



To the bondholders (the "Bondholders") in the following loan agreements (the "Loan Agreements"):

ISIN NO 001033356.0 12% Thule Drilling ASA Callable Bond Issue 2006/2009 (the "First Bond Issue"); and

ISIN NO 001035307.1 11% Thule Drilling ASA Senior Secured Note Issue 2007/2008 (the "Phoenix Note Issue" and, together with the First Bond Issue, the "Bonds").

Oslo 31 May 2010

Proposal (i) to affirm Authorisation of Petition of Bankruptcy of Thule Drilling AS, formerly Thule Drilling ASA ("Thule Drilling" or the "Borrower"), (ii) to consent to the Filing of Bankruptcy of Thule Drilling by individual Bondholders and (iii) to affirm the authorisation of the enforcement against all guarantors of certain personal guarantees - Summons to Bondholder's Meeting

1 BACKGROUND

1.1 Affirm authorization to file for bankruptcy

Norsk Tillitsmann ASA ("NTM" or "Norsk Tillitsmann") was appointed as loan trustee for the benefit of the Bondholders.

All capitalized terms used herein shall have the meaning assigned to them in the Loan Agreements unless otherwise defined herein.

The First Bond Issue was declared by NTM to be in default on 13 March 2009, and the Phoenix Note Issue was declared to be in default on 31 July 2009 and both so remain.

NTM filed for bankruptcy on 29 April 2010. On 25 May 2010 the Asker og Bærum District Court dismissed the filing inter alia due to the fact that the authority of NTM seemed to be too generally formulated pursuant to Clause 15.2 "*The Loan Trustee may at his discretion, on behalf of the Noteholders, take every measure necessary to recover the Loan...*", and that NTM therefore was not authorized specifically to file Thule Drilling for bankruptcy.

NTM believes this interpretation to be wrong and contrary to the former instructions from Bondholders. However, for the avoidance of doubt, NTM hereby proposes that Bondholders affirm NTM's decision to file a bankruptcy petition against the Borrower.

1.2 Consent to filing of bankruptcy by individual Bondholders

In order to facilitate an alternative approach whereby one or more individual Bondholders would file a bankruptcy petition in its own name against the Borrower, NTM hereby proposes that Bondholders consent to the filing of a bankruptcy petition against the Borrower by one or more individual Bondholders in its own name for its own claim, at such time as considered appropriate by NTM and/or the individual Bondholder, subject to an agreement with NTM for assuring the equal treatment of bondholders under the relevant Bond, and that such filing is not contrary to the provisions of the relevant Loan Agreement, including Clause 15.5 which states that individual bondholders may not recover their bonds directly from the Borrower.



1.3 **Costs for bankruptcy**

NTM expects that the funding for the bankruptcy filing and support for the estate administrator will be advanced by certain Bondholders under the First Bond Issue, subject to certain restrictions on use. Such Bondholders may in their sole discretion determine to cease advancing such funds at any time and for any reason. Any such disbursements by those Bondholders will be covered out of any proceeds before any repayment is made under the Bonds and with the same senior priority as NTM's own costs. If the bankruptcy petition is filed by a special purpose vehicle or by an individual Bondholder, such proceeds shall also cover any liability incurred by such party in connection with the bankruptcy.

1.4 **The personal guarantees**

Reference is made to the personal guarantees ("**Guarantee**"), dated 12 June 2008 issued by certain investors (each a "**Guarantor**") in favour of NTM on behalf of the Bondholders whereby the Guarantors undertook on a pro-rata basis the due and punctual fulfilment of the obligations of the Borrower under or in connection with the Loan Agreements, as defined in the Guarantee *inter alia* as follows:

- (a) to pay overdue interest (including any interest on such amounts) due under the Loan Agreements until such interest is paid; and
- (b) to pay interest (it being understood that if the interest is paid the guarantee amount shall be reduced correspondingly).

Clause 1 of the Guarantee states that the aggregate guarantee liability of the Guarantors is limited to US dollars 32 million in respect of the above.

The Guarantee was given in connection with the underwriting agreement dated 12 June 2008 (the "**Underwriting Agreement**"). According to the Underwriting Agreement, the Guarantors undertook to subscribe for new shares and thereby provide the Borrower with funds to be used to serve debt falling due under all three Loan Agreements. Therefore, proceeds recovered under the Guarantee shall be divided on a pro rata basis between the three Loan Agreements. Proceeds will be divided as a function of accrued interest on the three loans during the period [date] to 15 November 2008.

