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To the bondholders in:

**ISIN NO001 072437.0 - 10.00% Green Dragon Gas Ltd. Senior Secured Callable Bond
Issue 2014/2017**

Oslo, 11 May 2017

SUMMONS TO BONDHOLDERS' MEETING – REQUEST FOR WAIVERS

1. INTRODUCTION

Nordic Trustee ASA acts as trustee (the "**Bond Trustee**") for the bondholders (the "**Bondholders**") in the above mentioned bond issue where Green Dragon Gas Ltd. is the issuer (the "**Issuer**").

All capitalized terms used herein and not otherwise defined herein shall have the meaning assigned thereto in the bond agreement for the Bond Issue dated 19 November 2014 (the "**Bond Agreement**").

The Trustee expressly disclaims all liability whatsoever related to the information in this summons regarding the Issuer, the market conditions and the described transactions .

2. BACKGROUND

For information about the Issuer and its business, please see the reports and presentations and press releases published on www.greendragongas.com.

3. THE PROPOSAL

The Bond Trustee has been requested by Bondholders representing at least 1/10 of the Voting Bonds in accordance with Clause 16.2.1(b) (*Procedural rules for Bondholders' meeting*) of the Bond Agreement to summon a Bondholders' Meeting to consider and resolve the following (the "**Proposal**"):

- (i) Approve to waive:
 - (a) the Interest Coverage Ratio set out in Clause 13.5.2(*Interest Coverage Ratio*) of the Bond Agreement; and
 - (b) the Leverage Ratio (*Leverage Ratio*) set out in Clause 13.5.3 (*Leverage Ratio*) of the Bond Agreement;

in each case for the reporting period ended on 31 December 2015 and 30 June 2016,

- (c) the reporting requirements set out in Clause 13.2.1 (c) and (d) (*Information Covenants*) of the Bond Agreement, in each case for the reporting periods ended on 31 December 2015 and 30 June 2016; and
- (d) the requirement to deliver a Compliance Certificate pursuant to Clause 13.2.3 (*Information Covenants*) of the Bond Agreement confirming compliance with Clause 13.5.2 (*Interest Coverage Ratio*) and Clause 13.5.3 (*Leverage Ratio*), for the reporting periods ended on 31 December 2015 and 30 June 2016.

The granting of such waivers will be subject to, *inter alia*, (i) the delivery by the Issuer of the documents and other evidence to the Bond Trustee as listed below, (ii) certain amendments to be made to the Bond Agreement as listed below and (iii) no other Event of Default having occurred and continuing under the Bond Agreement.

- (ii) Approve to extend the deadline for the Issuer's delivery of:
 - (a) its Interim Accounts for the reporting periods ended on 31 December 2015 and 30 June 2016 pursuant to Clause 13.2.1 (d) (*Information Covenants*) of the Bond Agreement; and
 - (b) the accompanying Compliance Certificate for the reporting periods ended on 31 December 2015 and 30 June 2016 pursuant to Clause 13.2.3 (*Information Covenants*) of the Bond Agreement in respect only of the financial covenants as set out in Clause 13.5.2 (*Interest Coverage Ratio*) and Clause 13.5.3 (*Leverage Ratio*) of the Bond Agreement, in each case to 30 June 2017.

The Issuer shall remain obliged to deliver the Interim Accounts and the Compliance Certificate in respect of the reporting periods as referred to above, confirming that the covenants as set out in Clause 13 (*Covenants*) of the Bond Agreement have been satisfied, with the exception of the Interest Coverage Ratio (Clause 13.5.2 (*Interest Coverage Ratio*)) and Leverage Ratio (Clause 13.5.3 (*Leverage Ratio*)).

Such extensions will be subject to, *inter alia*, (i) the delivery by the Issuer of the documents and other evidence to the Bond Trustee as listed below, (ii) certain amendments to be made to the Bond Agreement as listed below and (iii) no other Event of Default having occurred and continuing under the Bond Agreement.

