

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

To the bondholders in:

ISIN: NO 001 035463.2 - FRN Sea Production Ltd Senior Secured Callable Bond Issue 2007/2019

Oslo, 30 September 2019

Notice of a Written Bondholders' Resolution

1. INTRODUCTION

Nordic Trustee AS (formerly known as Norsk Tillitsmann ASA and Nordic Trustee ASA) (the "**Bond Trustee**") acts as bond trustee for the holders (the "**Bondholders**") of the Senior Secured Callable Bond Issue 2007/2019 (the "**Bonds**") issued by Sea Production Ltd (the "**Issuer**") and guaranteed by Wisdom Shipping (S) Pte. Ltd. ("**Wisdom**").

All capitalised terms used but not otherwise defined herein shall have the meanings assigned to them in the bond agreement for the Bonds (the "**Bond Agreement**") between the Issuer and the Bond Trustee originally dated 9 February 2007 (as amended, restated and/or supplemented from time to time).

The Bond Trustee has issued this request for a Written Resolution under Clause 17.10 (*Written Resolution*) of the Bond Agreement pursuant to a request from the Issuer under Clause 17.1(a) for approval, among other things, of the release of the Bonds.

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable.

Bondholders are encouraged to carefully read this summons in its entirety.

2. SALE OF PUFFIN

2.1 Update

As previously communicated to Bondholders, the Issuer entered into a sale and purchase agreement with Century Energy Services Limited (the "**Puffin SPA**") for the sale of the FPSO Front Puffin and 100% of the shares in Puffin Ltd ("**Puffin**"). The Puffin SPA completed on 13 August

2019 and the proceeds of the Puffin sale (US\$15,000,000) were distributed to Bondholders on 21 August 2019.

3. FUTURE OF THE GROUP

As previously communicated to Bondholders, following the completion of the Puffin SPA, the Issuer has been considering the future of the Group and the position of the outstanding Bonds. The remaining assets of the Group are its shareholding in Wisdom, residual cash and other receivables. Under the terms of the Puffin SPA, the Issuer is required to remain operating for a period of one year following completion (the “**Condition Subsequent Operating Period**”).

The Issuer has resolved to wind up Wisdom on a solvent basis as soon as reasonably practicable with an anticipated wind up date of the end of February 2020 (the “**Wisdom Wind Down**”). The Issuer intends to wind up its own operations on a solvent basis at the end of the Condition Subsequent Operating Period with an anticipated wind up date of the end of August 2020.

The Issuer now intends to seek a release of the balance of the Bonds in full ahead of the winding up of the Issuer. The Issuer will not be in a position to repay the balance of the Bonds in full prior to its winding up and has no remaining material assets but would propose to instead make a final distribution to Bondholders shortly prior to the winding up of the Issuer.

4. PAYMENTS TO BONDHOLDERS

The Issuer has prepared a budget for the ongoing costs of the Group including anticipated winding up costs of Wisdom and the Issuer. Based on the projected winding up costs of the Group, the Issuer intends to shortly distribute US\$1,000,000 to Bondholders as a final payment under the Bond Agreement (the “**Final Repayment**”). The Group has set aside approximately US\$425,000 for its ongoing management costs and the winding up costs of Wisdom and the Issuer.

5. RELEASE OF THE BONDS

As noted above, the Group has insufficient assets to discharge the Outstanding Bonds in full. The Issuer proposes to the Bondholders that the balance of the Outstanding Bonds are released in full as soon as possible following the Final Repayment, which is to be done by way of a call of all Outstanding Bonds at a price set to zero (0) and subsequent discharge all Outstanding Bonds. The proposed call and discharge of the Bonds, if approved by the Bondholders, will:

- (a) result in the discharge of the Bonds;
 - (b) release any and all claims that the Bondholders may have against the Group; and
 - (c) result in the release of all remaining security granted in favour of the Bondholders (as discussed in more detail below),
- (together, the “**Bonds Release**”).