Following the ruling of the Supreme Court of Norway of 7 April 2010, those court proceedings that had already been initiated (i.e. against NorInvest and Silvercoins) have been continued. NTM is now in the process of initiating proceedings against the remaining Guarantors.

Before dividing any proceeds between Bondholders, all costs and expenses incurred by NTM and certain Bondholders when funding NTM's already incurred costs in connection with the already initiated proceedings (against NorInvest and Silvercoins) will be covered. For the avoidance of doubt, NTM has undertaken to cover costs related to the appeal process under the NorInvest arrest petition, and such costs shall therefore not come out of the proceeds.

NTM therefore proposes that Bondholders affirm the authorisation of the enforcement of the Guarantee against all Guarantors.

2 **PROPOSAL**

Norsk Tillitsmann proposes that the following resolution be made by the Bondholders under the First Bond Issue:



First Bond Issue Bondholders affirm NTM's right to file a bankruptcy petition against Thule Drilling AS on behalf of the First Bond Issue Bondholders and on its own behalf as creditor against the Borrower.

First Bond Issue Bondholders consent to the filing of a bankruptcy petition against the Borrower by one or more individual Bondholders in its own name for its own claim, at such time as considered appropriate by NTM and/or the individual Bondholder, subject to an agreement between NTM and the individual Bondholder with the purpose of assuring the equal treatment of Bondholders under the relevant Bond.

First Bond Issue Bondholders affirm the authorization of NTM to continue the enforcement of rights under the Guarantee against any Guarantor, including through any legal proceedings.

First Bond Issue Bondholders confirm that the above named actions are not contrary to the First Bond Issue Loan Agreement.

Norsk Tillitsmann proposes that the following resolution be made by the Bondholders under the Phoenix Note Issue:

The Phoenix Note Issue Bondholders affirm NTM's right to file a bankruptcy petition against Thule Drilling AS on behalf of the Phoenix Note Issue Bondholders and on its own behalf as creditor against the Borrower.

The Phoenix Note Issue Bondholders consent to the filing of a bankruptcy petition against the Borrower by one or more individual Bondholders in its own name for its own claim, at such time as considered appropriate by NTM and/or the individual Bondholder.

The Phoenix Note Issue Bondholders affirm the authorization of NTM to continue the enforcement of rights under the Guarantee against any Guarantor, including through any legal proceedings.

The Phoenix Note Issue Bondholders confirm that the above named actions are not contrary to the Phoenix Note Issue Loan Agreement.

3 BONDHOLDERS' MEETING

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 9 June 2010, at 13:00 (Oslo time),

Place: The premises of Norsk Tillitsmann ASA,
Haakon VII's gt 1, 0161 Oslo - 5th floor

Agenda:

1. Approval of the summons
2. Approval of the agenda
3. Election of two persons to co-sign the minutes together with the chairman
4. Proposal



It is proposed that the Bondholders' meeting resolve the following:

“The Bondholders' meeting approves the Proposal as described in clause 2 in the summons to this Bondholder's Meeting”

To approve the above resolution with respect to a particular Bond, Bondholders holding such Bond representing at least 50 % of such Bond represented in person or by proxy at the meeting for such Bond must vote in favour of the resolution. In order to have a quorum for a particular Bond, at least 2/10 of the voting Bonds of such Bond issue must be represented at the meeting for such Bond.

Please find attached a Bondholder's form (the “**Bondholder's Form**”) from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the beneficial owner of the Bonds, (ii) the aggregate nominal amount of Bonds held and (iii) the account number in VPS on which the Bonds are registered.)

The individual bondholder may authorise Norsk Tillitsmann to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Norsk Tillitsmann to vote, must then be returned to Norsk Tillitsmann in due time before the meeting is scheduled (by scanned email, telefax or post - please see the first page of this letter for further details).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form has been completed, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which NTM accepts as sufficient proof of ownership of the Bonds.

For practical purposes, we request those Bondholders who intend to attend the bondholders' meeting, either in person or by proxy other than to Norsk Tillitsmann, to notify Norsk Tillitsmann by telephone or by e-mail (at set out at the first page of this letter) before 16:00 hours (4 pm) (Oslo time) the banking day before the meeting takes place.

Yours sincerely

Norsk Tillitsmann ASA