- (iii) Authorise and instruct the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Proposal, including without limitation to (a) prepare, finalise and enter into the necessary agreements and other documentation deemed appropriate in connection with documenting the decisions made by the Bondholders' Meeting according to this summons (including, but not limited to an amendment and waiver agreement to the Bond Agreement), and (b) for and on behalf of the Bondholders, 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 Proposal, including the granting of waivers, giving of instructions, consents, approvals and directions.
- (iv) Agree that the Bond Trustee may consent and agree to further amendments of the Proposal where such amendments (a) are of minor or technical nature, (b) are otherwise consistent with

the principles of the Proposal, and (c) in the opinion of the Bond Trustee do not have a Material Adverse Effect on the rights and interests of the Bondholders.

- (v) Agree that the Bond Trustee may exercise (or refuse to exercise) any discretion, consent or approval required or contemplated in the exercise (or non-exercise) of any such discretion which is connected with the matters referred to in this summons (including without limitation waive any time periods or deadlines).

To implement the Proposal, the Bond Agreement would be amended as set out in detail below:

1. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of “Change of Control Event” to read:*

““Change of Control Event” means:

- (a) if any person, or group of persons under the same Decisive Influence (other than any person or person controlled directly or indirectly by Mr. Randeep S. Grewal, his immediate family and their respective heirs and successors, including trusts or similar arrangements of which they are individual or collective beneficiaries), obtains Decisive Influence over the Issuer; or*
- (b) a de-listing of the Issuer’s shares from the Main Market of the London Stock Exchange that does not occur in connection with a listing of the Issuer’s shares on another internationally recognised stock exchange; or*
- (c) a sale of all or substantially all of the assets of the Issuer; or*
- (d) a replacement or replacements of a majority members of the Board of Directors of the Issuer.”*

2. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of “EBITDA” to read:*

““EBITDA” means, with respect to the Group for any period (to be calculated on a rolling 12 month basis), Net Income of the Group for such a period plus, to the extent such amount was deducted in calculating such Net Income:

- (1) Net Interest Expense;*
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets); and*
- (3) depreciation expense, amortization expense and all other non-cash items reducing Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Net Income;*

all as determined on a consolidated basis for the Group in conformity with IFRS.”

3. *Clause 1.1 of the Bond Agreement to be amended to include a new definition of “EBITDAX” to read:*

*“**EBITDAX**” means, with respect to the Group for any period (to be calculated on a rolling 12 month basis), Net Income of the Group for such a period plus, to the extent such amount was deducted in calculating such Net Income:*

- (1) Net Interest Expense;*
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets); and*
- (3) depreciation expense, amortization expense and all other non-cash items reducing Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Net Income;*

all as determined on a consolidated basis for the Group in conformity with IFRS; provided that, in the case of any Net Income in relation to the Framework Agreement (consolidated in accordance with IFRS), EBITDAX shall be reduced (to the extent not already reduced in accordance with IFRS) by any payments, distributions or amounts required to be made or paid to China National Offshore Oil Corporation in accordance with the Framework Agreement, or which China National Offshore Oil Corporation has a right or is entitled, pursuant to the Framework Agreement.”

4. *Clause 1.1 of the Bond Agreement to be amended to include a new definition of “EBITDAX Leverage Ratio” to read:*

*“**EBITDAX Leverage Ratio**” means the ratio of Net Interest-Bearing Debt to EBITDAX.”*

5. *Clause 1.1 of the Bond Agreement to be amended effective 30 June 2017 to replace the definition of “Interim Accounts” to read:*

*“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Issuer for the financial quarter ending on 30 June, 30 September and 31 December each year, drawn up according to IFRS.”*

6. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of “Mandatory Prepayment Event” to read:*

*“**Mandatory Prepayment Event**” means if any (direct or indirect) ownership interest in the GSS PSC or any Group Company is sold or otherwise disposed of by any Group Company in a single or a series of transactions.”*

7. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of “Material Subsidiary” to read:*

