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To the bondholders in:

ISIN NO 0010697485 - 10 per cent Bluewater Holding B.V. 2013/2019

Oslo, 4 April 2017

BLUEWATER HOLDING B.V. | RE-ENGAGEMENT OF AOKA MIZU – NOTICE OF WRITTEN RESOLUTIONS

1. INTRODUCTION

Nordic Trustee ASA, formerly known as Norsk Tillitsmann ASA, (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above-mentioned bond issue (the "**Bonds**" or the "**Bond Issue**") of USD 400 million issued by Bluewater Holding B.V. ("**Bluewater**" or the "**Issuer**") and guaranteed by its parent Aurelia Energy N.V. (the "**Parent**") and various subsidiaries.

The Bond Issue is regulated by the bond agreement entered into between the Issuer and the Bond Trustee on 9 December 2013 as amended and restated on 14 February 2017 (the "**Bond Agreement**"). Capitalised terms used but not otherwise defined herein shall have the meaning assigned to them in the Bond Agreement.

The Bond Trustee has been informed by the Issuer that the matters described below have been discussed between the Issuer and an ad hoc committee of Bondholders holding more than 2/3 of the Outstanding Bonds (the "**Committee**"), who have indicated their support for the proposals contained herein.

The information in this summons regarding the Issuer and the described transactions and the proposal set out in Section 4 (*Written Resolution*) below is provided by the Issuer and the Bond Trustee expressly disclaims all liability whatsoever related to such information.

2. BACKGROUND

2.1 Heads of Terms with Hurricane

The Issuer specialises in the design, development, leasing and operation of floating production, storage and offloading ("FPSO") systems as well as being a provider of single point mooring systems. Despite the headwinds the Group has faced during the recent downturn in the oil and gas market, it has been and continues to be engaged in discussions focused on securing new contracts as well as achieving extensions of existing contracts.

On 29 November 2016, after several months of negotiations, it was announced that Bluewater Energy Services B.V. ("**Bluewater Energy Services**") had reached agreement on heads of terms ("**Heads of Terms**") with Hurricane Energy plc for entering into:

- (i) a bareboat charter contract (the "**Bareboat Charter**") for the use of the vessel "Aoka Mizu" on the Lancaster field, West of Shetland, to be entered into between the Existing Owner (as defined below) as owner and Hurricane Energy Plc and/or a designated subsidiary within the Hurricane Energy Plc group ("**Hurricane**") as charterer in respect of the Aoka Mizu and which (at the same time as a transfer of title of the Aoka Mizu by the Existing Owner to the New Owner (as defined below)) is to be novated by the Existing Owner to the New Owner;
- (ii) an engineering, procurement and construction contract (the "**EPC Contract**") to be entered into between Bluewater Energy Services or another Group Company (as applicable, the "**EPC Contractor**") and Hurricane, under which the EPC Contractor agrees to perform the upgrade works that are necessary to enable Aoka Mizu to achieve first oil and render the FPSO suitable for processing hydrocarbons for a period of ten years ("**Upgrade Work**"), which will be financed by Hurricane in an amount up to USD 300 million;
- (iii) a production, operating and services agreement (the "**POSA**") to be entered into between Hurricane and a company to be incorporated by Bluewater Energy Services or an affiliate thereof;
- (iv) a general first priority (or second priority to the extent the lenders of the Overdraft Facility (as defined below) require first priority (or vice versa in respect of any period if agreed by Hurricane and such lenders)) security assignment in favour of Hurricane, or a security trustee for Hurricane and the lenders under the Overdraft Facility, of all the contracts entered into in connection with the Upgrade Work, and certain insurances, and on substantially the same principles described in Annex 2 of the QEL (the "**Hurricane Assignment**");
- (v) a second priority mortgage (or, if no mortgage is granted to the lenders under the Overdraft Facility, a first priority mortgage) over the Aoka Mizu in favour of Hurricane and on substantially the same principles described in Annex 1 of the QEL (the "**Mortgage**");
- (vi) a letter of quiet enjoyment from the Bondholders in favour of Hurricane substantially in the form attached to this summons as Schedule A (the "**QEL**"); and

- (vii) certain other related agreements (together with the agreements mentioned above, the "Agreements").

Pursuant to the Heads of Terms, each party has granted the other an exclusive right to enter into the Agreements to which both are parties. The exclusivity restrictions placed on both parties will gradually be released until expiry of the exclusivity period at the end of November 2017.

In consideration for the exclusivity undertakings granted by Bluewater Energy Services, Hurricane has committed to pay the sum of USD 500,000 per month from execution of the Heads of Terms until the termination or expiry of the Heads of Terms, provided that no sums shall be payable if the Agreements are executed, the condition precedents are fulfilled and the project proceeds.

The parties intend to execute the Agreements during April 2017. The Agreements (including the QEL) will become effective upon fulfilment or waiver of certain conditions precedents by no later than 30 November 2017, including (i) Hurricane's expected internal approval of the project mid-2017, (ii) Hurricane obtaining financing for the development of the project and (iii) obtaining all relevant regulatory approvals required for the project. Contract obligations under the Bareboat Charter and EPC Contract will commence upon such effectiveness and the operating and maintenance obligations under the POSA will start as of first oil.

Hurricane has the right to terminate the Bareboat Charter and POSA for convenience subject to serving a three (3) months prior written notice during the period of three (3) years from first oil and a six (6) months prior written notice during the two subsequent option periods of 3 years and 4 years respectively, all subject to payment of an early termination fee (the "ETF"). The principal amount of the ETF is USD 56 million, but the calculation of the final ETF amount is subject to adjustment mechanisms taking the remaining contracting period into consideration.

Hurricane will build up and maintain reserve amounts from receipts of crude oil sales (after operating expenditure, capital expenditure and payments to lenders) to cover its liability to meet the ETF. Hurricane will also build up and maintain an escrow bank account up to the maximum amount of USD 18.67 million accruing evenly across the period during the three (3) years from first oil and will for each subsequent option period build up and maintain a bank account in the name of Hurricane with amounts accruing evenly across the period.

Moreover, under the Heads of Terms, Bluewater Energy Services has accepted to use all reasonable endeavours to deliver on certain requests from Hurricane as described in more detail in Section 2.3 (*Bluewater undertakings pursuant to the Heads of Terms*) below. This includes a request for the QEL to be entered into by the Bond Trustee (subject to the approval from the Bondholders of the Proposed Resolution (as defined below)), and to provide the confirmations and undertakings as set out therein. The form of the proposed QEL is attached hereto as Schedule A.

2.2 Business rationale

The Agreements will secure cash flow to the Group for a minimum of three years and potentially up to ten years or more, which will strengthen the Group's financial position and contribute to the Group's ability to continue to meet its operational and financial obligations. The entry into the EPC Contract will also lead to the Aoka Mizu being upgraded to the newest and highest specification FPSO vessel in the Group's fleet and will be financed through a contribution of capex from Hurricane in an amount up to USD 300 million. In addition the entry into of the Charter will save the Group substantial lay-up costs in the conversion period. The EPC Contract will allow the Group to increase utilisation of its engineering and project management staff as well as deploying and monetising its proprietary turret technology.

For further information on the business plan for Aoka Mizu, please see attached presentation included as Schedule B hereto.

2.3 Bluewater undertakings pursuant to the Heads of Terms

As an undertaking in the Heads of Terms, Bluewater Energy Services has accepted to use all reasonable endeavours to procure the performance of the following requests from Hurricane:

2.3.1 *Re-Domiciliation of Aoka Mizu*

At the time of the entry into of the Bond Agreement, the Issuer was contemplating the re-domiciliation of certain Vessels, including the Aoka Mizu, from Curaçao to the Netherlands, to Bluewater (Aoka Mizu) B.V, which is already a subsidiary guarantor under the Bonds.

Hurricane has requested a sale and transfer of Aoka Mizu from today's owner, Bluewater (Aoka Mizu) N.V., incorporated in Curaçao, (the "**Existing Owner**") to Bluewater (Aoka Mizu) B.V, or another newly incorporated B.V. incorporated in the Netherlands (the "**New Owner**"). Such transfer (the "**Re-domiciliation**") is envisaged to be undertaken as soon as reasonably practicable.

The Re-domiciliation is proposed for various business, finance, legal and tax reasons, inter alia, in order to retain the ability to utilise tax losses carried forward, which would otherwise expire.

Under Clause 14.1 (*Release of Subsidiary Guarantors*), the Issuer may request the release of a Subsidiary Guarantor which is no longer a Vessel Owner or Charterer by the delivery of a release request to the Bond Trustee. The Issuer hereby confirms that upon the Re-domiciliation becoming effective, the Existing Owner will no longer be a Vessel Owner or Charterer. Hence, the Issuer may request the release of the Existing Owner as a Subsidiary Guarantor upon completion of the Re-domiciliation in relation to the relevant Vessel. However, following discussions with the Bond Trustee, the Issuer is undertaking to retain the Existing Owner with at least a minimum equity capital, until its solvent liquidation which shall not occur earlier than 12 months from the date of transfer of the Aoka Mizu. It is further agreed that the Existing

Owner shall be released as a Subsidiary Guarantor at the time of such liquidation. As a condition to such release, the Issuer shall provide a confirmation of the due completion of the Re-domiciliation with respect to Aoka Mizu as well as such other documentary evidence thereof as the Bond Trustee may reasonably require.

