

Securities Note

OKEA ASA senior secured callable USD 150,000,000
bonds 2019/2024

NO0010869175



Global Coordinator and Joint Bookrunner:



Joint Bookrunner:



19.06.2020

Important notice

This Securities Note, has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (Finanstilsynet), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the securities that are the subject of this Securities Note. The investors should make their own assessment as to the suitability of investing in the securities.

The Securities Note has been prepared in connection with the listing of the Bonds on Oslo Børs. This Securities Note together with the Registration Document and if applicable a Summary constitutes the Prospectus. The Prospectus is valid for a period of up to 12 months following its approval by the Norwegian FSA on 19th June 2020. New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the securities. Such information will be published as a supplement to the Securities Note to Regulation (EU) 2017/1129. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

Only the Issuer and the managers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note may be limited by law, for example in the United States of America or in the United Kingdom. Verification and approval of the Securities Note by Norwegian FSA implies that the Securities Note may be used in any EEA country. No other measures have been taken to obtain authorisation to distribute the Securities Note in any jurisdiction where such action is required. Persons that receive the Securities Note are ordered by the Issuer and Manager to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy Bonds.

The content of the Securities Note does not constitute legal, financial or tax advice and Bond owners should seek legal, financial and/or tax advice.

Contact the Issuer to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bond

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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1. Risk factors

All investments in interest bearing securities have risk associated with such investment. The risk is related to the general volatility in the market for such securities, varying liquidity in a single bond issue as well as company specific risk factors. The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds. An investment in the Bonds entails significant risks and is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of its investment.

The main risks, in the view of the Issuer, related to these specific bonds are described below. Risks related to the Issuer are described in the Registration Document, dated 19.06.2020.

Credit risk

Credit risk is the risk that the Issuer fails to make the required payments under the Bonds (either principal or interest) pursuant to the obligations in the Bond Terms. In case of a bankruptcy, the bondholder risk losing its entire investment, and settlement of any potential dividend will not take place until the bankruptcy proceedings have been completed.

Potential exercise of call options

The Bond Terms will provide that the Bonds shall be subject to optional redemption by the Company at their outstanding principal amount, plus accrued and unpaid interest, plus in some cases a premium calculated in accordance with the terms and conditions of the Bond Terms. It may not be possible for the holders of Bonds to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

Redemption of Bonds

Upon the occurrence of specific change of control or other put option events affecting the Company, the Bondholders will have a right to require the Company to redeem the Bonds at 101% of their principal amount, plus accrued and unpaid interest. The Company's ability to repurchase the Bonds upon such a change of control event may be limited by the Company's access to funds at the time of the redemption and the Company's other debt agreements.

Mandatory prepayment events

In accordance with the terms and conditions of the Bond Terms the Bonds will be repaid at the scheduled instalment, and are as well subject to mandatory prepayment (on similar terms as the call options) upon the occurrence of certain events. Following an early redemption Bondholders may not be able to reinvest in financial instruments with an equivalent rate of interest and may only be able to do so at a significantly lower rate.

Trading market situation

There is no existing market for the Bonds, as they will constitute new securities, and there can be no assurance given regarding the future development of a trading market for the Bonds. Even though the Company will apply for listing of the Bonds on the Oslo Stock Exchange, the Company has not entered into any market making scheme for the Bonds and potential investors should note that it may be difficult or even impossible to trade and sell the Bonds on the secondary market, and the Bonds may not be readily accepted as collateral for loans or other liabilities.

Purchase and transfer restrictions

While the Bonds are freely transferable and may be pledged, Bondholders will be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business or similar), including, but not limited to, specific transfer restrictions

applicable to Bondholders located in the United States. Each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.

Trading price

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Bonds, and the subordinated nature of the Bonds may add to such volatility. Any such disruptions could adversely affect the prices at which investors may sell their Bonds. In addition, subsequent to their initial issuance, the Bonds may trade at a discount from their initial placement, depending on the prevailing interest rates, the market for similar bonds, the performance of the Company and other factors, many of which are beyond the Company's control.

Currency exchange and tax risks

The Bonds will be denominated and payable in USD. If a Bondholder is a non-USD investor, an investment in the Bonds will entail currency exchange related risks due to, among other factors, possible significant changes in the value of the USD to other relevant currencies. Depreciation of the USD against other relevant currencies could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to Bondholders when the return on the Bonds is translated into the currency by reference to which a Bondholder measure the return on its investments. There may be tax consequences for a Bondholder as a result of any foreign currency exchange gains or losses resulting from its investment in the Bonds. A Bondholder should consult its tax advisor concerning the tax consequences to Bondholders of acquiring, holding and disposing of the Bonds.

Modifications and waivers

The Bond Terms will include provisions for convening Bondholder meetings and decisions may be made by defined majority of the Bondholders, implementing changes that are binding for all Bondholders.

RBL facility

According to the terms and conditions of the Bonds, the Issuer may enter into an RBL facility, and following such financing, the Bonds will automatically become unsecured. The RBL will have security over substantially all of the assets of the issuer, and only amounts recovered in excess of the outstanding amount under the RBL will be available for recovery by the Bondholders. Further, as the Bonds will become unsecured following such RBL financing, there is an increased risk that Bondholders will not be able to fully recover, or recover at all, the outstanding amount together with accrued interest and expenses in the event of a default and/or if the Issuer becomes insolvent or goes into liquidation.

Future debt

According to the terms and conditions of the Bonds, the Issuer may incur or permit to subsist certain indebtedness, which may rank pari passu or even be senior to the Bonds. Any such indebtedness may reduce the amount recoverable by Bondholders upon liquidation of the Issuer.

Optional redemption

The terms and conditions of the Bond Terms will provide that the Bond shall be subject to optional redemption by the Company at their outstanding principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events a premium calculated in accordance with the terms and conditions of the Bond Terms. This is likely to limit the market value of the Bond. It may not be possible for bondholders to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

Value of the Transaction Security

If the Issuer defaults on the Bond, the Bondholders will be secured only to the extent of the value of their security and the underlying assets (the "Transaction Security"). If the value of the Transaction

Security is less than the value of the claims of the Bondholders together with the claims of the other secured creditors, those claims may not be satisfied in full. The fair market value of the Transaction Security is subject to fluctuations based on factors that include, among others, the Issuer's ability to implement its business strategy, the ability to sell the Transaction Security in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of any Transaction Security would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Transaction Security at such time, general, market and economic conditions and the timing and the manner of the sale. There also can be no assurance that the Transaction Security will be saleable and, even if saleable, the timing of any liquidation or foreclosure is uncertain. To the extent that liens, retention of title arrangement, rights, easements or other security and quasi-security arrangement encumber the Transaction Security, the beneficiaries of such rights have or may exercise rights and remedies with respect to the relevant assets that could adversely affect the value and scope of the Transaction Security and the ability of the Bond Trustee to enforce and realise the collateral. values from appraisals of the value of any of the security (or underlying transaction security) may not be correct.

Enforcing the Transaction Security

The Transaction Security might be subject to defects, encumbrances, liens and other liabilities permitted under the Bond Terms. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the security, as well as the ability of the Bond Trustee to enforce or realise the Transaction Security. Furthermore, the ranking of the Transaction Security can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterisation under the laws of certain jurisdictions. There can be no assurance that the Transaction Security are, or will be, free and clear from third-party prior ranking security rights or other interests arising by operation of law. Any enforcement of a mortgage over petroleum licenses is subject to a governmental approval of the prospective buyer. Furthermore, enforcement of Transaction Security will be subject to statutory enforcement laws which, among other things, may impact how the enforcement shall be done and the time the such process will take.

Any such rights or interests would adversely affect the value of the Transaction Security and the ability of the Bond Trustee to enforce or realise such security. The Transaction Security will be subject to practical problems generally associated with the realisation of security. The Bond Trustee may also need to obtain the consent of a third party to enforce a Transaction Security in certain jurisdictions. No assurance can be given that the Bond Trustee will be able to obtain any such consent or that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Bond Trustee may not have the ability to foreclose upon those assets, and the value of the Transaction Security may decline significantly.

Control of the Transaction Security

For as long as no event of default has occurred and is continuing, the Issuer will remain in possession of the Transaction Security and be free to sell, transfer, vote, operate and otherwise manage and dispose over the Transaction Security, unless otherwise prohibited by the Bond Terms, the Security Documents or the other finance documents. If the Transaction Security are not managed appropriately and/or the Issuer dispose of the Transaction Security, then the value of the Transaction Security may be reduced. Such a reduction in the value of the Transaction Security may be detrimental to the interest of the Bondholders.

Throughout the lifetime of the Bonds, the Transaction Security and the Issuer's operations will be subject to third party risks and losses. The Issuer intends to maintain insurances to mitigate such risks, but certain risks are uninsurable (in whole or in part) and self-insurance may be applied by the Issuer for certain assets (or parts thereof). There is always a risk that insurance proceeds may not fully compensate the Issuer for losses and that deductibles might be significant, that certain assets are not easily replaced and that insurance proceeds may be reduced, or fall away, as a result of negligence or wilful misconduct on the part of the Issuer. If Transaction Security, which are insured,

becomes damaged or a total loss, then no assurance can be given that the Bond Trustee will have security over, or any rights in, the insurance claim arising in respect thereof (i.e. the substitute of the relevant Transaction Security).

2. Person responsible

PERSONS RESPONSIBLE FOR THE INFORMATION

Persons responsible for the information given in the Prospectus are as follows:

OKEA AS, Ferjemannsveien 10, 7042 Trondheim, Norway.

DECLARATION BY PERSONS RESPONSIBLE

OKEA ASA confirms that the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and the Prospectus makes no omission likely to affect its import.

19.06.2020



OKEA ASA

Competent authority approval

The Securities Note has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA") (Finanstilsynet), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. The investors should make their own assessment as to the suitability of investing in the securities.

3. Information concerning the securities

Please see chapter 5 of this Securities Note regarding amendment to the Bond Terms that may be changed due to the Bondholders' Meeting that will be held on 29th June 2020.