*“**Material Subsidiary**” means:*

- (a) Greka Exploration and Production Ltd. (incorporated in the Cayman Islands);*
- (b) Greka Energy (International) B.V. (incorporated in the Netherlands);*
- (c) Greka Gas Distribution Limited (BVI), Zhengzhou Greka Gas Co, Ltd (PRC) and Ping Ding Shang Greka Gas Co, Ltd (PRC), provided that any such entity listed in this clause which is sold by the Group will be removed from as a*

Material Subsidiary, provided that (i) such sale occurs on or before 30 June 2017, and (ii) the Group receives Net Sale Proceeds of at least \$10,000,000 in consideration for such sale or sales. Those funds will be applied in pre-payment to the Notes pursuant to Clause 10.4 on or before 30 June 2017."

8. *Clause 1.1 of the Bond Agreement to be amended to insert a new definition of "Net Income" to read:*

*"**Net Income**" means, with respect to the Group for any period, the aggregate of the net income (or loss) of the Group for such period, on a consolidated basis, determined in conformity with IFRS."*

9. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of "Net Sale Proceeds" to read:*

*"**Net Sales Proceeds**" means net cash proceeds (after repayment of any relevant Financial Indebtedness pertaining to the relevant asset) received by the Group upon a sale or disposal of any (direct or indirect) ownership interest in the GSS PSC or any Group Company."*

10. *Clause 1.1 of the Bond Agreement to be amended to replace the definition of "Permitted Financial Indebtedness" to read:*

*"**Permitted Financial Indebtedness**" means:*

- (a) this Bond Issue;*
- (b) the outstanding USD 50,000,000 7% Convertible Bond provided by GIC maturing June 2017;*
- (c) any Reserve Based Lending Facility or any working capital facility provided by one or more Acceptable Banks to the Issuer provided that (i) the principal amount of such Reserve Based Lending Facilities and working capital facilities does not exceed USD 250,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time and (ii) provided that such Reserve Based Lending Facilities or working capital facilities do not benefit from any Security Interest or guarantees or other form of financial support from any Group Company;*
- (d) any unsecured bond issued by the Issuer with (i) no amortization and with maturity date after the Maturity Date of the Bonds, (ii) terms not materially more favourable than the Bonds, and (iii) without any financial support from any other Group Company other than Greka Exploration and Production Ltd.;*
- (e) any guarantee issued (to governments and other third parties) in the ordinary course of business (where guarantees may include performance bonds, standby or documentary letters of credit or other instruments issued by a bank or financial institution and counter-indemnity obligations related thereto);*
- (f) any Financial Indebtedness under any hedging arrangements entered into on market terms and as part of the ordinary course of business of any Group Company and for non-speculative purposes;*

- (g) any Financial Indebtedness under finance or capital leases of vehicles, equipment or computers incurred by any Group Company in the ordinary course of business;
- (h) any Intra-Group Loan extended in the ordinary course of business;
- (i) any refinancing of the Permitted Financial Indebtedness; and
- (j) Financial Indebtedness in the ordinary course of business not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed USD 25,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time."

11. Clause 1.1 of the Bond Agreement to be amended to replace the definition of "Permitted Security" to read:

"Permitted Security" means:

- (a) Security granted in relation to the Permitted Financial Indebtedness permitted under paragraphs (e) and (f) of the definition of Permitted Financial Indebtedness and any refinancing thereof;
- (b) Security granted in relation to this Bond Issue;
- (c) any lien arising by operation of law in the ordinary course of business;
- (d) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (if applicable);
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to any Group Company in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any such Group Company; and
- (f) any cash collateral for existing and future letters of credit relating to exploration, appraisal, field developments, operations and decommissioning."

12. Clause 1.1 of the Bond Agreement to be amended to replace the definition of "Redemption Amount" to read:

"Redemption Amount" means any amount of Net Sales Proceeds received by the Group during the term of the Bonds."

13. Clause 1.1 of the Bond Agreement to be amended to replace the definition of "Reserved Based Lending Facility" to read:

"Reserved Based Lending Facility" means a revolving debt facility that is structured against the cash flows of producing or development of CBM-related assets, on a single asset or portfolio basis."