To the extent Aoka Mizu is sold and transferred to another newly incorporated B.V. in the Netherlands (not being Bluewater (Aoka Mizu) B.V.), such newly incorporated B.V. will before the sale and transfer is concluded provide the Bond Trustee (on behalf of the Bondholders) with a guarantee on the same terms as Bluewater (Aoka Mizu) B.V. has previously provided, as well as such other documents necessary (if any) to provide for such New Owner to have the same rights and obligations under the Finance Documents as the Existing Owner, including such documentation and legal opinions in respect of such newly incorporated B.V. as the Bond Trustee reasonably requires (together, the "**New Owner Guarantee Documents**").

On the basis that the Bond Trustee will receive the New Owner Guarantee Documents, the sale and transfer to a newly incorporated B.V. will not have a Material Adverse Effect and is thus permitted under the Bond Agreement, ref. clause 13.4.8. However, at the request of Hurricane, the Bondholders are for the sake of good order asked to acknowledge and accept such a sale and transfer in the Proposed Resolution.

2.3.2 A new Senior Bank Facility

Capital expenditure for Aoka Mizu will be funded by Hurricane on a cash neutral basis with payment to be made against milestones reflecting expenditure incurred by Bluewater and the development phases of the project. Hurricane will provide to Bluewater an acceptable financial instrument securing its obligations to make these payments.

Hurricane has, however, preliminarily requested that the New Owner and, if required, the EPC Contractor, enter into a cost overrun facility to the EPC Contractor and other facilities to the Group in an amount of up to USD 45 million (the "**Overdraft Facility**"). The Overdraft Facility will, to the extent required, be used to finance any cost overruns in relation to the upgrade work and to provide a performance bond in favour of Hurricane until first oil.

Under clause 13.4.3 (*Financial Indebtedness restrictions*) of the Bond Agreement, the New Owner and Bluewater Energy Services are permitted to hold financial indebtedness defined as "Senior Bank Facilities", which include any "future senior first priority bank facilities from commercial banks or export credit agencies obtained by a Subsidiary of the Issuer and secured by a Vessel other than "Glas Dowl" and "Haewene Brim" (in the present case, the Aoka Mizu), inter alia, to finance any upgrade, repair or lifetime extension related to any Vessel on the basis of new charter contracts (in the present case, the Agreements) with risk allocations not deviating substantially from industry terms for such charter contracts provided that the Vessel may only secure one Senior Bank Facility.

Based on the Issuer's assessment, the agreements with Hurricane have risk allocations not deviating substantially from industry terms for such charter contracts/projects. The Overdraft Facility will thus, in the Issuer's opinion, qualify as a Senior Bank Facility, which for the avoidance of doubt may also be utilised to issue performance bonds in favour of Hurricane also after first oil.

However, although the amount of a Senior Bank Facility has no financial limit under the Bond Agreement, the Issuer is accepting that a limit of USD 45 million be placed on the amount of the Overdraft Facility (and any refinancing thereof).

The New Owner will also be required to grant, amongst other things, a first priority mortgage over the Aoka Mizu to secure the Overdraft Facility. Although clause 13.4.1 (*Negative pledge*) of the Bond Agreement places certain restrictions on the Issuer and its Subsidiaries' ability to grant new security, such restrictions are not of relevance, as any security granted to secure a Senior Bank Facility is permitted.

With respect to the Intercreditor Deed, the Overdraft Facility will constitute a Future Senior Facility (as defined in the Intercreditor Deed) and the Overdraft Facility lenders are expected to accede to and be bound by the terms of the Intercreditor Deed as a Future Senior Finance Party (as defined in the Intercreditor Deed).

On the basis that the Overdraft Facility will constitute a Future Senior Facility, the obligations of the Existing Owner and the New Owner in respect of the Overdraft Facility and any guarantees provided by them in relation thereto will rank ahead of the Bond Subsidiary Guarantees provided by the Existing Owner or the New Owner pursuant to the terms of the Intercreditor Deed. The Bond Subsidiary Guarantee issued by the EPC Contractor will rank *pari passu* with any guarantee issued by it in favour of the Overdraft Facility lenders. The Bond Subsidiary Guarantees issued by the Existing Owner or the New Owner and the EPC Contractor will rank *pari passu* with the obligations towards Hurricane, subject to the terms of the QEL.

The Aoka Mizu currently serves as collateral under the Revolving Credit Facility. The Issuer has agreed with certain of the lenders under the Revolving Credit Facility to extend the maturity of the Revolving Credit Facility, with a reduced commitment, to 31 May 2017 with a view to implementing a longer term extension in due course. However, the Aoka Mizu will be released from the Revolving Credit Facility security as necessary for the Hurricane project.

2.3.3 Consent to the Mortgage, Hurricane Assignment and quiet enjoyment letter from the Bondholders (QEL)

Hurricane has requested Bluewater to obtain the QEL from the Bondholders pursuant to which the Bondholders, *inter alia*, shall (i) consent to the Mortgage and the Hurricane Assignment and (ii) provide certain undertakings not to bring claims against various Group Companies,

including the New Owner, and/or to interfere with Hurricane's quiet enjoyment of the Aoka Mizu.

Summaries of the main terms of the Mortgage and the Hurricane Assignment are attached to the QEL as Annexes 1 and 2.

By this letter to the Bondholders and the Proposed Resolution, the Issuer thus requests that such QEL is resolved entered into by the Bond Trustee on behalf of the Bondholders.

Hurricane has also requested that the lenders under the Project Financing Facility, and the Overdraft Facility when such lenders are determined, issue similar letters of quiet enjoyment in favour of Hurricane.

The Overdraft Facility lenders will, upon acceding to the Intrecréditor Deed, be bound by the terms of the existing Intercréditor Deed in addition to being bound by a quiet enjoyment agreement with Hurricane. In summary, pursuant to the Intercréditor Deed, the Bond Trustee and the Bondholders are in certain circumstances already subject to a standstill during a period of up to 180 days. This means that, in certain circumstances, neither the Bond Trustee nor any of the Bondholders may bring any claim, including any enforcement action, making a call or demand or accept any payment or file a bankruptcy petition, against the New Owner (or any of the other Obligors) or any of their assets (including the Aoka Mizu) during the term of the standstill period unless explicitly permitted under the Intercréditor Deed, such as if any of the agents of the senior lenders have exercised rights of acceleration or taken any enforcement action (with exceptions) or made a call or demand against the above, or provided their consent to the respective enforcement action taken by the Bond Trustee.

2.3.4 Aurelia Guarantee

The Heads of Terms also require the Parent to issue a guarantee in favour of Hurricane securing the obligations of (i) the owner under the Bareboat Charter and (ii) the EPC Contractor under the EPC Contract, which will be in effect until the date when the Aoka Mizu passes the provisional acceptance test (the “**Aurelia Guarantee**”).

The Aurelia Guarantee will be granted by the Parent in relation to obligations incurred by the Existing Owner and the New Owner and the EPC Contractor in the ordinary course of business and is thus permitted under the Bond Agreement, ref. clauses 13.4.3 and 13.4.4. However, at the request of Hurricane, the Bondholders are for the sake of good order asked to acknowledge and accept the issue of the Aurelia Guarantee in the Proposed Resolutions (defined below).

2.3.5 Quiet Enjoyment

Under the QEL, Hurricane has requested an agreement with the Bondholders not to bring claim against the New Owner and/or to interfere with Hurricane's quiet enjoyment of the Aoka Mizu.

Moreover, the QEL will restrict the Bondholders from taking any step to wind up, liquidate, or place in administration or receivership the Existing Owner (during the period prior to transfer of title of the Aoka Mizu by the Existing Owner to the New Owner), the New Owner, the EPC Contractor (during the period prior to final acceptance under the EPC Contract) or Bluewater Services (UK) Ltd, and at any time during the period prior to Final Acceptance the EPC Contractor. For the avoidance of doubt, the QEL will not restrict the Bondholders from taking any enforcement action or taking any step to wind up, liquidate, or place in administration or receivership any other Group Companies (including in particular Bluewater Floating Production B.V., the Issuer or any of the Issuer's direct or indirect shareholders). The quiet enjoyment obligations of the Bondholders will be conditional on the EPC Contract or the Charter not having been lawfully terminated by the EPC Contractor or the owner under the Charter, respectively. The obligations will also fall away if the Aoka Mizu is a total loss and no longer available to its owner or if the title to the Aoka Mizu has been transferred in accordance with an enforcement under the Mortgage.

3. AMENDMENTS

As consideration for, and subject to, the consent of the Bondholders to the Proposed Resolution, as well as the Agreements becoming, and continuing to be effective, certain amendments shall be implemented to the terms of the Bonds as set out below in section 3.1 through 3.3 (together the "**Amendments**").

3.1 Increased coupon (PIK)

The Issuer is proposing to increase the coupon on the Bonds by a PIK (payment in kind) element as follows:

- (i) from the date when the QEL becomes effective, 1.25% per annum ("**PIK Coupon**") shall apply in addition to the Fixed Rate (of 10%);
- (ii) from 1 January 2018, the PIK Coupon of 1.25% shall be increased by a further 0.5% to 1.75 % per annum, and
- (iii) from 1 January 2019, the PIK Coupon of 1.75% shall be increased by a further 0.25% to 2.0 % per annum,

with such PIK Coupon payable through the issuance of additional Bonds at par value and capitalised on each Interest Payment Date.