ISIN:	NO0010869175.
The Bonds:	OKEA ASA senior secured callable USD 150,000,000 bonds 2019/2024.
Issuer:	OKEA ASA, a company existing under the laws of Norway with registration number 915 419 062 and LEI code 549300H385IGBB58CN91.
Security Type:	Senior secured callable bonds with fixed rate.
Guarantor:	Means any Group Company which subsequently becomes a New Group Company. At the date of this Prospectus, there are no guarantors.
Guarantee:	Means the Norwegian law on-demand guarantee granted by a Guarantor in relation to the Finance Documents.
Maximum Issue Amount:	USD 150 000 000
Initial Bond Issue:	USD 120 000 000
Initial Nominal Amount of each Bond:	USD 100 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the CSD.
Issue Date:	11 December 2019.
Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	11 December 2024, adjusted according to the Business Day Convention.
Interest Rate:	8.75 percentage points per annum.
Interest Payment Date:	Means the last day of each Interest Period, the first Interest Payment Date being 11 June 2020 and the last Interest Payment Date being the Maturity Date.
Interest Period:	Subject to adjustment in accordance with the Business Day Convention, the periods between 11 December and 11 June each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest:	Each Outstanding Bond (including any Temporary Bond) will accrue interest at the Interest Rate on the Nominal Amount for

each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.

Any Tap Issue Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Tap Issue Bonds are issued and thereafter in accordance with the paragraph above.

Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:

- the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
- the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

Business Day Convention:

Means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).

Payment Date:

Means any Interest Payment Date or any Repayment Date.

Issue Price:

99% of par value.

Yield:

Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). If the price has increased, the yield for the purchaser in the secondary market will be lower than the Interest Rate of the Bonds and vice versa. On 31.03 2020 the yield was 21.28%

The yield is calculated in accordance with «[Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet](#)» prepared by Norske Finansanalytikeres Forening in January 2020.

Business Day:

Means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.

Redemption of Bonds*: The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.
**This section may be changed due to the Bondholders' Meeting that will be held on 29th June*

Voluntary early redemption - Call Option*: The Issuer may redeem all or parts of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:

- (i) the Issue Date to, but not including, the Interest Payment Date in December 2022 (the "**First Call Date**") at a price equal to the Make Whole Amount;
- (ii) the First Call Date to, but not including, the Interest Payment Date in June 2023, at a price equal to 103.50 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);
- (iii) the Interest Payment Date in June 2023 to, but not including, the Interest Payment Date in December 2023, at a price equal to 102.20 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);
- (iv) the Interest Payment Date in December 2023 to, but not including, the Interest Payment Date in June 2024, at a price equal to 101.30 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds); and
- (v) from Interest Payment Date in June 2024 to, but not including, the Maturity Date, at a price equal to 100.50 per cent. of Nominal Amount.

Any redemption of Bonds pursuant to the Bond Terms Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

If the Bonds shall be redeemed in full following the Issuer's Call Option, or at the Maturity Date, the entire amount on these Accounts may be used as partial payment (unless in conflict with the terms of the relevant Intercreditor Agreement).

**This section may be changed due to the Bondholders' Meeting that will be held on 29th June*

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Mandatory repurchase due to a Put Option Event*:

Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to:

- (i) in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 101 per cent. of the Nominal Amount;
- (ii) in relation to a Total Loss Event, 100 per cent. of the Nominal Amount.

With respect to an Asset Disposal Event, a Share Disposal Amount or a Total Loss Event, the amount for which the Issuer is obligated to purchase the relevant Bonds shall be limited to the relevant Put Option Amount.

The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to the Bond Terms Clause 12.3 (*Put Option Event or Mandatory Prepayment Event*). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.

Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be (i) in relation to an Asset Disposal Event and a Share Disposal Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in the Bond Terms paragraph 10.3 (b), (ii) in relation to a Change of Control Event, the 5th Business Day after the end of the 30 calendar days exercise period referred to in the Bond Terms paragraph 10.3 (b) and (iii) in relation to a Total Loss Event, once the insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than 210 calendar days following the occurrence of the Total Loss Event.

If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to the Bond Terms Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in the Bond terms paragraph 10.3 (a) by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.

Any amount required to be applied for the redemption of Bonds hereunder and which are also required to be applied for the redemption of OKEA02 and/or any Additional Secured Bond shall be split pro rata between the Bond Issue, OKEA02 and any Additional Secured Bond and the number of Bonds to be redeemed shall be re-calculated accordingly.

No Put Option in respect of an Asset Disposal Event, a Share Disposal Event or a Total Loss Event will occur after the RBL Financing Date.

**This section may be changed due to the Bondholders' Meeting that will be held on 29th June*

Early redemption option due to a tax event:

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to the Bond Terms Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

Repayment Date:

Means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

Put Option Event*:

Means

- (a) up until the RBL Financing Date, an Asset Disposal Event;
- (b) up until the RBL Financing Date, a Share Disposal Event;
- (c) up until the RBL Financing Date, a Total Loss Event; or
- (d) a Change of Control Event,

provided that:

- a) the events listed in paragraphs (a) and (b) above shall only constitute a Put Option Event if the applicable Put Option Amount exceed the Put Option Threshold Amount during any Calculation Period; and
- b) no of the events listed in paragraphs (a) and (b) above shall constitute a Put Option Event if a waiver thereof has been resolved by simple majority of the Voting Bonds in a Bondholders' Meeting.

**This section may be changed due to the Bondholders' Meeting that will be held on 29th June*

Change of Control Event:

- (a) if any person, or group of persons under the same Decisive Influence (other than BCPR PTE Ltd or any Affiliates thereof), or two or more persons acting in concert, directly or indirectly, obtains Decisive Influence over the Issuer; or
- (b) a de-listing of the Issuer's shares from the Oslo Stock Exchange.

Redemption:

Matured interest and matured principal will be credited to each Bondholder directly from the CSD. Claims for interest and principal shall be limited in time pursuant the Norwegian Act relating to the Limitation Period Claims of 18 May 1979 no 18, p.t. 3 years for interest rates and 10 years for principal.

Status of the Bonds:	<p>The Bonds shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall, until the RBL Financing Date, be secured on a first priority basis in certain assets of the Obligors as set out in the Bond Terms, and otherwise rank at least pari passu with the claims of the Obligors' other unsubordinated creditors, except for obligations which are mandatorily preferred by law. All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.</p> <p>The Bond Issue Intercreditor Agreement will, through the Bond Trustee's accession thereto, apply with respect to the Bonds. The Bond Issue Intercreditor Agreement will be terminated on or about the RBL Financing Date.</p> <p>On the RBL Financing Date, the Bonds shall release all security and constitute senior unsecured debt obligations of the Issuer but be subordinated to the Reserve Based Lending Facility as set out in the RBL Intercreditor Agreement as attached in Schedule 1 in the Bond Terms. The Bonds shall rank ahead of any subordinated capital. The Bonds will thereafter be unsecured.</p>
Transaction Security:	Means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents, including the Additional Transaction Security.
Finance Documents:	<p>Means:</p> <ul style="list-style-type: none"> (a) the Bond Terms; (b) the Transaction Security Documents; (c) any Intercreditor Agreement; (d) any subordination agreement entered into between, among others, a lender of a Subordinated Loan and the Bond Trustee; (e) the Bond Trustee Agreement between the Issuer and the Bond Trustee; and (f) any other document the Issuer and the Bond Trustee designate as a Finance Document.
Obligor:	Means the Issuer and any Guarantors.
Information undertakings:	For information regarding information undertakings, please see the Bond Terms Clause 12.
General and financial undertakings*:	<p>Information regarding general and financial undertakings, please see the Bond Terms Clause 13.</p> <p><i>*This section may be changed due to the Bondholders' Meeting that will be held on 29th June</i></p>
Events of default and acceleration of the Bonds:	Information regarding Events of default and acceleration of the Bonds, please see the Bond Terms Clause 14.

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Use of proceeds:	The proceeds from the Initial Bond Issue (net of legal costs, fees of the Joint Bookrunners and the Bond Trustee and any other agreed costs and expenses – approx. USD 115 901 664) shall be used to partly refinance the Issuer's outstanding bond OKEA01 – USD 115 901 664.
Approvals:	The Bonds have been issued in accordance with the Issuer's board approval dated 27 November 2019.
Listing:	The Issuer applied for listing on Oslo Børs 10 th June 2020. Listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.
Bond Terms:	<p>The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p> <p>When Bonds are purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>Information regarding Bondholders' meeting and the Bondholder's right to vote are described in the Bond Terms Clause 15.</p> <p>For information regarding the role of the Bond Trustee, see Bond Terms Clause 16.</p> <p>The Bond Terms is attached to this Securities Note.</p>
Documentation:	Registration Document, Securities Note, Summary and the Bond Terms.
Availability of the Documentation:	www.okea.no
Bond Trustee:	Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Global Coordinator and Joint Bookrunner:	DNB Markets, a part of DNB Bank ASA NO-0191 Oslo, Norway.
Joint Bookrunner:	SpareBank 1 Markets AS, P.O. Box 1398, NO-0114 Oslo, Norway.
Paying Agent:	DNB Bank ASA, Verdipapirservice, P.O. Box 1600 Sentrum, 0191 Oslo, Norway. The Paying Agent is in charge of keeping the records in the Securities Depository.
Listing Agent:	NT Services AS, P.O. Box 1470 Vika, Norway.
Central Securities Depository (CSD):	The central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS), P.O. Box 1174 Sentrum, 0107 Oslo, Norway.

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Market-Making:	There is no market-making agreement entered into in connection with the Bonds.
Governing law and jurisdiction:	The Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions. For more information, please see the Bond Terms Clause 19.
Relevant Jurisdiction:	Means the country in which the Bonds are issued, being Norway.
Fees, Expenses and Tax legislation:	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Bonds or the Security Documents, but not in respect of trading of the Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the Bondholders at source any applicable withholding tax payable pursuant to law. At the date of this Prospectus, there is no withholding tax on bonds in Norway.</p> <p>The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the securities.</p>
Fees:	Total expenses related to the issue of NO0010869175 was approximately USD 2 600 000.
Transfer restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none"> (a) Bondholders will not be permitted to transfer the Bonds except (a) subject to an effective registration statement under the U.S. Securities Act, (b) to a person that the bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) in an offshore transaction in accordance with Regulation S under the U.S. Securities Act, including a transaction on the Oslo Børs, and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 thereunder (if available). (b) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. <p>Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>

4. Definitions

Due to the extensive number of definitions, and unless otherwise defined in this Securities Note, capitalized terms used in this Securities Note shall have the meaning given to such terms in Clause 1.1 "*Definitions*" in the Bond Terms (attached as Appendix 1 to this Securities Note). Please also see the Summons to Bondholders' Meetings dated 15th June 2020 (attached as Appendix 2 to this Securities Note) for proposed amended definitions.

"**Bond Terms**" means the Bond Terms dated 10th December 2019.

"**Norwegian FSA**" means the Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*).

"**Prospectus**" means the Registration Document, Securities Note and Summary together.

"**Registration Document**" means the Issuers Registration Document dated 19th June 2020.