14. *Clause 1.1 of the Bond Agreement to be amended to include a new definition of “Written Resolution” to read:*

““Written Resolution” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.5 (Written Resolution).”

15. *Clause 10.4 (Mandatory Prepayment) of the Bond Agreement to be amended to read:*

““10.4 Mandatory Prepayment

10.4.1 Upon the occurrence of a Mandatory Prepayment Event, the Issuer shall, on the earlier of (i) sixty (60) days after the Mandatory Prepayment Event and (ii) on or about the day the Net Sales Proceeds are received by the relevant Group Company following the Mandatory Prepayment Event, redeem a principal amount of the Outstanding Bonds on a pro rata basis equivalent to the Redemption Amount (plus interest on the redeemed Bonds).

10.4.2 Upon the receipt by the Issuer or a Group Company of any proceeds from any Permitted Financial Indebtedness incurred by it, redeem a principal amount of the Outstanding Bonds on a pro rata basis equivalent to the amount of the Permitted Financial Indebtedness incurred by the Issuer or the relevant Group Company (plus interest on the redeemed Bonds).

10.4.3 The applicable repayment price in respect of a mandatory prepayment in accordance with Clause 10.4.1 shall be determined in accordance with Clause 10.2 on the basis of the date of the relevant Mandatory Prepayment Event.

10.4.4 If (i) a Mandatory Prepayment Event occurs or (ii) the Issuer or a Group Company receives any proceeds from any Permitted Financial Indebtedness incurred by the Issuer or a Group Company, which does not require the Issuer to redeem 100% of the Outstanding Bonds, each Bondholder shall have the right to decline redemption of the Bonds. To exercise such right, the Bondholders must deliver to the Paying Agent a duly completed and signed notice of election to decline redemption on or before the day falling fifteen (15) days prior to the relevant redemption date. Any amount not applied for redemption of Bonds may be retained by the Group and applied for general corporate purposes.”

16. *Clause 13.2.1 (Information Covenants) of the Bond Agreement to be amended to read:*

““The Issuer shall:

- (a) without being requested to do so, promptly inform the Bond Trustee in writing of any Event of Default, any event or circumstance which could reasonably be expected to lead to an Event of Default and any other event which could reasonably be expected to have a Material Adverse Effect;*
- (b) without being requested to do so, inform the Bond Trustee in writing if the Issuer agrees to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;*
- (c) without being requested to do so, prepare Financial Statements and make them available on its website, in the English language (alternatively by arranging for publication at Stamdata) as soon as they become available, and not later than*

hundred and eighty (180) days after the end of the financial year (or such earlier date if needed in order to comply with any listing rules applicable to the Issuer);

- (d) without being requested to do so, prepare Interim Accounts and make them available on its website in the English language (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than ninety (90) days after the end of the relevant period. (in order to comply with any listing rules applicable to the Issuer);*
- (e) at the request of the Bond Trustee, report the balance of the Issuer's Bonds;*
- (f) without being requested to do so, send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;*
- (g) if the Bonds are listed on an Exchange, without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange;*
- (h) without being requested to do so, inform the Bond Trustee of (i) changes in the registration of the Bonds in the Securities Depository (however, the Bond Trustee is entitled to receive such information from the Security Depository or Paying Agent directly) and (ii) the terms and recourse of any convertible bonds which are then currently outstanding;*
- (i) upon the occurrence of a GSS PSC Cancellation Event promptly inform the Bond Trustee of such event and provide information on whether such GSS PSC Cancellation Event may (i) have a Material Adverse Effect and /or (ii) constitute an Event of Default, the Bond Trustee shall notify the Bondholders of such GSS PSC Cancellation Event;*
- (j) deliver to the Bond Trustee (and to the legal advisers to any Bondholder upon request from such Bondholder) copies of any PSC and/or any material agreement entered into by any Group Company, and upon the entry into of any PSC and/or any material agreement, immediately deliver a copy thereof to the Bond Trustee;*
- (k) without being requested to do so, inform the Bond Trustee in writing of any Permitted Financial Indebtedness; and*
- (l) within a reasonable time, provide information about the Issuer's business, assets, and financial condition as the Bond Trustee may reasonably request."*