3.2 Limitations on Aoka Mizu Senior Bank Facility

Further to the description of the Overdraft Facility in section 2.3.2 (*A new Senior Bank Facility*), and in conjunction with the consents requested from the Bondholders as set out herein, the Issuer is proposing to amend the Bond Agreement to reflect that from the time of the

implementation of the Proposed Resolution (as defined below) until the Maturity Date, the Group's ability to raise a new Senior Bank Facility secured with a mortgage over the Aoka Mizu (under Clauses 13.4.3 and 13.4.1, ref. alternative (c) in the definition of "Senior Bank Facilities" in Clause 1.1.) shall be limited to an amount of USD 45 million.

3.3 No change of flag of the FPSO

Further to the description of the Overdraft Facility in section 2.3.2 (*A new Senior Bank Facility*), and in conjunction with the consents requested from the Bondholders as set out herein, the Issuer is proposing to amend the Bond Agreement to include a new undertaking from the Issuer and the Obligors to refrain from a change of flag of the FPSO (which is currently Curacao) without prior written consent from the Bond Trustee.

3.4 Other

The Issuer shall provide the Bond Trustee with copies of the executed Mortgage and Hurricane Assignment including any amendment agreements relating thereto.

The Issuer furthermore undertakes that the executed QEL, Mortgage and Hurricane Assignment will not contain any provisions that will materially be inconsistent with or contravene the terms and principles of the QEL, the Mortgage and/or the Hurricane Assignment as described in Schedule A (including Annexes 1 and 2 of Schedule A) if such inconsistencies or contravention would have an adverse effect on the rights and interests of the Bondholders.

4. WRITTEN RESOLUTION

4.1 The Proposed Resolution

In order to permit the implementation of the Heads of Terms and the Amendments on the indicative terms referred to above, the Issuer proposes that the Bondholders resolve the following (the "**Proposed Resolution**"):

- (i) to approve the QEL substantially in the form set out in Schedule A and authorise and instruct the Bond Trustee to prepare, finalize and enter into the QEL, including making necessary amendments as deemed appropriate, provided that any amendments from the QEL in the form set out in Schedule A shall not, in the opinion of the Bond Trustee, be materially adverse to the Bondholders;
- (ii) if the New Owner is not Bluewater (Aoka Mizu) B.V., and subject to receipt by the Bond Trustee of the New Owner Guarantee Documents, to acknowledge and accept the transfer of title to the FPSO to the New Owner and the assumption by the New Owner of the rights and obligations of the current owner Bluewater (Aoka Mizu) N.V.

under the Finance Documents and authorise and instruct the Bond Trustee to take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the above;

- (iii) to approve the granting by the Existing Owner of the Mortgage and the continuation thereof or grant of an equivalent replacement Mortgage by the New Owner, and authorise and instruct the Bond Trustee to take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the Mortgage;
- (iv) to approve the entry into the Hurricane Assignment in favour of Hurricane, or a security trustee for Hurricane and the lenders under the Overdraft Facility by the relevant Group Company(ies) of all contracts entered into in connection with the Upgrade Work and certain insurance policies on such terms as may be agreed with the lenders to the Overdraft Facility, and authorise and instruct the Bond Trustee to take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the above;
- (v) to acknowledge and accept the issuance by Aurelia Energy N.V. of the Aurelia Guarantee in favour of Hurricane securing the obligations of (i) owner under the Charter and (ii) the EPC Contractor under the EPC Contract, and authorise and instruct the Bond Trustee to take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the above; and
- (vi) to acknowledge and agree the Amendments, and to authorise and instruct the Bond Trustee to take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the above, including an amended and restated Bond Agreement.

The Bond Trustee shall under the Proposed Resolution be authorised to engage in discussions with the Issuer and Hurricane (and other parties as may be applicable) with respect to the final form of any and all of the documents part of the Proposed Resolution which are necessary to document the Proposed Resolution, and take such further actions which are necessary to execute and/or implement the Proposed Resolution.

The Issuer shall also provide the advisers to the Committee with the right to review and reasonably approve the Mortgage as well as any agreement with the Bond Trustee regarding notice or consultation rights as set out in the summary of the Mortgage in Annex 1 to the QEL.

4.2 Written Resolution

Bondholders are hereby provided with a voting request for a Written Resolution pursuant to

Clause 17.5 (*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 C (the "**Voting Form**") no later than 11 April 2017 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of clause 17.5.6 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 (which, for the avoidance of doubt, is 2/3 of the Voting Bonds pursuant to clause 17.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting. For the avoidance of doubt, the Proposed Resolution will not by implication extend to any other matters under or in respect of the Finance Documents.

4.3 Limitations

Save for any amendments which are necessary to implement the Proposed Resolution, the Bond Agreement and any other Finance Document shall continue in full force and effect. Save for those transactions that have been explicitly approved by the Proposed Resolutions, no consent, approval, waiver or concession shall be deemed to have been given by or on behalf of Bondholders and all rights of Bondholders and/or the Bond Trustee in this respect are reserved.

5. FURTHER INFORMATION

For further questions relating to the Proposed Resolution or the Issuer, please contact the Issuer's CFO Koos Frowein at +31 23 711 5500.

6. EVALUATION OF THE PROPOSED RESOLUTION

The Proposed Resolution is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by any of the Bond Trustee, the Parent or the Issuer or any of their respective advisers.

The Issuer has informed the Bond Trustee that the Committee, being Bondholders holding in excess of 2/3 of the Bonds have indicated their support to vote their Voting Bonds in favour of adopting the Proposed Resolution.

The Bondholders must independently evaluate whether the Proposed Resolution is acceptable and vote accordingly.

Yours sincerely

Nordic Trustee ASA



Fredrik Lundberg

Schedule A – Quiet Enjoyment Letter with summary of the Mortgage and the Hurricane Assignment attached

Schedule B – Presentation of business plan for Aoka Mizu

Schedule C – Voting Form

Schedule A – Quiet Enjoyment Letter

Schedule A - Form of letter of quiet enjoyment from the Bondholders

[Nordic Trustee ASA]

To: Hurricane GLA Limited
The Wharf, Abbey Mill Business Park,
Lower Eashing,
Godalming, Surrey GU7 2QN,
Great Britain (the “**Company**”).

[•] 2017

Dear Sirs,

10 per cent Bluewater Holding B.V. Senior Unsecured Bond Issue 2013/1019
- ISIN NO 001 0697485

We refer to:

- (A) the bareboat charter to be entered into between Bluewater (Aoka Mizu) N.V. (the “**Existing Owner**”) as owner and the Company, or an affiliate of the Company) as charterer in respect of the Curacao flag floating production storage and offloading vessel “Aoka Mizu” currently registered in the Curacao shipping register (the “**FPSO**”) and which subsequently (at the same time as a transfer of title of the FPSO by the Existing Owner to Bluewater (Aoka Mizu) B.V. (or another newly incorporated BV incorporated in the Netherlands) (the “**New Owner**”) is to be novated by the Existing Owner to the New Owner (whether before or after such novation, the “**Charter**”);
- (B) the engineering, procurement and construction contract (the “**EPC Contract**”) to be entered into between Bluewater Energy Services B.V. (the “**EPC Contractor**”) and the Company under which the EPC Contractor agrees to perform certain upgrade works;
- (C) the guarantee to be entered into between Aurelia Energy N.V. (the “**Aurelia Guarantee**”) in favour of the Company or an Affiliate thereof, securing the obligations of (i) the Existing Owner and the New Owner under the Charter and (ii) the EPC Contractor under the EPC Contract;

- (D) the general first priority security assignment to be entered into by the Owner and/or EPC Contractor in favour of the Company or an Affiliate thereof, or a security trustee for the Company (or such Affiliate) and the new lenders providing a cost overrun facility to the EPC Contractor and other facilities to the Group (the “**Overrun Lenders**”) of all contracts entered into in connection with the Upgrade Work and the construction all risks insurance policy (the “**Hurricane Assignment**”) on the terms described in Annex 1;
 - (E) the mortgage over the FPSO ranking behind the first priority mortgage to be granted to the Overrun Lenders in favour of the Company to be granted by the Existing Owner and to be continued by or replaced by an equivalent mortgage by the New Owner in favour of the Company or an Affiliate on the terms described in Annex 2 (the “**Second Mortgage**”);
 - (F) the production, services and operating agreement, (the “**POSA Contract**”) to be entered into between Bluewater Lancaster Production (UK) Ltd. (the “**POSA Contractor**”) and the Company under which the POSA Contractor agrees operate and maintain the FPSO, to act as installation operator and duty holder under certain relevant legislation and to provide production services using the FPSO; and
 - (G) the bond agreement relating to the 10 per cent senior unsecured bond issue 2013/2019 originally dated 9 December 2013 (the “**Bond Agreement**”) and made between Bluewater Holding B.V. as issuer and Nordic Trustee ASA (formerly Norsk Tillitsmann ASA) as bond trustee as amended and/or restated from time to time; and
 - (H) the transfer of title to the FPSO to the New Owner, and if the New Owner is not Bluewater (Aoka Mizu) B.V., (i) the assumption by the New Owner of the rights and obligations of the current owner Bluewater (Aoka Mizu) N.V. under the Finance Documents, including the issue by the New Owner of a subsidiary guarantee in the same form as the current owner has provided to the Bond Trustee (the “**Replacement Subsidiary Guarantee**”) and (ii) such other documents necessary (if any) to provide for the New Owner to have the same rights and obligations under the Finance Documents as the existing Subsidiary Guarantors, including such documentation and legal opinions in respect of such New Owner as the Bond Trustee reasonably requires (together, the “**New Owner Guarantee Documents**”).
1. References in this Letter to the Bond Agreement and any security document or agreement in relation thereto (together the “**Finance Documents**”), shall include such documents as amended, supplemented or varied from time to time. References to paragraphs are to paragraphs of this Letter.