"**Securities Note**" means this document dated 19th June 2020.

"**Summary**" means the Summary dated 19th June 2020.

5. Additional information

With regards to the stock exchange notice: <https://newsweb.oslobors.no/message/507865>

On 15th June 2020 OKEA ASA requested Nordic Trustee AS to summon a Bondholders' Meeting for each of the bond issues OKEA02 (with ISIN NO0010826852) and OKEA03 (with ISIN NO0010869175) to make certain amendments as set out in the attached summons.

It is proposed that that the Bondholders' Meeting shall resolve the following:

"The OKEA03 Proposal and the proposed amendments to the OKEA03 Bond Terms as set out and defined in Appendix 3 (OKEA03 Proposal) to the summons to this Bondholders' Meeting is approved."

The Issuer has received confirmation from a group of the largest bondholders in each of OKEA02 and OKEA03, respectively, that they will irrevocably support the proposals as set out in the summons and vote in favour. The Bondholders' Meeting will be held on 29th June 2020 at 13:00 (CET).

Following the issue of the Issuer's summons as described above, an ad-hoc group of Bondholders in OKEA02 has issued a summons with an alternative proposal. The proposal in this summons will not have direct effect on terms of OKEA03. The Issuer has not accepted the proposal in this summons.

Neither the Issuer nor the Bonds are rated.

OKEA ASA mandated DNB Markets, a part of DNB Bank ASA as Global Coordinator and Joint Bookrunner and SpareBank 1 Markets AS as Joint Bookrunner of the Bond issue. The Global Coordinator and Joint Bookrunners have acted as advisors and managers to OKEA ASA in relation to the transaction. The Global Coordinator and Joint Bookrunners and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments.

Statement from the Listing Agent:

NT Services AS, acting as Listing Agent, has assisted the Issuer in preparing this Securities Note. The Listing Agent has not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and the Listing Agent expressly disclaims any legal or financial liability as to the accuracy or completeness of the information contained in this Securities Note or any other information supplied in connection with Bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Securities Note acknowledges that such person has not relied on the Listing Agent nor on any person affiliated with it in connection with its investigation of the accuracy of such information or its investment decision.

6. Appendix:

- Bond Terms
- Summons to Bondholders' Meetings dated 15th June 2020

BOND TERMS

FOR

OKEA ASA senior secured callable USD 150,000,000 bonds 2019/2024

ISIN NO 001 0869175

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SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE – ESCROW ACCOUNT

SCHEDULE 3 RBL INTERCREDITOR PRINCIPLES

BOND TERMS	
ISSUER:	OKEA ASA, a company existing under the laws of Norway with registration number 915 419 062 and LEI code 549300H385IGBB58CN91; and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI code 549300XAKTM2BMKIPT85.
DATED:	10 December 2019
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

"Acceptable Bank" means, in relation to Cash and Cash Equivalents, a commercial bank, savings bank or trust company which has a rating of BBB+ or higher from S&P Ratings Service or Baa1 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognised credit rating agency for its long term debt obligations.

"Accounts" means following accounts maintained with one or more Account Bank:

- (a) the Escrow Account(s) (in connection with the Settlement of the Bonds and any Tap Issue Bonds);
- (b) the VPS Account (in connection with the Settlement of the Bonds); and
- (c) any Pledged Account(s).

"Account Bank" means DNB Bank ASA and any other Acceptable Bank.

"Accounts Pledges" means the first priority Norwegian law pledges over the Accounts (other than the Escrow Account) and the amount from time to time standing to the credit of the Issuer in such bank accounts, where the Account Bank has waived any set-off rights.

"Acquired Financial Indebtedness" means Financial Indebtedness owing by a New Group Company as principal debtor and which was incurred by that New Group Company prior to it becoming a Group Company and where the incurrence thereof was not related to it becoming or preparing to become a Group Company.

"Additional Bonds" means any bonds issued by the Issuer or any other Group Company under different ISINs and bond terms than the Bonds, OKEA01 and OKEA02 in accordance with alternative (f) and/or (g) in the definition of Permitted Financial Indebtedness.

"Additional Secured Bonds" means any bonds issued by the Issuer or any other Group Company under different ISINs and bond terms than the Bonds, OKEA01 and OKEA02 in accordance with alternative (g) in the definition of Permitted Financial Indebtedness.

"Additional Transaction Security" means the guarantees and Security listed in Clause 2.6 (*Additional Transaction Security*) to be put in place in favour of the Bond Trustee (on behalf of the Bondholders, the OKEA02 Bondholders and the bondholders under Additional Secured Bonds, if applicable) after the date of the release from the Escrow Account.

"Additional Transaction Security Documents" means all of the documents which shall be executed or delivered pursuant to Clause 2.6 (*Additional Transaction Security*) expressed to create Additional Transaction Security by the relevant grantor thereof in respect of the Obligor's obligations under any of the Finance Documents and (if applicable) in respect of the Obligor's obligations in respect of OKEA02 and any Additional Secured Bonds.

"Affiliate" means, in relation to any specified person:

- (a) any person which is a Subsidiary of the specified person;
- (b) any person who has Decisive Influence over the specified person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

"Annual Financial Statements" means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP and including a profit and loss account, balance sheet, cash flow statement and management commentary or report from the board of directors.

"Asset Disposal Event" means one or more reductions in any Group Company's direct or indirect ownership interest from time to time in any Hydrocarbon Asset(s) and which is not a:

- (a) farm-out transaction for any Hydrocarbon Asset and where the consideration received is the obligation of the other party to carry or cover a portion of the costs on that Hydrocarbon Asset; or
- (b) a swap of participating interests in Hydrocarbon Assets in exchange of participating interests in other Hydrocarbon Assets.

"Assignment of Insurances" means the first priority Norwegian law security assignment of all of the Issuer's monetary claims under or with respect to any insurances and/or reinsurance required to be taken out in accordance with these Bond Terms, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator.

"Assignment of Tax Refund" means the first priority Norwegian law security assignment of the Issuer's existing and future Tax Refund Claims against the Norwegian government.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Bond Terms" means these terms and conditions, including all Schedules hereto which shall form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.

"Bond Trustee" means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

"Bond Trustee Agreement" means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

"Bondholder" means a holder of Bond(s), as registered in the CSD, from time to time, subject however to Clause 3.3 (*Bondholders' rights*).

"Bondholders' Meeting" means a meeting of Bondholders as set out in Clause 15.

"Bonds" means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Tap Issue Bonds.

"Bond Issues Intercreditor Agreement" means the existing intercreditor agreement originally dated 27 June 2018 and made with respect to OKEA01 and OKEA02, which the Bond Trustee shall accede to on or about disbursement from the Escrow Account.

"Business Day" means a day on which both the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.

"Business Day Convention" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).

"Calculation Period" means a period ending on the day that the Put Option Amounts relating to Put Option Events having occurred during that period in aggregate exceeded the Put Option Threshold Amount, and so that the first Calculation Period shall start on the Issue Date and any subsequent Calculation Period shall start on the day immediately following the day the preceding Calculation Period ended.

"Call Option" has the meaning given to it in Clause 10.2 (*Voluntary Redemption – Call Option*).

"Call Option Repayment Date" means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

"Capital Employment Ratio" means a ratio, expressed as a percentage, in each case on the relevant Quarter Date, of the (i) aggregate amounts that have been paid in as cash equity capital

in the Issuer and have been registered as share capital increase in the Issuer with the Norwegian Business Register (*No: Foretaksregisteret*) to (ii) the aggregate amounts that have been paid in as cash equity capital in the Issuer and have been registered as a share capital increase in the Issuer with the Norwegian Business Register (*No: Foretaksregisteret*) plus the amount of Total Debt.

"Cash and Cash Equivalents" means on any relevant date the current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank; and
- (b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which;

- (a) is not subject to any Security other than in favour of the Reserve Based Lending Facility (and any Permitted Hedging sharing the same security package); and
- (b) for the avoidance of doubt, including cash deposits on the Issuer's Pledged Accounts, but excludes cash deposits on the Escrow Account and any Exempted Account.

"Change of Control Event" means:

- (a) if any person, or group of persons under the same Decisive Influence (other than BCPR PTE Ltd or any Affiliates thereof), or two or more persons acting in concert, directly or indirectly, obtains Decisive Influence over the Issuer; or
- (b) a de-listing of the Issuer's shares from the Oslo Stock Exchange.

"Compliance Certificate" means a statement substantially in the form as set out in Schedule 1 hereto.

"CSD" means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

"Decisive Influence" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

"DSA Account" means a bank account on which deposits are made in connection with a decommissioning security arrangement;

"Default Notice" means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

"Default Repayment Date" means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

"Distribution Test" means the test set out and defined in Clause 13.11 (*Distribution Test*).

"EBITDA" means, in respect of any Relevant Period, the Group's aggregate earnings before interest, taxes, depreciation and amortization (and, if included in the calculation of earnings, after adding back the amount of non-recurring transaction costs incurred in relation to any direct or indirect acquisition of Hydrocarbon Assets).

"Escrow Account" means the bank account in USD to be established by the Issuer with DNB Bank ASA prior to the Issue Date, to which the net proceeds of the Initial Bond Issue shall be transferred in connection with the issuance of the Bonds on the Issue Date, provided that the conditions precedent as set out in Clause 6.1 (*Conditions precedent for disbursement to the Escrow Account*) have been satisfied. The Escrow Account shall be blocked and pledged in favour of the Bond Trustee (on behalf of Bondholders settling their subscription of Bonds in cash).

"Escrow Account Pledge" means the first priority pledge over the Escrow Account in favour of the Bond Trustee (on behalf of the Bondholders holding Bonds other than the Temporary Bonds), where the bank operating the account has waived any set-off rights. The amount in the Escrow Account shall only be used, and the Issuer shall be entitled to withdraw amounts only for use, according to the purpose of the Initial Bond Issue or any Tap Issue.

"Event of Default" means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

"Exchange" means:

- (a) Oslo Stock Exchange; or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

"Exempted Account" means each bank account that serves as an escrow account (including, for the avoidance of doubt, any bank accounts used in connection with share capital increases and any escrow account established in respect of any Additional Bonds), each withholding account (No: *skattetrekkskonto*), a DSA Account, each bank account maintained by a Group Company in its capacity as the operator for any Hydrocarbon Asset or a cash collateral bank account permitted under the Bond Terms, but also including bank accounts in which a total aggregate amount of less than USD 100,000 is deposited.