17. *Clause 13.2.3 of the Bond Agreement to be amended to read*

““The Issuer shall in connection with the publication of its financial reports under Clause 13.2.1(c) and (d) and no later than ten (10) Business Days following such publication, confirm to the Bond Trustee in writing the Issuer's compliance with the covenants in this Clause 13 and, for informational purposes for the financial periods ending on 31 March 2017 and 30 June 2017 only the EBITDAX Leverage Ratio, unless the Bond Trustee explicitly waives such requirement. Such confirmation shall be undertaken in a certificate, substantially in the form set out in Attachment 1 hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a “Compliance Certificate”). In the event of non-compliance, the Compliance Certificate

shall describe the non-compliance, the reasons therefore as well as the steps which the Issuer has taken and will take in order to rectify the non-compliance.”

18. *Clause 13.4.1 (Dividend restrictions) of the Bond Agreement to be amended to read:*

- “(a) The Issuer shall not (and shall procure that its Subsidiaries shall not (other than in accordance with Clause 13.4.7)) declare and/or make any dividend payment, repurchase of shares and/or make any loans and/or other equity or capital distributions and/or payments to its shareholders (including servicing of shareholder loans), whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a “Distribution”), unless (in the event of the Issuer):*
- (i) no Event of Default is outstanding or threatened;*
 - (ii) the Liquidity is minimum USD 25,000,000;*
 - (iii) the Leverage Ratio is less than 1.50x, calculated giving pro forma effect to the Distribution based on the most recent Financial Statements or Interim Accounts (as the case may be), which pro forma testing shall be made prior to making the relevant Distribution; and*
 - (iv) for the financial period ending on 30 September 2017 and any subsequent financial period, the EBITDAX Leverage Ratio is less than the level agreed by the Issuer and the Bond Trustee on or before 30 June 2017 for these purposes in accordance with Clause 13.5.4, calculated giving pro forma effect to the Distribution based on the most recent Financial Statements or Interim Accounts (as the case may be), which pro forma testing shall be made prior to making the relevant Distribution.*
- (b) In the event that the Issuer and the Bond Trustee fail to agree the level for the EBITDAX Leverage Ratio level for the purposes of this Clause 13.4.1(a)(iv) on or before 30 June 2017, then the Issuer shall not (and shall procure that its Subsidiaries shall not (other than in accordance with Clause 13.4.7)) declare and/or make any Distribution on or after 30 June 2017.”*

19. *Clause 13.4.3 (Disposal of assets) of the Bond Agreement to be amended to read:*

- “(a) Without prejudice to paragraph (b) and (c) below, the Issuer shall ensure that no Group Company shall novate, transfer, sell, lease, licence, assign or otherwise dispose of any beneficial, economic or other interest in any of its property or assets in one transaction or a series of related transactions to any person unless:*
- (i) no Event of Default is outstanding or threatened as a result of such novation, transfer, sale or disposition;*
 - (ii) the transaction is carried out at a fair market value, on terms and conditions customary for such transactions;*
 - (iii) such transaction does not have a Material Adverse Effect;*