2. Words and expressions defined in the Bond Agreement shall unless the context so requires bear the same meaning when used in this Letter.
3. The Bond Trustee confirms that it consents to the execution by the Existing Owner and the New Owner of the Second Mortgage, the execution by the Owner and/or the EPC Contractor of the Hurricane Assignment, and acknowledges and accepts the issue of the Aurelia Guarantee. If the New Owner is not Bluewater (Aoka Mizu) B.V., and subject to receipt of the New Owner Guarantee Documents, the Bond Trustee acknowledges and accepts the transfer of title to the FPSO to the New Owner, without the need for any other documentation or legal opinions as provided for in the Bond Agreement.
4. In consideration of the sum of US\$10.00 and for other good and valuable consideration (receipt and the sufficiency of which the Bond Trustee acknowledges), the Bond Trustee undertakes for itself and on behalf of the Bondholders not (to the extent, if any, the Bond Trustee or the Bondholders would otherwise be entitled to), without the Company's prior written consent (and any such request by the Bond Trustee to grant such consent will be considered in good faith by the Company), but subject as provided in this Letter and subject to this undertaking expiring on the expiry or termination of the charter period under the Charter, to:
 - (a) issue any arrest, detention or similar proceedings against the FPSO in any jurisdiction; or
 - (b) exercise any power of sale or other disposal of the FPSO or of foreclosure to which the Bond Trustee may be entitled or make any application for the sale of the FPSO or any share therein in any part of the world whether by public auction or private treaty or otherwise (excluding, for the avoidance of doubt, any steps to be taken to join in or enforce the Bond Trustee's rights in any arrest proceedings or applications for sale made against the FPSO by any third party, but only insofar as any such proceedings or applications are continuing and not permanently stayed, and subject to the condition that the Bond Trustee shall cease any such action upon the relevant proceedings or application being permanently stayed (and release any arrest, or caveat against release, upon the relevant third party arrest being released) and the Bond Trustee shall notify the Company in writing promptly upon taking or ceasing any such action); or
 - (c) take possession of the FPSO; or
 - (d) appoint a receiver in respect of the FPSO; or
 - (e) take any step to wind up, liquidate, or place in administration or receivership the Existing Owner (during the period prior to transfer of title of the FPSO by the

Existing Owner to the New Owner), the New Owner or Bluewater Services (UK) Ltd, and at any time during the period prior to final acceptance under the EPC Contract) the EPC Contractor, nor commence or continue any analogous proceedings in any jurisdiction (excluding, for the avoidance of doubt, participating, voting, preserving its claims and/or proving in a liquidation commenced by any third party (including for the avoidance of doubt the relevant debtor, and/or its directors and/or its shareholder(s)), but only insofar as any such proceedings are continuing and not permanently stayed, and subject to the condition that the Bond Trustee shall cease any such action upon the relevant proceedings being permanently stayed);

SUBJECT ALWAYS:

- (i) to there not having occurred an event under the Charter or the EPC Contract in consequence of which the owner under the Charter, is entitled to terminate and has terminated the Charter or the EPC Contractor is entitled to terminate and has terminated the EPC Contract each in accordance with its terms;
 - (ii) to the FPSO not having become an actual, agreed, arranged or constructive total loss and being no longer available to the owner of the FPSO; and
 - (iii) to the title to the FPSO not having been transferred in connection with an enforcement of the Second Mortgage
5. The Bond Trustee acknowledges that the Company is not a party to and is not bound by the provisions of any of the Finance Documents.
6. The Bond Trustee acknowledges that the terms of this Letter shall (subject to such beneficiary similarly confirming and consenting to the terms of this Letter) enure to the benefit of:
- (a) the successors and assigns of the Company under the Charter to whom (with the prior written consent of the Bond Trustee) the Company shall be entitled to assign this Letter, provided that no such consent is required in respect of the assignment to any company that is appointed as operator of any part of the Greater Lancaster Area (as defined below); and
 - (b) the successors and assigns of the Bond Trustee and the Bondholders.

For the purposes of this Letter, "**Greater Lancaster Area**" means the area comprising the Lancaster Field, the Halifax Prospect, the Lincoln Prospect and the Warwick Prospect

in circumstances where:

"Lancaster Field" means the accumulation of hydrocarbons (Field Determination for Oil Field 572) located in parts of blocks 205/21a, 205/22 and 205/26b located within UKCS Licence P1368 Central;

"Halifax Prospect" means the accumulation of hydrocarbons within blocks 205/22b, 205/23 and 205/24 within UKCS Licence P2308;

"Lincoln Prospect" means the accumulation of hydrocarbons in block 205/26b within UKCS Licence P 1368 South, (including the Lincoln extension contained in blocks 204/30b and 205/26d within UKCS Licence P2294);

"Warwick Prospect" means the accumulation of hydrocarbons within blocks 204/30b and 205/26d within UKCS Licence P2294 (excluding the Lincoln extension contained in blocks 204/30b and 205/26d); and

"UKCS" means the United Kingdom Continental Shelf.

7. The Bond Trustee confirms that it has been duly authorised to issue this Letter on behalf of the Bondholders and that its issuance conforms with the Bond Agreement and, without limitation, the agency provisions described therein.
8. The terms of this Letter and all non-contractual obligations in connection with it, shall be governed by and construed in accordance with English law. Any dispute or difference arising out of or under this Letter shall be referred to the courts of England to whose exclusive jurisdiction each of the parties hereto irrevocably submits.
9. This Letter and all obligations and rights under it shall terminate on the date upon which the Bond Trustee notifies the Company that all obligations under the Bond Agreement have been repaid or discharged in full.
10. The Bond Trustee hereby irrevocably appoints [•] of [•] as its agent for service of any process issued in connection with this Letter.
11. Please acknowledge your receipt of and your agreement to the terms of this Letter by signing the attached copy where indicated and returning it to us.

Each of the parties signing this Letter intends that the agreement constituted by this Letter shall take effect as a deed notwithstanding the fact that a party may only sign this Letter under hand.

Yours faithfully,

for and on behalf of [•]

We, [•] hereby confirm our agreement to the provisions of this Letter.

Dated:

for and on behalf of [•]

We, [•], for the consideration aforesaid, hereby confirm our agreement to the provisions of this Letter.

Dated:

for and on behalf of [•]

ANNEX 1 – SUMMARY OF HURRICANE ASSIGNMENT

Annex 1 - Summary of Security Assignment

Greater Lancaster Area Development

Aoka Mizu Early Production System

Note: the following is a summary of the assignment provisions contained within the heads of terms. However, the exact terms of the security assignment to be entered into between the parties remains to be agreed. The terms are subject to comment from both Hurricane's and Bluewater's insurance advisors.

1. Parties and Contractual Framework

- (A) Bluewater Energy Services B.V., a Dutch registered company and the contractor under the EPC Contract ("Contractor").
- (B) Bluewater (Aoka Mizu) N.V., a Curaçao registered company and an affiliate of the Contractor operating as a single purpose entity, the owner of the floating storage production and offloading facility (FPSO) Aoka Mizu (the "Owner").
- (C) Hurricane GLA Limited (the "Company"), a company registered in England and a subsidiary of Hurricane Energy plc. The Company and its Co-Venturers are the owners of licence interests in the Greater Lancaster Area, and wish to process oil produced from the Greater Lancaster Area utilising an FPSO to be supplied by the Owner following completion of certain works (Upgrade Works) by Contractor pursuant to the EPC Contract.

Contractor and Owner together are the Assignors under the Assignment Agreement, and Company is the Assignee.

By way of background:

- 1. the "Charter" refers to a bareboat charter to be entered into between the Owner and the Company in relation to the FPSO;
- 2. the "EPC Contract" refers to an engineering, procurement and construction contract in respect of the Upgrade Works to the FPSO to be entered into between the Contractor and the Company;
- 3. the "POSA Contract" refers to a production services and operations agreement in respect of the operation of the FPSO at within the Greater Lancaster Area to be entered into between the POSA Contractor (an affiliate of the Contractor and the Owner) and the Company;
- 4. the "Transaction Documents" means the Charter, the EPC Contract and the POSA Contract;
- 5. "First Oil" refers to the date on which the FPSO has satisfactorily completed the

- Production and Provisional Acceptance Test set out in the EPC Contract; and
6. "Step In Costs" refers to costs incurred by the Assignee in completing the Upgrade Work due to termination of the EPC Contract.