"Existing Licences" means the Issuer's ownership interests in the following Licences on the Norwegian continental shelf (as amended following acquisitions and disposals permitted under OKEA01 and OKE02):

Licence	Field	Operator	Ownership
038 D	Grevling	OKEA ASA	35.000%
973	Grevling ILX	Chrysaor Norge AS	30.000%
974	Storskrynten	OKEA ASA	60.000%
093	Draugen	OKEA ASA	44.560%
093 B	Draugen	OKEA ASA	44.560%
093 C	Draugen	OKEA ASA	44.560%
093 D	Draugen	OKEA ASA	44.560%
158	Draugen	OKEA ASA	44.560%
176	Draugen	OKEA ASA	44.560%
153	Gjøa	Neptune Energy Norge AS	12.000%
153 B	Gjøa	Neptune Energy Norge AS	12.000%
153 C	Gjøa	Neptune Energy Norge AS	12.000%
338 BS	Ivar Aasen	Aker BP ASA	20.000%
914 S	Ivar Aasen	Aker BP ASA	0.554%
1003	Mistral	OKEA ASA	60.000%
958	East of Draugen	OKEA ASA	50.000%
1001	NE of Draugen	ConocoPhillips Scandinavia AS	20.000%
910	Kathryn	Repsol Norge AS	16.667%
316	Yme	Repsol Norge AS	15.000%
316 B	Yme	Repsol Norge AS	15.000%

"**Existing Licence Mortgages**" means the first priority Norwegian law mortgage over the Issuer's interest in the Existing Licences.

"Factoring Charge" means the first priority Norwegian law floating charge over all account receivables of the Issuer (No: *factoringpant*).

"Finance Documents" means:

- (a) these Bond Terms;
- (b) the Transaction Security Documents;
- (c) any Intercreditor Agreement;
- (d) any subordination agreement entered into between, among others, a lender of a Subordinated Loan and the Bond Trustee;
- (e) the Bond Trustee Agreement between the Issuer and the Bond Trustee; and
- (f) any other document the Issuer and the Bond Trustee designate as a Finance Document.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;

- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

"Financial Reports" means the Annual Financial Statements and the Interim Accounts.

"Financial Support" means the granting of any loans, guarantees or other financial assistance (including but not limited to granting of any Security).

"First Oil Date" means, (i) with respect to any Hydrocarbon Asset under development, the date on which such Hydrocarbon Asset has achieved 30 consecutive calendar days of oil and/or gas production in commercial quantities, and (ii) with respect to any producing Hydrocarbon Assets acquired after the Issue Date, the date on which such Hydrocarbon Asset is reflected in the financial statement of a Group Company in accordance with GAAP.

"GAAP" means the generally accepted accounting principles in Norway (including, if relevant for a Group Company, IFRS).

"Group" means the Issuer and all its Subsidiaries from time to time.

"Group Company" means the Issuer or any of its Subsidiaries.

"Guarantee" means the Norwegian law on-demand guarantee granted by a Guarantor in relation to the Finance Documents.

"Guarantor" means any Group Company which subsequently becomes a New Group Company.

"Hydrocarbon Asset" means each of the hydrocarbon licences and blocks held by any Group Company at any time.

"IFRS" means International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

"Initial Bond Issue" means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

"Initial Nominal Amount" means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"Initial Transaction Security Documents" means, collectively, the Escrow Account Pledge and all of the other documents which shall be executed or delivered pursuant to Clause 2.5 (*Initial Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Obligors' obligations under any of the Finance Documents.

"Insolvent" means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

"Intercreditor Agreement" means each of the Bond Issue Intercreditor Agreement and the RBL Intercreditor Agreement.

"Interest Payment Date" means the last day of each Interest Period, the first Interest Payment Date being 11 June 2020 and the last Interest Payment Date being the Maturity Date.

"Interest Period" means, subject to adjustment in accordance with the Business Day Convention, the periods between 11 December and 11 June each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

"Interest Rate" means 8.75 per cent. per annum.

"Interim Accounts" means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each Quarter Date, prepared in accordance with GAAP.

"Intra-Group Claim" means any monetary claim exceeding USD 250,000 owing by one Group Company to another Group Company (other than short term loans under a cash pool arrangement with a bank or financial institution).

"ISIN" means International Securities Identification Number – the identification number of the Bonds.

"Issue Date" means 11 December 2019.

"Issuer" means the company designated as such in the preamble to these Bond Terms.

"Issuer's Bonds" means any Bonds which are owned by the Issuer, any Shareholder or any person over whom the Issuer or any Shareholder has Decisive Influence.

"Joint Bookrunners" means DNB Markets, a part of DNB Bank ASA and SpareBank 1 Markets AS.

"**Leverage Ratio**" means the ratio of NIBD to EBITDA.

"**Liquidity**" means the aggregate book value of the Group's Cash and Cash Equivalents.

"**Make Whole Amount**" means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 103.50 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds) through and including the First Call Date,

where the present value shall be calculated by using a discount rate of two point zero five (2.05) per cent. per annum.

"**Management Statements**" means the statement of the Capital Employed Ratio and the Leverage Ratio as at the relevant Quarter Date.

"**Material Adverse Effect**" means an event or circumstance which has a material adverse effect on:

- (a) the ability of the Issuer and any Group Company to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

"**Maturity Date**" means 11 December 2024, adjusted according to the Business Day Convention.

"**Maximum Issue Amount**" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN of the Bonds*).

"**New Account**" means any Pledged Account opened or acquired by any Group Company after the date of these Bond Terms.

"**New Group Company**" means any company which becomes (through incorporation, acquisition or otherwise) a Group Company of the Issuer after the date of these Bond Terms.

"**New Hydrocarbon Asset**" means any new or increased ownership interest in any Hydrocarbon Asset acquired by any Group Company.

"**NIBD**" or "**Net Interest Bearing Debt**" means the aggregate interest bearing Financial Indebtedness of the Group *less* the Liquidity.

"**Nominal Amount**" means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 10 (*Redemption and repurchase of Bonds*).

"Obligor" means the Issuer and each Guarantor.

"OKEA01" means the Issuer's outstanding USD 120 million senior secured bond issue with ISIN NO 001 0810062.

"OKEA02" means the Issuer's outstanding USD 180 million senior secured bond issue with ISIN NO 001 0826852.

"OKEA01 Bondholders" means the bondholders of OKEA01.

"OKEA02 Bondholders" means the bondholders of OKEA02.

"OKEA01 Bondholders' Roll-Over" means the process whereby OKEA01 Bondholders that have applied for and been allocated Bonds may participate in the Bond Issue by exchange of their bonds issued under OKEA01 for Bonds (valued at par value). Accrued interest and premium will be payable as set out in paragraph (b) of Clause 2.8 (*Settlement*).

"OKEA02 Transaction Security" means the "Transaction Security" as defined in the bond agreement for OKEA02.

"Outstanding Bonds" means any Bonds not redeemed or otherwise discharged.

"Overdue Amount" means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

"Partial Payment" means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

"Paying Agent" means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

"Payment Date" means any Interest Payment Date or any Repayment Date.

"Permitted Financial Indebtedness" means:

- (a) any Financial Indebtedness arising under the Finance Documents (including under any Tap Issue);
- (b) any Financial Indebtedness incurred under OKEA01, up until the date of the first release from the Escrow Account to the Issuer;
- (c) any Financial Indebtedness incurred under OKEA02, up until the RBL Financing Date;
- (d) any Financial Indebtedness incurred under a Reserve Based Lending Facility;
- (e) any Acquired Financial Indebtedness, provided that such Financial Indebtedness (other than Financial Indebtedness falling within the provisions of paragraphs (f), (j), (l) and (m) below) is repaid or otherwise settled in full (a) within 60 calendar days after the date

the New Group Company became a Group Company or, if earlier, (b) prior to completing any merger or other combination of the operations or assets of the New Group Company and any other Group Company;

- (f) any additional unsecured Financial Indebtedness (including bonds, notes and similar debt instruments) incurred or issued by the Issuer and with no Financial Support from any other Group Company and with a maturity date falling after the Maturity Date of the Bonds and with no amortisation until after the Maturity Date of the Bonds;
- (g) any Financial Indebtedness arising under any additional secured bond issues by the Issuer, provided that (i) the bond trustee and security trustee for each such bond issue accedes (in its capacity as such) to the Bond Issues Intercreditor Agreement and (ii) any such bond issue shall have a maturity date falling after the Maturity Date of the Bonds and with no amortisation until after the Maturity Date of the Bonds;
- (h) any Financial Indebtedness under any Permitted Hedging;
- (i) any Financial Indebtedness in form of a deferred payment obligation of acquisition costs to the seller of a Hydrocarbon Assets (or an entity mainly owning Hydrocarbon Assets);
- (j) any Financial Indebtedness incurred under unsecured intra-group loan from any Group Company to another Group Company, provided that any such Financial Indebtedness owed by the Issuer shall be a Subordinated Loan;
- (k) any Financial Indebtedness arising under a sale-and-leaseback of the Issuer's existing office building in Kristiansund, Norway, provided that the capital amount does not exceed NOK 130,000,000;
- (l) any Financial Indebtedness arising under Subordinated Loans to the Issuer;
- (m) any Financial Indebtedness under finance or capital lease of vehicles, equipment, computers, production, storage and export facilities or other relevant asset incurred by any Group Company, and as applicable, any such arrangement entered into by the joint venture of the relevant Hydrocarbon Asset, in the ordinary course of business;
- (n) any Financial Indebtedness in relation to letters of credit, that are (i) issued in respect of any Group Company's obligations in the ordinary course of business, (ii) issued in respect of decommissioning, or (iii) required under any applicable law;
- (o) any Financial Indebtedness not otherwise permitted by the preceding paragraphs in the aggregate total amount of which does not exceed USD 10,000,000 (or the equivalent in other currencies) at any time; and
- (p) any refinancing (including increase), extension, amendment or replacement of any of (a) and (c) - (o) above from time to time, however always subject to the Financial Covenants.

"Permitted Financial Support" means:

- (a) Financial Support in connection with the Finance Documents;

- (b) Financial Support in connection with Permitted Financial Indebtedness under paragraphs (h) and (i) of the definition thereof; and
- (c) Financial Support being Permitted Security.

"Permitted Hedging" means non-speculative hedging of currency, interest rate and commodity risks.