- (iv) *any proceeds from such novation, transfer, sale or disposal is used for (A) repayment of unsubordinated Financial Indebtedness of the Issuer or any Subsidiary owing to a person other than the Issuer or any Subsidiary or (B) reinvestment in other assets comparable or superior as to type, value and quality; and*
- (v) *if applicable, the Bonds are partially or fully redeemed in accordance with Clause 10.4 above.*
- (b) *Subject to paragraph (c) below, the Issuer shall ensure that no Group Company shall novate, transfer, sell, lease, licence, assign or otherwise dispose of any beneficial, economic or other interest in any PSC and/or any minority shareholding interest in one transaction or a series of related transactions to any person without the prior written consent of the Bondholders."*
- (c) *The Issuer may dispose of its ownership interests in any of Gas Distribution Limited (BVI), Zhengzhou Greka Gas Co, Ltd (PRC) and Ping Ding Shang Greka Gas Co, Ltd (PRC), provided that (i) such novation(s), transfer(s), sale(s) or disposal(s) occurs on or before 30 June 2017, and (ii) the Net Sale Proceeds of such novation(s), transfer(s), sale(s) or disposal(s) is at least USD 10,000,000. For the avoidance of doubt, a sale of any ownership interest in Gas Distribution Limited (BVI), Zhengzhou Greka Gas Co, Ltd (PRC) and Ping Ding Shang Greka Gas Co, Ltd (PRC) following 30 June 2017 shall not be permitted.*

20. *Clause 13.4.6 (Financial support restrictions) of the Bond Agreement to be amended to read:*

- "(a) The Issuer shall not, and shall ensure that no other Group Company shall, make any capital contribution, purchase or acquire any shares, debt or other securities or grant any loans, guarantees or other financial assistance (including, but not limited to granting of Security) to or for the benefit of any third party or other Group Company other than in relation to the Bonds.*
- (b) The Issuer shall not, and shall procure that no Subsidiary shall, acquire any assets or property of any person, other than assets and property that constitute substantially a division or line of business of the Issuer at the date of this Agreement."*

21. *A new Clause 13.4.12 (Acquisitions) shall be inserted in the Bond Agreement with the following wording:*

"The Issuer shall not, and shall procure that no Group Company shall:

- (a) acquire (or enter into any arrangements equivalent to an acquisition of) any company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or*
- (b) incorporate a company,*

without the prior written consent of the Bondholders."

22. A new Clause 13.5.4 (EBITDAX Leverage Ratio) shall be inserted into the Bond Agreement with the following wording:

- “(a) The Issuer undertakes to agree with the Bond Trustee, on or before 30 June 2017, the levels of the EBITDAX Leverage Ratio to be maintained by the Group from 30 September 2017 in accordance with Clause 13.5.4(b) and the level of the EBITDAX Leverage Ratio for the purpose of Clause 13.4.1(a)(iv).*
- (b) From 30 September 2017, the Issuer shall ensure that the Group maintains an EBITDAX Leverage Ratio not exceeding the levels agreed for that purpose pursuant to Clause 13.5.4(a).”*

Also, Clause 13.5.4 (Minimum Liquidity) shall be renumbered to Clause 13.5.5 (Minimum Liquidity), Clause 13.5.5 (Calculations) shall be renumbered to Clause 13.5.6 (Calculations) and Clause 13.5.6 (Equity Cure) shall be renumbered to Clause 13.5.7 (Equity Cure).

23. Clause 13.5.7 (Equity Cure) of the Bond Agreement to be amended to read:

“If the Issuer fails (or would otherwise fail) to comply with any Financial Covenants for any Measurement Period, and the Issuer receives cash proceeds in the form of new equity (the “Cure Amount”) prior to delivery of the Compliance Certificate for such Measurement Period, then such Financial Covenant shall be recalculated after giving effect to the following pro forma adjustments:

- (a) Equity Ratio: Total Equity and Total Assets shall each be increased by an amount equal to the Cure Amount;*
- (b) Liquidity: the Liquidity shall be increased by an amount equal to the Cure Amount;*
- (c) Interest Coverage Ratio: if and only to the extent that the Cure Amount has been applied in prepayment of the Bonds, the Cure Amount shall be deducted from Net Interest-Bearing Debt on the first day of the Measurement Period for which a cure is to be made and the Net Interest Expense will be recalculated to reflect the prepayment of the Bonds from the Cure Amount, for the Measurement Period and the following Measurement Period (in each case assuming that the prepayment has been made at the start of the first Measurement Period); and*
- (d) Leverage: if and only to the extent that the Cure Amount has been applied in prepayment of the Bonds, the Cure Amount shall be deducted from the calculation of Total Interest-Bearing Debt,*

and if, after giving effect to the foregoing recalculations, the Issuer is in compliance with the requirements of all Financial Covenants, the Issuer shall be deemed to have satisfied the requirements of such Financial Covenants in such Measurement Period as though there had been no failure to comply with such requirement, and the applicable breach or default of such Financial Covenants which had occurred shall be deemed to have been cured.