2. Assignments

The purpose of the Assignment Agreement(s) is to transfer the benefit of three groups of documents, together referred to as the "Assigned Property", to the Company as Assignee:

1. "CAR Insurance". This refers to the Construction All Risks insurance policy or policies relating to the FPSO and the Upgrade Works entered into by either of the Assignors in respect of the FPSO. This assignment can by agreement of the parties be replaced with a loss payable clause in order to achieve the same goals as mentioned in clause 3, in which case the words assignee, Assignor, Assignment etc. in this agreement must be read as Loss payee, Loss payable clause, etc.
2. "Upgrade Contracts". This refers to all contracts entered into by the Assignors in connection with the performance of the Upgrade Works on the FPSO. It is expected to include sub-contracts relating to:
 - a. the design and delivery of the Mooring System and Buoy to be deployed at the drill site in the Greater Lancaster Area;
 - b. the design and implementation of works to extend the operational life of the FPSO at the Greater Lancaster Area for ten (10) years from First Oil;
 - c. the transportation of the FPSO to the Greater Lancaster Area; and
 - d. commissioning and acceptance testing of the FPSO at the Lancaster Field.
3. "Owner's Requisition Compensation". This refers to compensation receivable by the Assignors in the event of the requisitioning of the FPSO by any government. Assignment of the Owner's Requisition Compensation is subject to commercial agreement between Bluewater and Hurricane.

It should be noted that the lenders of the Overdraft Facility may require a first priority security assignment over the CAR Insurance and the hull & machinery insurance ("H&M Insurance") depending on the phase of the project (ie pre or post First Oil). Consequently, it is envisaged that a security trustee (appointed on behalf of lenders of the Facility Agreement and the Assignee) will hold the security over the insurances constituted by the Assignment(s) on behalf of both the lenders and the Assignee, with the proceeds of such insurances being allocated in a manner consistent with the principles set out in this Summary, taking account of the lenders' potential requirement of a first priority assignment as mentioned above.

3. Purpose of the Assignment.

The purpose of the Assignment Agreement is to enable the Assignee to take forward the Upgrade Works and deliver the FPSO to the Greater Lancaster Area in the event that the EPC Contract and/or the POSA are terminated or the Company exercises its right to Step In pursuant to the EPC Contract due to for example the insolvency of either or both of the Assignors or due to breach on the part of either Assignor (as defined in the EPC Contract and FPSO Charter).

Through the assignment of the Upgrade Contracts, the Assignee will have the ability to work with any subcontractors to complete the Upgrade Works. The assignment of the CAR Insurance and the Owner's Requisition Compensation (or as the Parties may agree, the entry instead into Loss Payable Clauses for the proceeds of the CAR Insurance to achieve the same goal), is to ensure that the proceeds of any claims under the CAR Insurance policy are passed to the Assignee, which then has an obligation to utilize the funds to complete the Upgrade Works and deliver the FPSO to the Greater Lancaster Area ready to operate.

Without the assignment, in the event of an Assignor's insolvency such that the Assignor being unable to perform its obligations under the Transaction Documents (the Charter, the EPC Contract and the POSA Contract), the *proceeds of any claim would normally be held by the administrators of the insolvent Assignor to meet the debts of the Assignor generally and would not be available to the Assignee to complete the FPSO project.*

4. Warranties and Covenants

Customary warranties and covenants in relation to a Security Assignment are to be included, the form of which remains to be agreed.

5. Secured Obligations of the Assignors

The obligations secured by the Assignment are:

- a. prior to First Oil, the Contractor's obligations (whether actual or contingent) to the Assignee under the EPC Contract following termination of the EPC Contract, including the obligation to pay any Step In Costs; and

- b. post First Oil, (i) the Contractor's obligations (whether actual or contingent) under the EPC Contract following termination of the EPC Contract and (ii) the POSA Contractor's obligations under POSA Contract following termination of the POSA Contract,

in each case where the termination of the EPC Contract and/or the POSA Contract has resulted from breach by the BES parties.

6. Application of Monies

The Assignee will be entitled to retain any monies received under the CAR Insurance or the H&M Insurance where the FPSO is an actual or constructive total loss, to the extent of the amounts paid by the Assignee under the EPC Contract, including all costs of obtaining financing for such payment and interest. In such event, the proceeds of the CAR Insurance or the H&M Insurance will be paid to the Assignee as a function of the Loss Payable Clause in respect of the CAR Insurance policy or the H&M Insurance policy (as the case may be).

Other than following a constructive or actual total loss:

- (i) prior to First Oil and following termination of the EPC Contract or the exercise by the Company of its rights to Step In, as a result of the insolvency of an Assignor or breach of an Assignor, any monies received by the Assignee pursuant to the Assignment are to be applied to performance of the Upgrade Work and/or in satisfaction of any Step In Costs incurred by the Assignee; and
- (ii) although the precise terms upon which insurance proceeds are to be applied after First Oil are to be agreed, in principle it is expected that following termination of the POSA Contract as a result of the insolvency of an Assignor or breach by an Assignor, any sums received by the Assignee pursuant to the Assignment are to be applied to meet (i) any outstanding obligation of an Assignor under the EPC Contract arising due to termination of the EPC Contract and (ii) any liabilities of an Assignor (including the repair of any damage to the FPSO) arising due to the termination of the POSA Contract.

This is in line with the overall purpose of the assignment, to allow the Company, as Assignee to deliver the Greater Lancaster Area project in the event of the insolvency of one or more of the Assignors (or termination of any of the Transaction Documents for other reasons, as outlined in 3 above).

Any monies received under CAR Insurance and the H&M Insurance prior to termination of the EPC Contract and/or POSA Contract (other than where the FPSO is an actual or constructive total loss), shall be applied in accordance with the Loss Payable Clauses (which remain to be agreed) but in principle will provide that (i) the proceeds of the CAR Insurance and H&M Insurance are to be paid to either the Contractor or the POSA Contractor for application in accordance with the terms of the EPC Contract or the POSA Contract as the case may be (or in circumstances where the Assignee is liable/responsible for repairs, to the Assignee) and (ii) the proceeds of the protection and indemnity insurances are to be paid to the party discharging its liability to the claimant third party.

7. Continuing Security

The security created by the Assignment in relation to the Assignee's interest in the construction all risks insurance and the Upgrade Contracts is to remain in effect until the final discharge of (i) any Step In Costs and (ii) the Assignors' obligations under the EPC Contract.

The security created by the Assignment in relation to the Assignee's interest in the Assigned Property other than the construction all risks insurance and the Upgrade Contracts is to remain in effect until the final discharge of the liabilities of the Assignors under the POSA Contract or the Charter (which remains to be agreed).

The Security exists in addition to any other security held by the Assignee in respect of the performance of the EPC Contract and/or the Charter.

The Assignors' liabilities under the Assignment are unaffected by any act or omission of the Assignee which might otherwise operate to discharge or otherwise affect any of the obligations of any of the Assignors under this Assignment.

8. Powers Of The Assignee On An Event Of Default

The Assignee be entitled to exercise its rights as assignee of the Assigned Property only upon termination of the EPC Contract, FPSO Charter and/or the POSA Contract as a result of the insolvency of an Assignor or breach by an Assignor as set out in the EPC Contract and/or POSA.

9. Power of Attorney

Each of the Assignors appoints the Assignee as its attorney-in-fact. The appointment is irrevocable, but expires at the end of the Charter Period. The Assignee may not exercise its powers as an attorney-in-fact unless either the EPC Contract or the POSA Contract (or both) have been terminated.

10. Redemption

After the discharge of the relevant obligations and liabilities referred to in 5 above, the Assignee is to re-assign the right, interest and title in the relevant part of the Assigned Property as exists at that time to the Assignors.

11. Waivers, Remedies Cumulative

The Assignee's rights under the Assignment shall not be waived by any delay or failure by the Assignee to exercise any right or remedy available to it under the Assignment.

The Assignee's rights under the Assignment are in addition to any rights or remedies to which the Assignee is entitled under English law.

12. Successors and Assigns

The Assignors may not assign or transfer any of their rights or obligations under this Assignment. The Assignee may assign its rights under this Assignment to any person to whom the Assignee's rights, or rights and obligations, under the Transaction Documents are assigned or transferred.

13. Governing Law

The Assignment shall be governed by and construed in accordance with English law and any dispute shall be resolved in the English courts.

ANNEX 2 – SUMMARY OF MORTGAGE

Annex 2 - Summary of Principal Commercial Terms for Mortgage

Greater Lancaster Area Development

Aoka Mizu Early Production System

Note: these terms are subject to advice from Counsel in Curacao and the Netherlands.

1. Definitions

Words and expressions defined in the Charter, the EPC Contract and the POSA Contract shall unless the context otherwise requires bear the same meaning when used in this summary.

2. Parties

- (A) Hurricane GLA Limited (the "Company") a subsidiary of Hurricane Energy plc and the owner of the licence interests comprising the Lancaster Field and the Halifax Prospect.
- (B) Initially Aoka Mizu N.V. (the "Existing Owner") and subsequently Aoka Mizu B.V. or a newly incorporated single purpose company acceptable to Company (the "New Owner") (the relevant entity owning the FPSO at any time being referred to as the "Owner").

3. Timing

- (a) The mortgage (the "Mortgage") will be executed by the Existing Owner together with execution of the Relevant Documents (as defined below) which is currently envisaged to be around 14 April 2017. The Mortgage will become legally effective once the Bareboat Charter, the EPC Contract and the POSA Contract (together the "Relevant Documents") become legally effective. In addition, the Mortgage will be subject to the conditions precedent in the Relevant Documents, including Company FID and the Company securing financing for the project.
- (b) The Mortgage (and any other relevant provision of any other Relevant Document based on this summary, and the consultation and notice provisions which will be included in a separate agreement with the Bond Trustee) will be entered into on substantially the same terms as set out in this summary and will be subject to the reasonable approval of the legal advisors to the AHC. The legal advisors to the bondholder committee will be consulted on the drafting with a view to provide their reasonable approval to the agreed form of the Hurricane Mortgage deed and separate agreement on or before the later of (i) the 3rd business day from the date of its receipt and (ii) 7 April 2017.
- (c) When the FPSO is transferred from the Existing Owner to the New Owner, the Mortgage shall either be transferred to the New Owner or be replaced by a corresponding second priority mortgage on the same terms granted by the New Owner.