"Permitted Security" means:

- (a) any Security granted in relation to Permitted Financial Indebtedness under paragraphs (a), (b), (c), (d), (e), (g), and (h) of the definition thereof (including any refinancing thereof);
- (b) any Security over the Issuer's existing office building in Kristiansund, Norway, securing the Permitted Financial Indebtedness under paragraph (k) thereof;
- (c) any Security over the assets referred to in paragraph (m) of the definition of Permitted Financial Indebtedness, securing the finance or capital leases referred to in that paragraph;
- (d) any netting or set-off arrangement entered into by the Issuer or any other Group Company (as the case may be) in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of the Issuer (if applicable);
- (e) any lien arising by operation of law in the ordinary course of business and not arising as a result of any default or omission by the Issuer or any other Group Company;
- (f) any Security over cash or cash deposits on a DSA Account granted by a Group Company under or in connection with a decommission security arrangement for Hydrocarbon Assets acquired by that Group Company and in relation to such acquisition; and
- (g) 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 the Issuer or any other Group Company (as the case may be) 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 the Issuer or any other Group Company.

"Pledged Account" means each bank account held in the name of each Group Company from time to time (other than the Escrow Account, the VPS Account and each Exempted Account).

"Project Documents" means, in relation to each Hydrocarbon Asset:

- (a) each joint operating agreement and/or unitization and unit operating agreement
- (b) each agreement related to the transportation, processing and/or storage of production;
- (c) each agreement for the sale or marketing of production;

- (d) each agreement (other than the agreements set forth in items (a) to (c) above) related thereto, including any decommissioning security agreement, any tariff and offtake agreement, pipeline transmission agreement, drilling agreement, equipment supply agreement, installation and/or supply contract or maintenance and management agreement (in each case available to the relevant Group Company);
- (e) any authorization required for the lawful construction, exploitation, development or operation of that Hydrocarbon Asset or the production, transportation or sale of production therefrom;
- (f) any development plan with all required approvals from any relevant operating committee any relevant governmental or other regulatory authority relating to that Hydrocarbon Asset;
- (g) any sale and purchase agreement and any other document relating to the acquisition by the Issuer or any relevant Group Company of any interest in any Hydrocarbon Asset or of any entity holding the interest in such Hydrocarbon Asset;
- (h) each present and future contract or policy of insurance in respect of the Project which the Issuer and/or any relevant Group Company has or may from time to time have an interest; and
- (i) any other document designated as such by the Issuer and the Bond Trustee.

"Project Proceeds" means any income, payments, earnings or receivables of any kind (including any payments with respect to tax, tax refunds or tax credits and insurance proceeds in respect of physical losses (excluding any insurance proceeds relating to third party losses or losses incurred in respect of environmental incidents and where such insurance proceeds are paid directly to third parties)) directly or indirectly deriving from or related to the Projects (including proceeds from sale of any ownership interest in any Hydrocarbon Asset(s)).

"Projects" means the development and operation (either as licensee or operator) of the Hydrocarbon Assets owned by the Issuer or any other Group Company (as the case may be), as well as the ownership and operation of the hydrocarbon production and transport facilities and infrastructure associated therewith.

"Put Option" shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Amount" means:

- (a) with respect to each Asset Disposal Event; the post-tax consideration received or receivable by the relevant Group Company in each transaction constituting an Asset Disposal Event;
- (b) with respect to each Share Disposal Event, the post-tax consideration received or receivable by the relevant Group Company in each transaction constituting a Share Disposal Event; and

- (c) with respect to a Total Loss Event: the higher of (i) the reduction in fair market value of the relevant Group Company's ownership interest in the relevant Hydrocarbon Asset due to the Put Option Event and (ii) the post-tax (if applicable) amount of insurance proceeds received by the relevant Group Company within 210 days after the occurrence of the Total Loss Event.

"Put Option Event" means:

- (a) up until the RBL Financing Date, an Asset Disposal Event;
- (b) up until the RBL Financing Date, a Share Disposal Event;
- (c) up until the RBL Financing Date, a Total Loss Event; or
- (d) a Change of Control Event,

provided that:

- (a) the events listed in paragraphs (a) and (b) above shall only constitute a Put Option Event if the applicable Put Option Amount exceed the Put Option Threshold Amount during any Calculation Period; and
- (b) none of the events listed in paragraphs (a) and (b) above shall constitute a Put Option Event if a waiver thereof has been resolved by simple majority of the Voting Bonds in a Bondholders' Meeting.

"Put Option Repayment Date" means the settlement date for the Put Option Event pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

"Put Option Threshold Amount" means USD 25,000,000.

"Quarter Date" means each 31 March, 30 June, 30 September and 31 December.

"RBL Intercreditor Agreement" means an intercreditor agreement to be made between, inter alia, the Issuer, the Bond Trustee and the agent and/or security agent for the Reserve Based Lending Facility, the main terms of which are set out in Schedule 3 (*RBL Intercreditor Principles*) to these Bond Terms.

"RBL Financing Date" means the date of the first utilisation of a Reserve Based Lending Facility.

"Release Notice" means a release notice substantially in the form as set out in Schedule 2 hereto.

"Relevant Jurisdiction" means the country in which the Bonds are issued, being Norway.

"Relevant Record Date" means the date on which a Bondholder's ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders' Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling 3 Business Days after the Summons have been published; or
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority.

"Relevant Period" means a period of twelve months ending on the relevant Quarter Date.

"Repayment Date" means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

"Reserve Based Lending Facility" means any senior secured borrowing base revolving credit facility between, the Issuer as borrower and banks and financial institutions as lenders and arranged by commercial banks regularly engaged in arranging financing for E&P activities and assets on the Norwegian Continental Shelf, and which as a whole is generally on customary terms for such lending facilities. This shall include any bridge financing to such senior secured borrowing base revolving facility, with the Issuer as borrower and one or more commercial banks as lenders. Any such bridge financing shall have a final maturity date and termination date not occurring later than 12 months after the first utilisation therefrom. Furthermore, such bridge facility shall only be refinanced with a senior secured borrowing base revolving credit facility on terms as mentioned above.

"Roll-Over Bonds" means the existing bonds issued under OKEA01 which in accordance with the acceptance of the OKEA01 Bondholders of the OKEA01 Bondholders' Roll-Over is used as payment for the Temporary Bonds (in kind).

"Secured Obligations" means all present and future obligations and liabilities of the Obligors under the Finance Documents.

"Secured Parties" means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

"Securities Trading Act" means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

"Security" means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Agent" means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

"Security Agent Agreement" means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

"Share Disposal Event" means one or more reductions in any Group Company's shareholding from time to time in any other Group Company that either owns a Hydrocarbon Asset or which has accumulated a Tax Credit position.

"Shareholder" means any person or company (or otherwise) which directly or indirectly owns any shares in the Issuer.

"Schedule" means each of the schedules to these Bond Terms.

"Subordinated Loans" means Financial Indebtedness which;

- (a) is subordinated in right of payment to the Bonds, except for scheduled interest and principal payments that can be made (i) as long as no Event of Default has occurred and is continuing, and (ii) subject to the limitations in the covenant "Dividend restrictions" under paragraph (a) of Clause 13.10 (*Issuer specific covenants*);
- (b) does not mature or require any prepayment prior to the date on which all amounts under the Bond terms and any other Finance Documents have been paid in full; and
- (c) does not provide for its acceleration or confer any right to declare any event of default prior to the date on which all amounts under the Bond Terms and any other Finance Documents have been paid in full,

and which is subject to a subordination agreement between the Issuer, the Bond Trustee and the lender of the Subordinated Loan.

"Subsidiary" means a company over which another company has Decisive Influence.

"Summons" means the call for a Bondholders' Meeting or a Written Resolution as the case may be.

"Tap Issue" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

"Tap Issue Bonds" means Bonds issued under a Tap Issue, including any Temporary Tap Issue Bonds.

"Tap Issue Addendum" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

"Tax Credit" means the tax value of unused losses brought forward for tax purposes and which is paid out from the Norwegian state following a company's cessation of business subject to petroleum taxation, currently provided for under the Norwegian Petroleum Taxation Act of 13 June 1975 Section 3 (c) fourth paragraph.

"Tax Event Repayment Date" means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

"Tax Refund Claims" means a monetary claim against the Norwegian government for a refund of the tax value of eligible exploration costs etc., currently provided for under the Norwegian Petroleum Taxation Act of 13 June 1975 Section 3 (c).

"Temporary Bonds" means any Bonds issued pursuant to these Bond Terms and settled against delivery of the Roll-Over Bonds in the OKEA01 Bondholders' Roll-Over in accordance with paragraph (a) section (ii) of Clause 2.8 (*Settlement*).

"Temporary Tap Issue Bonds" shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination, ISIN and tenor*).

"Total Debt" means, at the relevant Quarter Date, the aggregate amount of all obligations of each Group Company for or in respect of Financial Indebtedness at that time, adjusted by:

- (a) in case of finance leases, only including the capitalised value thereof;
- (b) excluding any such obligations to any other Group Company
- (c) excluding amount owing in respect of leases or other hire contracts which would, in accordance with GAAP, be treated as operating leases;
- (d) excluding the amount of any liability in respect of any guarantee or indemnity under (k) in the definition of Financial Indebtedness to the extent the primary obligation is accounted for in (a) to (j) in the definition of Financial Indebtedness and excluding any other double counting; and
- (e) excluding any Financial Indebtedness incurred under Permitted Financial Indebtedness (g) for as long as the proceeds from such bond issue has not been released from the relevant escrow account to the Issuer.

"Total Loss Event" means the occurrence of one or more actual or constructive total loss of any Hydrocarbon Assets (or related assets such as production units, installations and infrastructure).

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents, including the Additional Transaction Security.

"Transaction Security Documents" means, collectively, the Initial Transaction Security Documents and the Additional Transaction Security Documents.

"**Voting Bonds**" means the Outstanding Bonds less the Issuer's Bonds and a Voting Bond shall mean any single one of those Bonds.

"**VPS Account**" means the VPS account of the Issuer to be established with DNB Bank ASA as account operator for the purpose of holding Roll-Over Bonds until disbursement of the funds from the Escrow Account, upon which the Roll-Over Bonds will be cancelled. The VPS Account shall be blocked and pledged in favour of the Bond Trustee (on behalf of Bondholders delivering Roll-Over Bonds as settlement for subscription of Bonds).

"**VPS Account Pledge**" means the first priority pledge over the VPS Account in favour of the Bond Trustee (on behalf of the Bondholders).

"**Written Resolution**" means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) in the event of a conflict between any provision of these Bond Terms and any provision of the Intercreditor Agreement the Intercreditor Agreement shall have precedence over the Bond Terms;
- (f) references to a provision of "**law**" is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (g) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (h) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (i) references to Bonds being "**redeemed**" means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (j) references to Bonds being "**purchased**" or "**repurchased**" by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer's purchase of Bonds*).