This Clause 13.5.6 may only be applied up to a maximum of four (4) times during the term of the Bonds.”

24. *Clause 16.2.4 of the Bond Agreement to be amended to read:*

“The summons to a Bondholders’ Meeting shall be dispatched no later than five (5) Business Days prior to the date of the Bondholders’ Meeting. The summons and a confirmation of each Bondholder’s holdings of Bonds shall be sent to all Bondholders registered in the Securities Depository at the time of distribution. The Exchange shall also be informed if the Bonds are listed.”

25. *Clause 16.3.5 of the Bond Agreement to be amended to read:*

“A majority of at least 2/3 of the Voting Bonds represented at the Bondholders’ Meeting is required for any waiver or amendment of any terms of this Bond Agreement and/or for the agreement, pursuant to Clause 13.5.4, of the levels of the EBITDAX Leverage Ratio to be maintained by the Group from 30 September 2017 in accordance with Clause 13.5.4(b) and the level of the EBITDAX Leverage Ratio for the purpose of Clause 13.4.1(a)(iv).”

26. *A new Clause 16.5 (Written Resolutions) shall be inserted into the Bond Agreement with the following wording:*

“16.5 Written Resolutions

16.5.1 Subject to the provisions in this Bond Agreement, anything which may be resolved by the Bondholders in a Bondholders’ Meeting pursuant to Clause 16.1 (Authority of the Bondholders’ Meeting) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders’ Meeting, and any reference in any Finance Document to a Bondholders’ Meeting shall be construed accordingly.

16.5.2 The person requesting a Bondholders’ Meeting may instead request that the relevant matters are to be resolved by a Written Resolution only, unless the Bond Trustee decides otherwise.

16.5.3 The summons for the Written Resolution shall be sent to the Bondholders through the Securities Depository and published at the Bond Trustee’s website, or other relevant electronic platform or via press release.

16.5.4 The provisions set out in Clause 16.1 (Authority of the Bondholders’ Meeting), 16.2 (Procedure for arranging a Bondholder’s Meeting), Clause 16.3 (Resolutions passed at Bondholders’ Meetings) and Clause 16.4 (Repeated Bondholders’ Meeting) shall apply mutatis mutandis to a Written Resolution, except that:

(i) the provisions set out in paragraphs of Clause 16.2.8, Clause 16.2.10 and Clause 16.2.11; or

(ii) provisions which are otherwise in conflict with the requirements of this Clause 16.5 (Written Resolution),

shall not apply to a Written Resolution.

16.5.5 *The summons for a Written Resolution shall include:*

1. *instructions as to how to vote in relation to each separate item in the summons (including instructions as to how voting can be done electronically if relevant); and*
2. *the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "Voting Period"), such Voting Period to be at least three (3) Business Days but not more than fifteen (15) Business Days from the date of the summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 16.4 (Repeated Bondholders' Meeting) shall be at least five (5) Business Days but not more than fifteen (15) Business Days from the date of the summons.*

16.5.6 *Only Bondholders of Voting Bonds registered with the Securities Depository on the relevant record date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee, will be counted in the Written Resolution.*

16.5.7 *A Written Resolution is passed when the requisite majority set out in Clause 16.1 (Authority of Bondholders' Meetings) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may not be passed if the sufficient number of negative votes is received prior to the expiry of the Voting Period.*

16.5.8 *The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.*

16.5.9 *If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in Clause 16.3 (Resolutions passed at Bondholders' Meetings) and Clause 16.4 (Repeated Bondholders' Meeting)."*