4. Description

- (a) The Mortgage will be registered, and shall remain registered (until released by the Company) in the Curacao ships registry.
- (b) The Mortgage will be a second priority mortgage ranking behind the first priority mortgage (the "First Mortgage") which it is envisaged that the Existing Owner and the New Owner will grant to the new lenders providing a cost overrun facility (the "Overrun Facility") to the EPC Contractor and other facilities to the Bluewater Group (the "Overrun Lenders").
- (c) In the event the Overrun Facility expires or is repaid in full, and First Oil has been achieved, the New Owner shall be entitled, with the consent of Company not to be unreasonably withheld, to enter into a new first priority mortgage to secure a further facility provided:
 - (i) any new lenders agree to provide a letter of quiet enjoyment to Company on substantially the same terms as the letter of quiet enjoyment provided by the Overrun Lenders; and
 - (ii) any new lenders agree to enter into intercreditor arrangements on substantially the same terms as are set out in section 11 below; and
 - (iii) without limitation to any separate lower limit agreed between Bluewater Holding B.V. and the Bond Trustee, the amount secured by any new first priority mortgage shall not exceed the difference between (a) the fair market value of the FPSO and (b) the Mortgage Amount.

5. Duration

- (a) The Mortgage shall be valid and enforceable from its effective date until all of the Secured Obligations have been settled and discharged in full (the "Security Period"), unless the Mortgage is released early pursuant to paragraphs (b) or (c) below.
- (b) In the event that the Company does not exercise its option to extend the Charter to the First Option Period, the Mortgage shall be released in its entirety at the end of the initial charter period, notwithstanding the fact that the outstanding maximum amount under the Mortgage has not been reduced to zero.
- (c) In the event that Bluewater achieves a "Qualified Refinancing", the Mortgage shall be released in its entirety, notwithstanding the fact that the outstanding maximum amount under the Mortgage has not been reduced to zero. For the purposes of this section 5, a "Qualified Refinancing" means a refinancing or restructuring event in relation to the bonds resulting in:
 - (i) the maturity of the bonds or the new debt instrument refinancing the bonds being extended until 10 December 2022 or a later date;
 - (ii) the net debt/EBITDA ratio of the Bluewater group on a pro forma basis after the Qualified Refinancing being the same or lower as the net

debt/EBITDA ratio of the Bluewater Group prior to the Qualified Refinancing; and

- (iii) the annual cash debt service of the Bluewater Group on a pro forma basis after the Qualified Refinancing being no more than 3.00% higher than the annual cash debt service of the Bluewater Group prior to the Qualified Refinancing,

provided that the lenders under any Qualified Refinancing shall be obliged to provide a quiet enjoyment letter to the Company on substantially the same terms as the quiet enjoyment letter entered into by the Bond Trustee.

6. Mortgage Amount

The maximum amount secured by the Mortgage shall not exceed one hundred Million United States Dollars (US\$100,000,000) and shall decrease from one hundred Million United States Dollars (US\$100,000,000) to Zero United States Dollars (US\$0) on a straight line basis over the period from the date falling two (2) years following First Oil to the end of the First Option Period (being 6 years after First Oil) (the "Mortgage Amount").

7. Obligations Secured

The Mortgage shall secure the obligations of the Existing Owner under the Charter, the New Owner under the Charter as novated to the New Owner and the EPC Contractor under the EPC Contract (the "Secured Obligations"). Without prejudice to the generality of the foregoing, the Mortgage shall secure (in respect of the principal sum, interest thereon and costs):

- (i) the claims in damages that Company may have arising out of or in connection with the Charter and/or the EPC Contract subject to the limitation of liability set out in Clause 30 of the Charter and Clause 36 of the EPC Contract;
- (ii) all claims that Company may have arising out of or in connection with the Charter and EPC Contract for reimbursement and/or payment of Recoverable Step In Costs incurred by Company in completing the Upgrade Work; and
- (iii) the repayment of such amounts as the EPC Contractor and Existing Owner will be obliged to pay in the event the FPSO is not transferred to the New Owner by the agreed date in the Charter, and the Company terminates the Relevant Documents on such grounds. Such amounts shall comprise all payments of the EPC Contract Price [*and such other payments pursuant to the Project Master Agreement*] made by the Company to any of the BES Parties as at the date of termination of the Relevant Documents.

8. Enforcement Events (these enforcement events should be mirrored in the Relevant Documents)

The Mortgage shall only be enforceable upon the occurrence of any of the events in paragraphs (i)–(vi) below following service of a notice in accordance with section 9 below) to the Bond Trustee:

- (i) Failure to Transfer the FPSO: The Company terminates the Relevant Documents by reason of a failure on the part of the Existing Owner to transfer the FPSO to the New Owner and is therefore entitled to a refund of all payments made by Company pursuant to the EPC Contract and/or Project Master Agreement as at the date of termination and the relevant BES Party has not refunded these payments within a period of 45 days after termination.
- (ii) Minimum Liquidity Enforcement: Prior to the completion date of the Upgrade Work, the Company has exercised its right to terminate the EPC Contract and the POSA (but remains the bareboat charterer under the Charter) and:
 - (a) if the termination of the EPC Contract and the POSA occurs prior to First Oil, the Company has notified the EPC Contractor and the Bond Trustee in writing of its intention to complete the Upgrade Work;
 - (b) the Liquidity of Bluewater Holding BV and its subsidiaries tested quarterly is less than the Bond Liquidity Covenant Amount and has remained less than the Bond Liquidity Covenant Amount for a continuous period of at least 20 days. For these purposes, “Bond Liquidity Covenant Amount” means twenty five million United States Dollars (US\$ 25,000,000). For these purposes “Liquidity” shall mean cash, cash equivalents, time deposits, certificates of deposit and amounts available for drawdown under credit lines; and
 - (c) the event in paragraph (ii) (b) is likely in the reasonable opinion of the Company to significantly impair the ability of the EPC Contractor to complete the Upgrade Work or of the Company to use the FPSO for the purposes contemplated in the Charter.

provided, however, that no enforcement will be triggered under this paragraph (ii) if:

- (1) the Company is in default of any of its due and payable payment obligations (such default not having been remedied) under any of the Relevant Documents; and
 - (2) such default is likely, in the reasonable opinion of Bluewater to have caused Liquidity to be below the Bond Liquidity Covenant Amount, when tested¹.
- (iii) Cross payment default under the PFF and Bonds: Any member of the Bluewater Group fails to make any payment of principal or interest under the PFF or the Bond Agreement when due or within any originally applicable grace period or, if longer,

¹ Compliance/testing with liquidity to be agreed between Bluewater and Hurricane.

any other grace period granted by the relevant creditor, and such payment default has not been remedied or waived by the relevant creditor and the Liquidity of Bluewater Holding B. V. and its subsidiaries tested at the time of the payment default is below the Bond Liquidity Covenant Amount (a "Relevant Payment Default"); provided, however, that no enforcement will be triggered under this paragraph (iii) if:

- (1) the Company is in default of any of its due and payable payment obligations (such default not having been remedied) under any of the Relevant Documents; and
- (2) such default is likely, in the reasonable opinion of Bluewater to have caused Liquidity to be below the Bond Liquidity Covenant Amount, when tested,

and furthermore any enforcement under this section 8 (iii) shall be subject to the provisions of section 9 (d) below.

- (iv) Enforcement action: The PFF lenders, the Overrun Lenders or the Bondholders take any formal steps to enforce any security against any of the BES Parties (being, the Existing Owner, the New Owner, the POSA Contractor and BES (but with respect to BES, only in the period prior to final acceptance under the EPC Contract)), Bluewater Floating Production B.V. or Bluewater Services (UK) Ltd held pursuant to the PFF Facility, the Overrun Facility or the Bond Agreement (as the case may be) by reason of default on the part of any member of the Bluewater Group and such enforcement action is not discontinued, stayed, discharged or withdrawn within 30 days of commencement.
- (v) Breach of QEL: The PFF lenders or the Bondholders take any enforcement action that constitutes a breach of the terms of the quiet enjoyment letters entered into by the Bond Trustee or the PFF lenders, respectively.
- (vi) Insolvency: The issue of any bankruptcy or insolvency proceedings against a BES Party (but with respect to BES, only in the period until Final Acceptance), Bluewater Services (UK) Ltd. or Bluewater Floating Productions B.V. in any jurisdiction whatsoever unless such proceedings are discontinued, stayed, discharged or withdrawn within 30 days of commencement, provided that no enforcement right shall be triggered under this paragraph (vi) if the Company is in default of its due and payable payment obligations (such default not having been remedied) under any of the Relevant Documents and such default is, in the reasonable opinion of Bluewater, reasonably likely to have caused the relevant insolvency event.

9. Notice Periods and Consultation

- (a) Upon the occurrence of any of the events specified in section 8, the Company and/or Bluewater shall promptly notify the Bond Trustee, with such written notice to specify the details of the default and the claim on which basis the Company is taking the enforcement action.