- (k) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (l) an Event of Default is "**continuing**" if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of USD 150,000,000 (the "**Maximum Issue Amount**"). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of USD 120,000,000. The Issuer may, at one or more occasions, issue Tap Issue Bonds (each a "**Tap Issue**") in the minimum amount of USD 10,000,000 until the Nominal Amount of all Tap Issue Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Tap Issue Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a "**Tap Issue Addendum**").
- (b) If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Tap Issue Bonds to be listed together with the Bonds, the Tap Issue Bonds may be issued under a separate ISIN ("**Temporary Tap Issue Bonds**") which, upon the approval of the prospectus, will be converted into the ISIN for the Bonds. These Bond Terms govern such Temporary Tap Issue Bonds. The Issuer will inform the Bond Trustee, Exchange and Paying Agent once the prospectus is approved.
- (c) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (d) The Initial Nominal Amount of each Bond is USD 100,000.
- (e) The ISIN of the Bonds issued pursuant to paragraph (a)(i) of Clause 2.8 (*Settlement*) is NO 001 0869175 which will be the surviving ISIN for the Bonds.
- (f) The ISIN for the Temporary Bonds issued pursuant to paragraph (a)(ii) of Clause 2.8 (*Settlement*) is NO 001 0869183.
- (g) All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.
- (h) All Temporary Bonds will be merged with the Bonds pursuant to paragraph (c) of Clause 2.8 (*Settlement*).

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The proceeds from the Initial Bond Issue (net of legal costs, fees of the Joint Bookrunners and the Bond Trustee and any other agreed costs and expenses) shall be used to partly refinance the Issuer's outstanding bond OKEA01 as well as for general corporate purposes of the Issuer.

2.4 Status of the Bonds

- (a) The Bonds shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall, until the RBL Financing Date, be secured on a first priority basis in certain assets of the Obligors as set out in these Bond Terms, and otherwise rank at least pari passu with the claims of the Obligors' other unsubordinated creditors, except for obligations which are mandatorily preferred by law. All payment obligations under or in relation to the Finance Documents shall rank ahead of any subordinated capital.
- (b) The Bond Issue Intercreditor Agreement will, through the Bond Trustee's accession thereto, apply with respect to the Bonds. The Bond Issue Intercreditor Agreement will be terminated on or about the RBL Financing Date.
- (c) On the RBL Financing Date, the Bonds shall release all security and constitute senior unsecured debt obligations of the Issuer but be subordinated to the Reserve Based Lending Facility as set out in the RBL Intercreditor Agreement as attached hereto in Schedule 1. The Bonds shall rank ahead of any subordinated capital. The Bonds will thereafter be unsecured.

2.5 Initial Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority within the times agreed in Clause 6 (*Conditions for disbursement*):
 - (i) the Escrow Account Pledge;
 - (ii) the VPS Account Pledge;
 - (iii) the Existing Licence Mortgages;
 - (iv) the Assignment of Insurances;
 - (v) the Assignment of Tax Refund;
 - (vi) the Factoring Charge; and
 - (vii) the Account Pledges.
- (b) The Transaction Security (with the exception of the Escrow Account Pledge and the VPS Account Pledge) shall constitute a joint first priority Security on a pari passu basis together with the OKEA02 Transaction Security and any transaction security in respect of the Additional Secured Bonds (as further set out in the Bond Issues Intercreditor Agreement). The Transaction Security may be formally registered or otherwise perfected with priority after the OKEA02 Transaction Security, provided that this will

not affect the contractually agreed joint first priority in the Bond Issues Intercreditor Agreement.

- (c) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

2.6 Additional Transaction Security

- (a) If, prior to the RBL Financing Date, any Group Company acquires any New Hydrocarbon Asset, the Issuer shall promptly notify the Bond Trustee thereof in writing and procure that the relevant Group Company will, as soon as reasonably possible and in any event within 30 calendar days of the completion of the relevant transaction, provide Security, on terms substantially identical to the relevant Initial Transaction Security Documents entered into in accordance with Clause 2.5 (*Initial Transaction Security*), perfected with first priority over:
 - (i) the New Hydrocarbon Asset; and
 - (ii) all monetary claims under or with respect to any assignable insurances required to be taken out in respect of the New Hydrocarbon Asset, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator.
- (b) If, prior to the RBL Financing Date, any company becomes (through incorporation, acquisition or otherwise) a New Group Company, the Issuer shall promptly procure that, as soon as possible and in any event within 30 calendar days of the New Group Company becoming a Group Company (in each case to the extent permitted by applicable financial assistance restrictions and similar restrictions), the Issuer or the New Group Company (as the case may be) shall:
 - (i) become a Guarantor by providing a Guarantee;
 - (ii) provide Security, on terms substantially identical to the relevant Initial Transaction Security Documents entered into in accordance with Clause 2.5 (*Initial Transaction Security*) (or in case of (A) below or with respect to non-Norwegian companies or non-Norwegian assets, on terms satisfactory to the Bond Trustee), perfected with first priority over:
 - (A) the entire share capital of the New Group Company; and
 - (B) the following assets of the New Group Company:
 1. its ownership interests in Hydrocarbon Assets (and, if relevant, related assets and agreements);
 2. its monetary claims under or with respect to any assignable insurances required to be taken out hereunder, but excluding any construction

insurance with respect to Hydrocarbon Assets taken out by an operator;

3. its Tax Refund Claims;
4. its account receivables; and
5. its bank accounts (except for Exempted Accounts) and the amount from time to time standing to the credit of the New Group Company in such accounts,

provided that the requirement to provide the Guarantee and Security (other than the Security in (ii)(A) above) listed above and the start of the 30 calendar days completion period in respect thereof, shall be suspended for as long as (but for no longer than) the completion thereof is restricted and would trigger a default under the terms of any Acquired Financial Indebtedness and the suspension shall end on the date the Acquired Financial Indebtedness is repaid or otherwise settled.

- (c) If an Intra-Group Claim is or will become owing by one Group Company to another Group Company, the Issuer shall notify the Bond Trustee thereof in writing as soon as possible and in any event before the Intra-Group Claim becomes outstanding and the Issuer shall, and shall procure that the relevant Group Company will, promptly grant and perfect a first priority security assignment, on terms satisfactory to the Bond Trustee, of all monetary claims with respect to that Intra-Group Claim.
- (d) If any Group Company opens or acquires a New Account, the Issuer shall promptly notify the Bond Trustee thereof in writing and procure that the relevant Group Company will, as soon as reasonably possible and in any event within 30 calendar days of the completion of the relevant transaction, provide Security perfected with first priority, on terms substantially identical to the relevant Initial Transaction Security Document entered into in accordance with Clause 2.5 (*Initial Transaction Security*), over the New Account and the amounts from time to time standing to the credit of the relevant Group Company.
- (e) If the Issuer establishes an additional Escrow Account in NOK, the Issuer shall ensure that such Escrow Account shall, prior to transferring any amounts to such account, be pledged on first priority and blocked so that no withdrawals can be made from such account without the Bond Trustee's prior written consent, and the Account Bank shall waive any set-off rights to such account.
- (f) If, at any time, Norwegian law permits taking Security over the Tax Credit, the Issuer shall, and shall procure that each Group Company will, promptly notify the Bond Trustee in writing thereof and grant and perfect a first priority security assignment over the Tax Credit, on terms satisfactory to the Bond Trustee.
- (g) The Issuer shall ensure that all monetary claims under or with respect to any insurances required to be taken out hereunder (as renewed, extended or replaced from time to

time), but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator, at all times are subject to Transaction Security perfected with first priority, on terms substantially identical to the relevant Initial Transaction Security Document entered into in accordance with Clause 2.5 (*Initial Transaction Security*).

- (h) The Issuer shall, and shall procure that each Group Company will, promptly provide such documents and evidence as the Bond Trustee shall require with respect to any relevant Group Company and any asset over which Security is or will be taken, including constitutional documents, corporate authorizations, governmental and other approvals, copies of relevant share and purchase agreements, due diligence reports and evidence of ownership. The Bond Trustee may, at the cost of the Issuer, require legal opinions to be issued.
- (i) The Additional Transaction Security shall be in favour of the Bond Trustee (on behalf of the Bondholders, the OKEA02 Bondholders and the bondholders under the Additional Secured Bonds, if applicable) and shall secure all obligations and liabilities of the Obligors under the Finance Documents, including but not limited to principal, interest, premiums and expenses.
- (j) The Bond Trustee is authorized to agree to customary sequence and timing arrangements for taking new Transaction Security and releasing Transaction Security.

2.7 Security Release

- (a) The Bond Trustee shall, at the cost and request of the Issuer, release Transaction Security over any asset which is directly (in case of an asset (other than shares) disposal) or indirectly (in case of a share disposal) disposed of, handed back, revoked, terminated or cancelled provided that such disposal, handing back, revocation, termination or cancellation is permitted under the terms hereof and the Issuer has or will satisfy all conditions for such disposal, handing back, revocation, termination or cancellation to be permitted. In case of a permitted disposal of all shares in a Group Company, such Group Company shall be released from its obligations as a Guarantor.
- (b) The Bond Trustee may enter into closing/settlement and/or release agreements and arrangements with respect to any release of Transaction Security which are, in each case, in line with market practise or which is otherwise satisfactory to the Bond Trustee.
- (c) On the RBL Financing Date, and assuming that:
 - (i) no Event of Default is continuing at the relevant time or will result therefrom; and
 - (ii) OKEA01, OKEA02 and any Additional Secured Bonds, if applicable, has or will be redeemed in full no later than the same date,

the Bond Trustee shall release all Transaction Security (other than Transaction Security over the Escrow Account and the VPS Account) and the Bonds shall become unsecured obligations of the Issuer.

- (d) Any release of Transaction Security shall be at the cost of the Issuer.

