any share issues by the Company, then they may not receive the economic benefit of such rights. Any such rights may, at the sole discretion of the Company's Board, be sold on behalf of such shareholders and such shareholders may receive any profits from such sale, but any profit will depend on the prevailing market prices for the pre-emptive rights. In addition, such shareholders' proportionate shareholding in the Company will be diluted.

Transfer of shares is subject to restrictions under the securities laws of the United States and possibly other jurisdictions

The shares have not been registered under the U.S. Securities Act or any state securities laws in the United States or any other jurisdiction outside of Norway, and there are no plans to file for such registration. As such, the shares may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws.

Shareholders outside of Norway are subject to exchange rate risk

The shares are denominated in NOK, and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the shares or price received in connection with any sale of the shares could be materially adversely affected.

The current main shareholder and/or a subsidiary of Bangchak may, alone or jointly, exercise any control over the Company contrary to the interest of other shareholders and as a result a conflict of interest among and between shareholders may occur

In connection with the completion of the Shell Acquisition, BCPR Pte. Ltd ("**PCPR**"), a wholly owned subsidiary of Bangchak, is expected to subscribe for a number of new shares which will make Bangchak a new, significant shareholder of the Company. It is expected that, following such subscription, the current main shareholder and/or BCPR (and thereby Bangchak) may, alone or jointly, by virtue of their shareholding and/or contractual arrangements, exercise control over a range of important matters related to the Company and its business and operations. The interests of shareholders exerting a significant influence over the Company may not in all matters be aligned with the interests of the Company and/or the other shareholders of the Company, and a result a conflict of interest between different shareholders may occur.

Furthermore, the existing shareholders' agreement, and the new shareholders' agreement which shall automatically replace the existing shareholders agreement from the time BCPR becomes a shareholder in the Company, includes certain special rights for the current main shareholder and BCPR, including the right to demand a sale of all the shares in the Company to a third party, in which case the other shareholders have an obligation to participate on the same terms (the "**Drag-along Right**").

The shareholders' agreement entered into between the Company and the shareholders includes transfer restrictions and certain other rights and obligations for the shareholders deviating from relevant background law

The Company and the shareholders have entered into a shareholders' agreement, which will be replaced by a new shareholders' agreement from the time BCPR will become a shareholder in the Company. All shareholders in the Company will have to enter into the shareholders' agreement as a condition for owning shares in the Company and any transfer of shares in the Company also require board consent (not to be unreasonably withheld).

As a consequence of the requirement of accession and adherence to the shareholders' agreement and board approval of transfer of shares, the transferability of the Company's shares is significantly limited. In addition, the existing shareholders' agreement and the new shareholders' agreement includes certain rights and obligations that deviate from relevant background law, including the Drag-along Right for the current main shareholder and BCPR as described above.