- (b) The Mortgage will be enforceable either:
- (i) 15 business days following notice to the Bond Trustee in the case of enforcement under any of the events specified in section 8(i)–(iv); or
 - (ii) 3 business days following notice to the Bond Trustee in the case of enforcement under any of the events specified in section 8(v)–(vi).
- (c) The Company and the Bond Trustee shall at any time following service of a notice pursuant to paragraph (a) above consult in good faith regarding the enforcement action and the Bond Trustee and the Bondholders shall not take any steps to enforce their rights during such notice period.
- (d) In the event of a Relevant Payment Default under section 8 (iii), Bluewater shall:
- (i) promptly notify the Company of any Relevant Payment Default;
 - (ii) (if not already begun) within 5 business days of the Relevant Payment Default, commence discussions in good faith with the Bond Trustee and any ad hoc committee of Bondholders working with the Bond Trustee regarding the proposed solution to the Relevant Payment Default (“Default Discussions”);
 - (iii) notify the Company in writing of the commencement of such Default Discussions (a “Default Notice”) within 5 business days after Default Discussions have commenced (and the Bond Trustee may issue a Default Notice to Hurricane if it is concerned that Bluewater has failed to do so); and
 - (iv) notify the Company promptly in writing as soon as the Default Discussions have ceased (the “Cease Notice”).

For so long as the Default Discussions are continuing, the Bond Trustee and Bluewater undertake to consult with the Company in good faith regarding the status of the Default Discussions.

- (e) Following the occurrence of a Relevant Payment Default, an enforcement of the Mortgage pursuant to section 8 (iii) may not be triggered with respect to the Relevant Payment Default until the date of issuance of a Cease Notice, provided however that an enforcement of the Mortgage pursuant to section 8 (iii) may be triggered with respect to a Relevant Payment Default:
- (i) if the Company becomes aware of a Relevant Payment Default and has not received a Default Notice, and having enquired of both Bluewater and the Bond Trustee regarding the proposed issuance of a Default Notice, the Company has still not received a Default Notice from Bluewater or the

Bond Trustee within the later of 2 business days after having made such enquiry and 5 business days after Default Discussions have commenced; or

- (ii) if the Company becomes aware that Default Discussions have ceased and has not received a Cease Notice, and having enquired of both Bluewater and the Bond Trustee regarding the issuance of a proposed Cease Notice, within 3 business days after making such enquiry the Company has not still received a Cease Notice, unless Bluewater or the Bond Trustee confirm in writing to the Company within that 3 business day period that Default Discussions have in fact not ceased.

10. Sale of FPSO

- (a) In the event the Company enforces its security by way of a sale (whether by judicial sale or otherwise) of the FPSO (save where the enforcement is pursuant to section 8 (i) above), such sale shall be in the discretion of the Company with respect to option (i) or (ii) (i) subject to the bareboat charter between (a) the Existing Owner or the New Owner and (b) the Company (the "Charter") or (ii) on the basis that, to the extent possible, the Company will, as part of the sale, grant the purchaser a new bareboat charter on the same terms as the Charter, for the unexpired period thereof provided that the sale can be effected on either such basis in a manner and within a timeframe that is compatible with the Company's intended use of the FPSO as an early production system at the Greater Lancaster Area from 2019.
- (b) Any sale pursuant to this section 10 shall be conducted based on a full marketing process. Where the sale is affected in a public auction process under the supervision of a court, the marketing process required by the court shall satisfy this requirement.
- (c) Unless a court appoints a valuer for the FPSO, the Company shall appoint a specialist ship sale and purchase broker to provide guidance as to the price achievable for a sale.
- (d) Consideration for the mortgage sale should be exclusively in cash.
- (e) Hugo Heerema and related parties are allowed to purchase the FPSO and/or enter into a new operating agreement with respect to the FPSO as operators if the sale is conducted through a court auction process or other competitive bidding process. If the sale is not conducted through a court auction process or other competitive bidding process, Hugo Heerema and related parties are allowed to place a bid and/or enter into a new operating agreement with respect to the FPSO as operators, subject to Bondholders' prior approval to such intended purchase (acting reasonably in the interest of all of Bluewater's stakeholders) and/or conclusion of a new operating agreement.

11. Intercreditor Arrangements

The intercreditor arrangements in place between any lenders holding a first priority mortgage over the Aoka Mizu and the Company shall acknowledge that the indebtedness secured by the Mortgage shall be subordinated in all respects to the first ranking mortgage, except that the Company shall be permitted to enforce the Mortgage in the circumstances set out in section 8 above, subject always to repayment of the first priority mortgage (if any).

12. Amendments

Without the consent of the Bondholders no amendments shall be made to the Mortgage if such amendments would relate to matters and principles agreed in this summary.

13. Governing Law

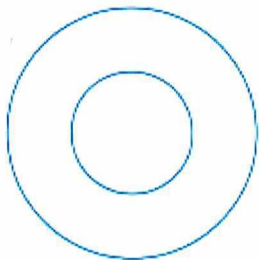
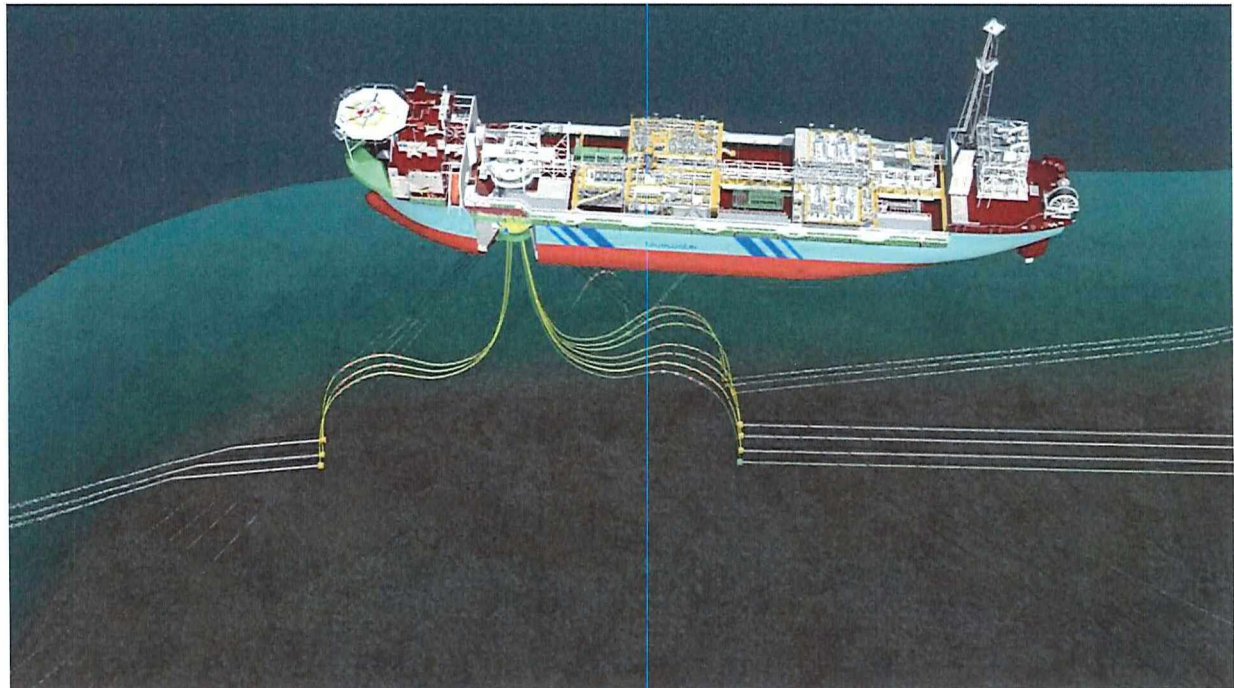
The Mortgage shall be governed by and construed in accordance with the law of Curacao.

Schedule B – Presentation of business plan for Aoka Mizu

Aoka Mizu redeployment

Hurricane – Lancaster Development

Consent request



1. Introduction
2. Conditions set out in the HoT
3. Key commercial terms
4. PFF Lender consent request
5. Bondholder summons
6. Consent Timeline

7. Appendices

1. Introduction

bluewater

- In November 2016, the Company signed Heads of Terms (HoT) with Hurricane towards redeploying the FPSO Aoka Mizu for the Lancaster Field
- Hurricane to fund capex costs (c.\$300m – includes Conversion and Pre-Ops costs)
- The company will generate EBITDA from conversion, lease and operating activities for this project
- FID is expected in Q2/Q3-17 and first oil by end 1H 2019. The Company expects to begin earning revenue by Apr-17 under the EPC contract (through the commitment to long lead items)
- To facilitate financing of the conversion by Hurricane, the company has agreed to *'use all reasonable endeavors'* to fulfill certain conditions. (see next page).
- These items will require certain consents from both PFF as well as Bond lenders. Given Hurricane's decision making timeline, such consent is to be obtained no later than 6 April 2017

2. Conditions set out in the HoT

bluewater

Bluewater to *'use all reasonable endeavors'* to:

1. Arrange the sale and transfer of the AM to an SPV incorporated in the Netherlands free of all mortgages and encumbrances;
2. Arrange the release of the Existing PFF Subordinate Guarantees and the release of all other obligations arising in connection with the Existing PFF;
3. Arrange the release of the Existing Mortgage and all other obligations in connection with the Existing RCF (via maturity, repayment or otherwise);
4. Raise a new \$45m overdraft facility to support the vessel upgrade work (secured by a first priority mortgage over the FPSO);
5. Procure the agreement of the Bond Holders to enter into a Quiet Enjoyment Letter with respect to AM addressing a 2nd Priority Mortgage and assignment of the conversion contracts to Hurricane

3. Key commercial terms

bluewater

The full form documents will be concluded and signed by 14 April, in line with the key points below:

- Term: Firm 3yr FPSO lease + 2 option periods for in total 7 years
- Reimbursable OPEX (cost + margin)
- c. \$300m capex (including pre-ops and mooring) funded by Hurricane

Other terms:

- Pre-ops and mooring equipment payable based on milestones and on a cash neutral basis
- Stand-by rate in case of client delays and force majeure
- Lease rate paid regardless of oil production success / failure

3. Key commercial terms – cont'd

bluewater

Financial impact of the contract

- The EPC phase results in EBITDA in 2017 and 2018 of USD 6.2 mln and USD 23.9 mln respectively. Positive impact on utilisation of engineering and project management staff is foreseen.
- The Lease & Operate phase for the firm initial period results in annual EBITDA of USD 108.8 mln in 2019 and 2020 and USD 123.8 mln in 2021. These amounts include an annual deferred income (non-cash) winding down of USD 67.2 mln.
- Terms for the extension beyond the initial period are in line with 3rd year of operation, i.e. annual cash EBITDA of USD 56.6 mln.