2.8 Settlement

- (a) The Bonds shall be settled as follows:
 - (i) in cash; and/or
 - (ii) in kind by delivery of the Roll-Over Bonds (subject to subscription from the OKEA01 Bondholders in accordance with the OKEA01 Bondholders' Roll-Over, to be specified in the application form in respect of the Bonds.
- (b) Bondholders delivering Roll-Over Bonds will receive the accrued interest on the respective Roll-Over Bonds up until the Issue Date and a 3.35% premium, each payable in cash at the Issue Date.
- (c) Upon the redemption and discharge of the Roll-Over Bonds on the VPS Account pursuant to Clause 6.2 (*Conditions precedent for disbursement to the Issuer*), the CSD, the Paying Agent and the Bond Trustee shall be authorised to take all necessary steps to discharge the Roll-Over Bonds and merge the Temporary Bonds with the Bonds, whereupon the Temporary Bonds will have the same ISIN and same rights as the other Bonds prior to such merger.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer has applied, or shall within 6 months of the Issue Date apply, for the Bonds to be admitted to listing on the Exchange and the Issuer shall use its best efforts in ensuring the Bonds are listed on the Exchange within 3 months after the first application was made.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Escrow Account

Payment of the net proceeds from the issuance of the Bonds into the Escrow Account and the transfer of the Roll-Over Bonds to the VPS Account shall be conditional on the Bond Trustee having received two (2) Business Days prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee (including, but not limited to):

- (a) the Bond Terms duly executed by all parties hereto;
- (b) the Escrow Account Pledge and the VPS Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;

- (c) the Bond Trustee's Agreement duly executed by all parties thereto;
- (d) certified copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
- (e) certified copies of the certificate of registration and articles of association of the Issuer;
- (f) a certified copy of a power of attorney (unless included in the relevant corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individual's authorisation to execute such Finance Documents on behalf of the Issuer;
- (g) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
- (h) confirmation of an irrevocable call notice regarding OKEA01;
- (i) confirmation that the applicable prospectus requirements (ref. the EU prospectus directive (2017/1129 EC)) concerning the issuance of the Bonds have been fulfilled;
- (j) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
- (k) copies of any written documentation used in marketing the Initial Bond Issue or made public by the Issuer or the Joint Bookrunners in connection with the issuance of the Bonds;
- (l) copies of the Issuer's latest Financial Reports; and
- (m) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).

6.2 Conditions precedent for disbursement to the Issuer

Payment of the net proceeds from the issuance of the Bonds will not be released from the Escrow Account and disbursed in accordance with the purpose of the Initial Bond Issue, and the redemption and discharge of the Roll-Over Bonds on the VPS Account will not occur, unless the Bond Trustee has received or is satisfied that it in due time will receive (as determined by the Bond Trustee) prior to or on the disbursement date each of the following documents (including, but not limited to), in form and substance satisfactory to the Bond Trustee:

- (a) a duly executed Release Notice from the Issuer;
- (b) the Initial Transaction Security Documents duly executed by all parties thereto (including any necessary corporate resolution and documentation from security providers) and evidence of the establishment and perfection of the Security;

- (c) evidence that the Bond Trustee has acceded to the Bond Issue Intercreditor Agreement in its capacity as bond trustee and security agent for the Bondholders;
- (d) copy of a written consent from the Norwegian Ministry of Petroleum and Energy to the Existing License Mortgage;
- (e) copies of agreements for any existing Intercompany Loans (and any Intercompany Loans to be established upon disbursement) duly executed by all parties thereto;
- (f) a closing procedure, including a description of flow of funds, acceptable to the Bond Trustee;
- (g) legal opinions as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the Guarantors and the legality, validity and enforceability of the Bond Terms and the Finance Documents); and
- (h) any other Finance Documents duly signed by all parties thereto.

6.3 Bond Trustee's discretion and instructions

- (a) The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in Clause 6.1 (*Conditions precedent for disbursement to the Escrow Account*) and Clause 6.2 (*Conditions precedent for disbursement to the Issuer*), or decide in its discretion that delivery of certain documents as set out in this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) and Clause 6.2 (*Conditions precedent for disbursement to the Issuer*) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.
- (b) Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), Clause 6.2 (*Conditions precedent for disbursement to the Issuer*), as applicable, have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to Clause 6.3(a).

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Obligor (if applicable) to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Issue Date;
- (b) on each date of disbursement of proceeds from the Escrow Account; and
- (c) at the date of issuance of any Tap Issue Bonds:

7.1 Status

It is a public limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.11 No withholdings

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4.

7.13 Information

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (a) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (b) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

7.14 Security

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

7.15 Transaction Security

The entry into of the Transaction Security Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it or any other Obligor;
- (b) its constitutional documents or those of any other Obligor; or
- (c) any agreement or instrument binding upon it or any other Obligor.

8. PAYMENTS IN RESPECT OF THE BONDS**8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee;
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (Bondholders' decisions)

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (b) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within five Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond (including any Temporary Bond) will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Tap Issue Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Tap Issue Bonds are issued and thereafter in accordance with paragraph (a) above.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each (30/360-days basis), unless:
 - (i) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or
 - (ii) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

9.2 Payment of Interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or parts of the Outstanding Bonds (the "**Call Option**") on any Business Day from and including:
 - (i) the Issue Date to, but not including, the Interest Payment Date in December 2022 (the "**First Call Date**") at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in June 2023, at a price equal to 103.50 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);
 - (iii) the Interest Payment Date in June 2023 to, but not including, the Interest Payment Date in December 2023, at a price equal to 102.20 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);
 - (iv) the Interest Payment Date in December 2023 to, but not including, the Interest Payment Date in June 2024, at a price equal to 101.30 per cent. of Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds); and
 - (v) the Interest Payment Date in June 2024 to, but not including, the Maturity Date, at a price equal to 100.50 per cent. of Nominal Amount;
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.
- (e) If the Bonds shall be redeemed in full following the Issuer's Call Option, or at the Maturity Date, the entire amount on these Accounts may be used as partial payment (unless in conflict with the terms of the relevant Intercreditor Agreement).

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "**Put Option**") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to:
 - (i) in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 101 per cent. of the Nominal Amount.

- (ii) in relation to a Total Loss Event, 100 per cent. of the Nominal Amount.

With respect to an Asset Disposal Event, a Share Disposal Amount or a Total Loss Event, the amount for which the Issuer is obligated to purchase the relevant Bonds shall be limited to the relevant Put Option Amount.

- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event or Mandatory Prepayment Event*). Once notified, the Bondholders' right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be (i) in relation to an Asset Disposal Event and a Share Disposal Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above, (ii) in relation to a Change of Control Event, the 5th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above and (iii) in relation to a Total Loss Event, once the insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than 210 calendar days following the occurrence of the Total Loss Event.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.
- (e) Any amount required to be applied for the redemption of Bonds hereunder and which are also required to be applied for the redemption of OKEA02 and/or any Additional Secured Bond shall be split pro rata between the Bond Issue, OKEA02 and any Additional Secured Bond and the number of Bonds to be redeemed shall be re-calculated accordingly.
- (f) No Put Option in respect of an Asset Disposal Event, a Share Disposal Event or a Total Loss Event will occur after the RBL Financing Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 60 days

prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Management Statements and Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Management Statements and Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 60 days after the end of the Quarter Date.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), however only once for each relevant reporting period, a Compliance Certificate with a copy of the Financial Report attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.12 (*Financial Covenants*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied.

12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) not later than 120 days after the end of each financial year, deliver an updated reserves report for each of the Hydrocarbon Assets of the Group;
- (b) promptly inform the Bond Trustee in writing if a company is becoming Group Company.
- (c) promptly inform the Bond Trustee of any event which could reasonably be expected to result in the revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation of any of the Existing Licences, and/or any other Hydrocarbon Asset;
- (d) promptly inform the Bond Trustee of any failure (the "**Relevant Payment Default**") by any Group Company to make a payment under any joint operating agreement, unitization agreement or similar agreement or document with respect to any Hydrocarbon Assets (the "**Relevant Hydrocarbon Asset**"), such notice to include specific details of the Relevant Payment Default (including the original maturity date thereof and the amount of the Relevant Payment Default), whether the Issuer has or shortly will have sufficient funds to remedy the Relevant Payment Default and details of the Relevant Hydrocarbon Asset.
- (e) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it);
- (f) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (g) 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;
- (h) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (i) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (j) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (k) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and Financial Undertakings*).

13.1 Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business as carried out from time to time if a failure to do so would have Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time, if failure so to comply would have a Material Adverse Effect.

13.3 Pari passu ranking

The Issuer shall, and shall ensure that each Group Company will, procure that its obligations under these Bond Terms and any other Finance Document shall at all times rank at least *pari passu* as set out in Clause 2.4 (*Status of the Bonds*).

13.4 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

13.5 Mergers and de-mergers

The Issuer shall not, and shall ensure that no other Group Company will, carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Group Company,

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

13.6 Arm's length transactions

The Issuer shall not and shall ensure that no other Group Company shall, enter into any transaction with any person except on arm's length terms and for fair market value.

13.7 Corporate status

The Issuer shall not change its type of organisation or jurisdiction of incorporation.

13.8 Operations

The Issuer shall ensure that the operations of any Group Company are conducted in accordance with acknowledged practices related to the oil and gas business in all material respects if a failure to do so would have Material Adverse Effect.

13.9 Insurances

The Issuer shall, and shall ensure that all other Group Companies shall, maintain, with financially sound and reputable insurance companies, funds or underwriters, adequate insurance or captive arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as would normally be maintained by owners and/or operators owning similar assets to those owned by the relevant Group Company, acting in accordance with good industry practice in their relevant jurisdiction.

13.10 Issuer specific covenants

(a) *Distribution restrictions*

The Issuer shall not declare or make any dividend payment, repurchase of shares or make other distributions or payments to its shareholders (including but not limited to payment of principal or interest on any Subordinated Loans in cash), including without limitation any total return swaps or instruments with similar effect (a "**Distribution**") exceeding 50% of the Issuer's net profit after taxes based on the Financial Reports for the previous Relevant Period less the amount of the Permitted Employee Share Issues (as defined below) made during the year in which the Distribution is made (the "**Permitted Distribution**") and subject to the Distribution Test being met.

Repurchase of shares in the Issuer for the purpose of transferring shares to board members and employees under incentive schemes for an aggregate amount not exceeding NOK 80,000,000 per year shall not be considered a Distribution for the purpose of the above ("**Permitted Employee Share Issue**").

Any un-utilized portion of the Permitted Distribution pursuant to the above may not be carried forward.

(b) *Subordinated Loans*

The Issuer shall ensure that any Subordinated Loan shall be subordinated to the obligations under the Finance Documents. The Issuer shall procure that any Subordinated Loan to any Group Company (other than the Issuer) on or before the time of the initial disbursement under such Subordinated Loan shall be made subject to a subordination and turnover agreement with

the Bond Trustee or in accordance with the relevant Intercreditor Agreement, in form and substance satisfactory to the Bond Trustee.