6. REQUIRED CONSENTS UNDER THE BOND AGREEMENT

In order to effect the Wisdom Wind Down and the Bonds Release, certain consents and waivers will be required under the Bond Agreement.

6.1 Release of security

In relation to the Wisdom Wind Down and the Bonds Release, the Issuer requests that the Bondholders authorise the Bond Trustee to:

- (d) release the share charge granted by the Issuer in favour of the Bond Trustee over 100% of the shares in Wisdom;
 - (e) release the Guarantee granted by Wisdom in favour of the Bond Trustee; and
 - (f) release Wisdom and the Issuer from the intercompany loan security deed and subordination deed entered into, between among others, Wisdom, the Issuer and the Bond Trustee,
- (together, items (a) – (c) above, the “**Required Releases**”).

7. CONDITIONS TO CONSENTS

In consideration for, and as a condition to, the Bonds Release and the Required Releases being approved by the requisite majority of the Bondholders, the Issuer:

- (a) shall within 7 days of the adoption of the proposed resolution, distribute \$1,000,000 to the Bondholders; and
- (b) shall agree to provide ongoing cost cover to the Bond Trustee for its and its legal advisers’ fees, costs and disbursements in connection with the matters contained herein and implementing the Bonds Release and the Required Releases,

(together, the “**Bondholder Conditions**”).

Should the Bondholder Conditions not be satisfied at any time prior to the Bonds Release, the Bond Trustee shall be entitled to notify the Issuer that an Event of Default has occurred by giving written notice of the same to the Issuer.

8. PROPOSED RESOLUTION

Based on the foregoing, the Issuer has requested that the Bondholders adopt the following resolution (the “**Proposed Resolution**”):

“Subject to satisfaction of the Bondholder Conditions, the Bondholders:

1. *authorise the Bond Trustee to enter into the Required Releases;*
2. *authorise the Bond Trustee to approve the Bonds Release and instruct the paying agent for the Bonds to call upon and discharge all Outstanding Bonds;*
3. *authorise the Bond Trustee to issue any other direction or instruction, enter into any document, and to take any such steps as are required in order for the Bonds Release to become effective following the date on which the Final Payment is made to Bondholders; and*
5. *enter into and execute any such agreements, letters, powers of attorney, deeds and/or notices necessary or advisable (in the absolute discretion of the Bond Trustee) in order to implement the Required Releases and the Bonds Release,*

such authorisations and instructions to take effects as a Written Resolution.”

9. EVALUATION OF THE PROPOSED RESOLUTION

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate the Proposed Resolution and vote accordingly.

10. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to Clause 17.10 (*Written Resolution*) of the Bond Agreement. For the avoidance of doubt, no Bondholders' meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form at Schedule 1 (the “**Voting Form**”) no later than 7 October 2019 at 13:00 hours (Oslo time) (the “**Voting Deadline**”).

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 17.10 (*Written Resolution*) of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposed Resolution was voted on at a Bondholders' meeting at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that Bonds are transferred to a new owner after votes have been submitted in respect of such Bonds, the new Bondholders shall accordingly not be entitled to submit a vote.



Yours sincerely
Nordic Trustee AS

Enclosed:

Schedule 1: Voting Form

SCHEDULE 1

Voting Form

FRN Sea Production Ltd Senior Secured Callable Bond Issue 2007/2019

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

1. The Proposed Resolution as defined in the Notice of a Written Bondholders' Resolution dated 30 September 2019:

- ☐ **In favour** of the Proposed Resolution
- ☐ **Against** the Proposed Resolution

ISIN NO 001 035463.2	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of _____

We acknowledge that Nordic Trustee AS in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:

Nordic Trustee AS
P.O. Box 1470 Vika

¹ If the bonds are held in custody other than in the VPS, evidence provided from the custodian confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are held, and (iii) the amount of bonds owned.

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