3. Key commercial terms – cont'd

bluewater

Company cash development

- As announced in the Q4 2016 results, the Group's consolidated balance sheet cash position was U.S.\$68m as at 31 December 2016.
- The Group expects to have net operating cash inflow of c. U.S.\$ 91M until February 2018, of which cash neutral operations in Q1 2017, c. U.S.\$25m in Q2 2017, c. U.S. \$ 48 M in Q3 2017 and c. U.S.\$25m in Q4 2017. In the first two months of 2018 a negative operating cash flow is expected from c. U.S.\$ 7 M.
- The forecast is based on:
 - the signing of the 2 new buoy contracts in Q1 and early Q2 2017;
 - the Hurricane project as per outlined time table (Long Lead Items ordered in April and FID being taken before end of June 2017);
 - from Q3 2017 onwards, spread over the remaining forecast period, another 3 SPM buoy projects are assumed to be awarded.
- Average restricted cash is c. U.S.\$ 8 M

4. PFF Consent request

bluewater

1. to approve the QEL substantially in the form as attached to the consent request and authorise and instruct the Security Trustee to prepare, finalize and enter into the QEL;

5. Bondholder summons

bluewater

1. to approve the QEL substantially in the form as attached to the consent request and authorise and instruct the Bond Trustee to prepare, finalize and enter into the QEL;
2. if the New Owner is not Bluewater (Aoka Mizu) B.V., to approve the transfer of title to the FPSO to the New Owner and the assumption by the New Owner of the rights and obligations of the current owner Bluewater (Aoka Mizu) N.V. under the Finance Documentation;
3. to approve the entry into a general first priority security assignment in favour of Hurricane, or a security trustee for Hurricane and the lenders under the Overdraft Facility by the relevant Group Company(ies) and/or the New Owner of all contracts entered into in connection with the Upgrade Work on such terms as may be agreed with the lenders to the Overdraft Facility; and
4. to approve the granting by the New Owner of the Second Mortgage and authorise and instruct the Bond Trustee to take such further actions to complete and give effect to the Second Mortgage.

5. Bondholder summons - amendment

bluewater

Increase the coupon on the Bonds by a PIK (Payment In Kind):

- from the date when the QEL becomes effective, 1.25% per annum and
- from 1 January 2018, 1.75% per annum, and
- from 1 January 2019, 2.00% per annum

6. Consent timeline

bluewater

		Completed by
1.	Agreement on consent documentation	3 April Before 3 pm UK
2.	Pre-agreement reached between Company and AHC	3 April Before 3 pm UK
3.	Cleansing and issue of summons letter to the Bondholders	3 April After 5 pm UK
4.	Issue of consent to PFF	3 April After 5 pm UK
5.	Bond consent received	6 April
6.	PFF consent received	6 April

7. Appendices

7.1 Hurricane – Company Overview

bluewater

The Greater Lancaster Area development is 100% owned by Hurricane.

Hurricane's ownership structure

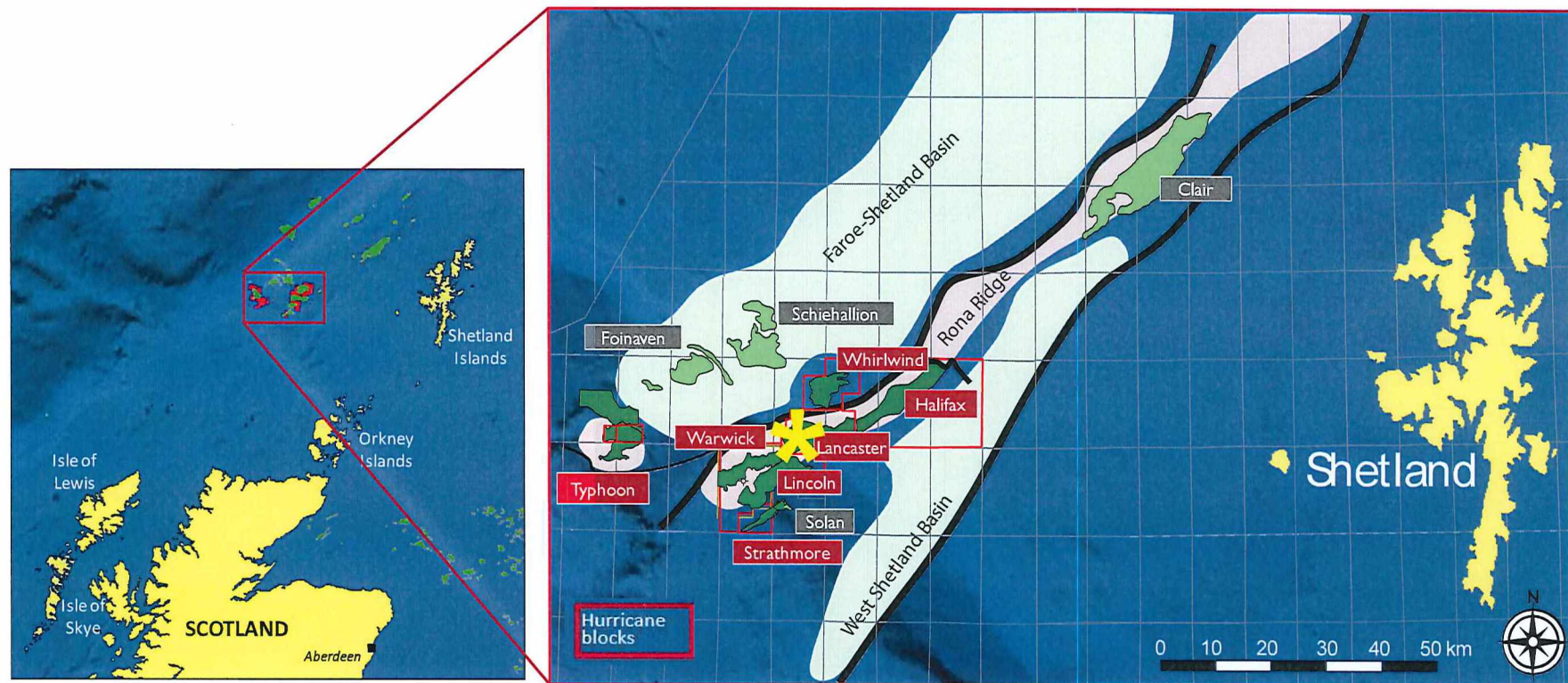
- 29.5 % Kerogen Capital
- 13.0 % Crystal Amber
- Remaining equity is free float / held by management

Recent £74 million fund raising proceeds to be used to fund:

- Lancaster EPS FPSO FEED (the Aoka Mizu)
- Purchasing long lead capital items with a view towards first production
- Further delineation of the Greater Lancaster Area by drilling 2 further wells (Lincoln appraisal and Halifax exploration)

Remaining financing to come from a combination of equity; debt; and/or farm-out. Debt component agreed in principle with lead bank, subject to documentation and credit processes.

7.2 Lancaster Early Production System (EPS)bluewater



- Fractured basement, EPS required as *first phase* of development
- Potential 62 MMboe 1C Contingent Resources, 207 MMboe 2C
- 155 m water depth (+/- 10m)
- Harsh Environment: Wave heights for 100 - Year rp Hs 17.2 m, Hmax 31.5 m

7.3 Lancaster Field – EPS Phase Production Profile **bluewater**



Note: Production profile is Base Case at 100% uptime for EPS phase of development. Actual production will be subject to uptime constraints, expecting to lead to plateau of 17,000 bopd. First production anticipated in H1 2019, not 2018 as indicated on chart.

7.5 Timeline

bluewater



Schedule C – Voting Form

ISIN: NO 001069748.5 – 10 % Bluewater Holding B.V. Senior Unsecured Bond Issue 2013/2019

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

1. The Proposed Resolution as defined in the notice for written resolution dated 4 April 2017

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

ISIN ISIN NO 001069748.5	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 ASA 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 ASA
P.O.Box 1470 Vika
N-0116 Oslo
e-mail: post@nordictrustee.com
Telefax: +47 22 87 94 10

¹ If the bonds are held in custody other than in the VPS, an 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.