27. *Attachment 1 (Compliance Certificate) to the Bond Agreement to be amended in the form set out in Schedule 1 to this Summons.*

The Proposal shall be effective on the date (the "**Effective Date**") on which each of the following conditions precedent have been satisfied (or waived), as determined by the Bond Trustee (however so that the Effective Date has to occur no later than on 30 May 2017 (or such later date as agreed by the Bond Trustee)):

- (i) confirmation from the Bond Trustee to the Issuer of a due approval by the necessary 2/3 majority of Voting Bonds represented at the Bondholders' Meeting, as per Clause 16.3.5 (*Resolutions passed at Bondholders' Meeting*) of the Bond Agreement;
- (ii) an amendment and waiver agreement to the Bond Agreement duly documenting the resolutions of the Bondholders' Meeting and duly executed by the Issuer, all other Obligor and any other person being a party to any document creating a Security Interest in favour of

the Bond Trustee as well as any Security Documents to be issued in accordance with the Proposal duly signed by the relevant parties thereto;

- (iii) the delivery to the Bond Trustee of any legal opinions as may be reasonably required by the Bond Trustee in relation to the implementation of the Proposal and confirming, *inter alia*, the due execution by the parties thereto of the amendment and waiver agreement referred to in item (ii) above;
- (iv) all necessary corporate resolutions of all the parties (except the Bond Trustee) to the amendment and waiver agreement referred to in item (ii), above, having been duly made and delivered to the Bond Trustee;
- (v) repetition of all representations and warranties in Clause 7 of the Bond Agreement (as amended) on the date of any amendment agreement and on the Effective Date;
- (vi) payment by the Issuer of any costs and expenses of the Bond Trustee in accordance with Clause 14 (*Costs and expenses*) of the Bond Agreement or any fee letter made between the Bond Trustee and the Issuer;
- (vii) payment of certain Bondholders reasonable legal costs and expenses incurred in connection with the amendments and waivers under the Bond Agreement as set out in these summons;
- (viii) delivery to the Bond Trustee (and to the legal advisers to any Bondholder upon request from such Bondholder) of copies of all PSC and other material agreements or licences to which any Group Company is a party;
- (ix) delivery to the Bond Trustee (and to the legal advisers to any Bondholder upon request from such Bondholder) of copies of all documentation relating to the 7% Convertible Bond provided by GIC; and
- (x) a copy of any other document, opinion or assurance which the Bond Trustee considers to be necessary or desirable in connection with the Proposal and the amendments and waivers to the Bond Agreement and/or any of the other Finance Documents.

4. THE BOND TRUSTEE'S DISCLAIMER

The Proposal 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 the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

5. SUMMONS FOR BONDHOLDERS' MEETING

Bondholders are hereby summoned to Bondholders' Meeting:

Time: 30 May 2017 at 13:00 Oslo time
Place: The premises of Nordic Trustee ASA
Haakon VII's gate 1 – 6th floor, Oslo, Norway

Agenda:

1. Approval of the summons

2. Approval of the agenda
3. Election of two people to co-sign the minutes together with the chairman
4. Request for adoption of the Proposal

It is proposed that the Bondholders' Meeting under agenda item 4 resolve the following (the "**Resolution**"):

The Bondholders' Meeting approves the Proposal as set out in section 3 of the summons for these Bondholders' Meeting.

To approve the Resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of the Resolution. In order to form a quorum, at least 1/2 of the Voting Bonds must be represented at the Bondholders' Meeting.

Please find attached hereto a Bondholder's Form from the Securities Depository (VPS), which indicates 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 the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm: (i) the owner of the Bonds, (ii) the aggregate nominal amount of the Bonds; and (iii) the account number in VPS on which the Bonds are registered.

The individual Bondholder may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post).

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

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (mail@nordictrustee.no) within 16:00 hours (4:00 pm) (Oslo time) the Business Day before the Bondholder Meeting takes place.

Yours Sincerely,

Nordic Trustee ASA


Fredrik Lundberg