(c) *Subsidiaries' distribution*

Save for obligations under the Permitted Financial Indebtedness, the Issuer shall not permit any Subsidiary to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to:

- (i) pay dividends or make other distributions to its shareholders;
- (ii) service any Financial Indebtedness to the Issuer;
- (iii) make any loans to the Issuer; or
- (iv) transfer any of its assets and properties to the Issuer;

if the creation of such contractual obligation is reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Terms

(d) *Disposal of assets/business*

The Issuer shall not, and shall ensure that no other Group Company shall, sell or otherwise dispose of all or a substantial part of the Group's assets or operations, unless:

- (i) the transaction is carried out at a fair market value, on terms and conditions customary for such transactions;
- (ii) such transaction would not have a Material Adverse Effect; and
- (iii) prior to the RBL Financing Date, the Bonds are redeemed in accordance with the Put Option Event as described below (if applicable).

(e) *Financial indebtedness restrictions*

The Issuer shall not, and shall ensure that no other Group Company shall, incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.

(f) *Negative pledge*

The Issuer shall not, and shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any Security over any of its present or future assets or its revenues, other than the Permitted Security.

(g) *Financial support restrictions*

The Issuer shall not and shall ensure that no other Group Company shall grant any loans, guarantees or other Financial Support to or for the benefit of any third party or other Group Companies, other than the Permitted Financial Support.

(h) *Restrictions on transactions with Group Companies owing Acquired Financial Indebtedness*

The Issuer shall not, and shall ensure that no other Group Company will, make any equity injections or other investments in Group Companies owing Acquired Financial Indebtedness.

(i) *Norwegian Continental Shelf:*

The Issuer shall, and shall ensure that each Group Company will only operate, own and acquire Hydrocarbon Assets on the Norwegian Continental Shelf. Notwithstanding the foregoing, the Issuer is permitted to engage in limited activities outside the Norwegian continental shelf, provided that such activities relates to Hydrocarbon Assets (a) indirectly acquired by the Issuer through the acquisition of a New Group Company which at the time had ownership interest in Hydrocarbon Assets on the Norwegian continental shelf, or (b) straddling other jurisdictions in addition to the Norwegian continental shelf, and provided further that any cash expenditures to petroleum activities or related activities outside the Norwegian continental shelf does not exceed 20% of the Issuer's aggregated expenditures to exploration, development and production activities during any fiscal year.

(j) *Project Documents:*

The Issuer shall, and shall ensure that each Group Company will, (a) perform all material obligations under the Project Documents to which it or a Group Company is part to, (b) not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Project Documents which might have a Material Adverse Effect, and (c) promptly upon request provide the Bond Trustee with copies of any Project Document to the extent permitted under any applicable confidentiality restrictions.

(k) *Security Documents:*

The Issuer shall, and shall ensure that each Obligor will, maintain the Security Documents in full force and effect, and do all acts which may be necessary to ensure that such Security remains duly created, enforceable and perfected with such ranking and priority contemplated by the Bond Terms, creating the Security contemplated thereunder, at the expense of the Issuer, or the relevant Obligor (as the case may be), save for from the RBL Financing Date, where the Transaction Security shall be released.

(l) *Ownership*

The Issuer shall at all times own (directly or indirectly) 100% of the shares in each Group Company, unless all shares in the relevant Group Company are disposed of in a transaction which would not have a Material Adverse Effect and Bonds are redeemed in accordance with the Put Option Event provisions described below (if applicable).

(m) *Hedging restrictions*

The Issuer shall not, and shall procure that no other Group Company will, enter into any hedging arrangements not being Permitted Hedging. Notwithstanding the foregoing, the Issuer

(or any Group Company as the case may be) shall not, whether under a hedging arrangement or any other agreement be permitted to incur, create or permit any financial arrangement whereby any party is granted any right to a payment as a percentage or other proportion of such Group Company's present or future sales proceeds, income, earnings, or revenue deriving directly or indirectly from the Hydrocarbon Assets (whether secured or unsecured).

(n) *Notification*

The Issuer shall promptly inform, and procure that the relevant Group Company promptly informs, the Bond Trustee of the occurrence of any event which could reasonably be expected to result in the revocation, withdrawal, cancellation, termination, suspension, forfeiture or variation of any of the Existing Licenses and/or any Hydrocarbon Asset (a "**Termination**"), if such Termination would have a Material Adverse Effect

(o) *Amendment of other financing arrangements*

Any amendments, changes or supplements to the terms of Permitted Financial Indebtedness described in paragraphs (c), (f) and (g) of the definition thereof by the Group and which result in an increase in the amounts payable on such Permitted Financial Indebtedness (other than an increase in interest payable due to an extension of the relevant Permitted Financial Indebtedness) shall require the approval in a Bondholders' Meeting by a majority of the relevant Voting Bonds.

(p) *Payment of Project Proceeds*

Prior to the RBL Financing Day, the Issuer shall (and shall procure that the relevant Group Company will) ensure that all Project Proceeds are paid directly into a Pledged Account, provided that the foregoing shall not apply with respect to Project Proceeds related to a Group Company (or its assets) owing Acquired Financial Indebtedness at the relevant time to the extent that the payment of the Project Proceeds to a Pledged Account would constitute a default under the terms of the Acquired Financial Indebtedness.

13.11 **Distribution Test**

(a) Subject to paragraph (a) of Clause 13.10 (*Issuer specific covenants*), a Distribution can only be made if:

- (i) no Event of Default is continuing or would result from the relevant event;
- (ii) Liquidity is no less than USD 50,000,000 (or the equivalent in other currencies); and
- (iii) Leverage Ratio does not exceed 1.5:1.0,

the "**Distribution Test**".

(b) The calculation of the Distribution Test, shall be made by taking into account the following principles:

- (i) any cash to be distributed in any way shall be deducted when calculating NIBD and Liquidity; and
- (ii) the figures for EBITDA for the Relevant Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Distribution Test, but adjusted so that: entities, assets or operations acquired, disposed or discontinued of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period.

13.12 Financial covenants

The Issuer undertakes to comply with the following financial covenant during the term of the Bond Issue:

- (a) up until the RBL Financing Date:

- (i) *Liquidity*

the Issuer shall ensure that the Group maintains a Liquidity of minimum USD 10,000,000 (or the equivalent in other currencies);

- (ii) *Leverage Ratio*

the Issuer shall ensure that the Group maintains a Leverage Ratio of no more than 2.0:1.0;

- (iii) *Capital Employment Ratio*

the Issuer shall ensure that the Group maintains a Capital Employment Ratio of no less than 35%, and

- (b) following the RBL Financing Date:

- (i) *Liquidity*

the Issuer shall ensure that the Group maintains a Liquidity of minimum USD 15,000,000 (or the equivalent in other currencies); and

- (ii) *Leverage Ratio*

the Issuer shall ensure that the Group maintains a Leverage Ratio of no more than 3.5:1.0.

The financial covenants (other than Liquidity) shall be calculated in accordance with GAAP and tested by reference to each of the Financial Reports and/or each Compliance Certificate delivered to the Bond Trustee pursuant to Clause 12.2 (*Requirements as to financial reports*), provided that:

- (i) With respect to any Quarter Date ending on a date that is less than 12 months after the First Oil Date with respect to any Hydrocarbon Assets, EBITDA attributable to such Hydrocarbon Asset shall be annualized by reference to the amount of EBITDA as disclosed in the Financial Reports and/or the Compliance Certificates. The pro forma annual EBITDA of such Hydrocarbon Assets shall be calculated by dividing the amount of EBITDA of such Hydrocarbon Assets from the relevant First Oil Date by the number of calendar days since the relevant First Oil Date, and then multiply with 365; and
- (ii) any EBITDA attributed to a Hydrocarbon Asset disposed of during the Relevant Period shall be adjusted for when calculating the EBITDA on the relevant Quarter Date (for the avoidance of doubt, any EBITDA attribution from operation of disposed Hydrocarbon Asset shall be deducted from the EBITDA calculation, but any one-off effects from such disposal shall be included if relevant for the EBITDA calculation).

Financial covenants will apply from and, as relevant, be tested first time on the first Quarter Date to occur after the date of the first release from the Escrow Account.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

(b) Breach of other obligations

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to

have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) *Cross default*

If for the Issuer or any other Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described),

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above exceeds a total of USD 10,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or

(D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or

(E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 10 Business Days of commencement or which the Bond Trustee (acting reasonably) is satisfied to be frivolous, vexatious or an abuse of process.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a

majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting,

chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").

- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.

- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.1(g) (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.1(g) (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*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.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.

- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.1(g) (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.1(g) (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),
 shall not apply to a Written Resolutions.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) 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**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) 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.
- (i) 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 paragraphs (e) to (g) of Clause 15.1(*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE**16.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.

- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused

by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.

- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.
- (g) In case the Issuer does not pay the Bond Trustee for incurred costs, fees and expenses, then the Bond Trustee may seek funding of such costs, fees and expenses from other sources, in which case such other sources will be subrogated into the position of the Bond Trustee, but subordinated any further costs, fees and expenses owing to the Bond Trustee.
- (h) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.

- (i) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Obligors, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (j) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.1(g) (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph **Feil! Fant ikke referansekilden.** above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).

- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:

- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");
- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the "**Defeasance Pledge**"); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect

to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

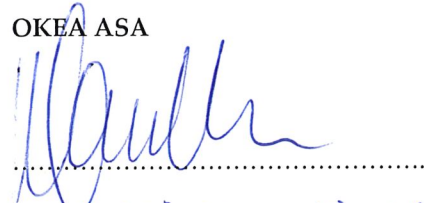
SIGNATURES:

The Issuer:

As Bond Trustee and Security Agent:

OKEA ASA

NORDIC TRUSTEE AS

A handwritten signature in blue ink, appearing to read 'Marit Moen Vik-Langue', written over a dotted line.

.....

By: MARIT MOEN VIK-LANGUE

By:

Position: VP Legal

Position:

SIGNATURES:

The Issuer:

OKEA ASA

.....

By:

Position:

As Bond Trustee and Security Agent:

NORDIC TRUSTEE AS

.....

By:

Position:

Ellen Søliland

Authorised signatory

SCHEDULE 1 COMPLIANCE CERTIFICATE

[date]

OKEA ASA 8.750 % bonds 2019/2024 ISIN NO 001 0869175

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [**].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Reports] / [Interim Accounts] are enclosed.

The Financial Covenants set out in Clause 13.12 (*Financial Covenants*) are met. Please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

NX

Name of authorised person

Enclosure: Financial Reports; [and

any other written documentation]

SCHEDULE 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

OKEA ASA 8.750% bonds 2019/2024 ISIN NO 001 0869175 and ISIN NO 001 0869183 (Temporary Bonds)

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to

- (c) draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount to [the Pledged Account, account no. [**];
- (d) discharge the Roll-Over Bonds; and
- (e) merge the Temporary Bonds with the Bonds, whereupon the Temporary Bonds will have the same ISIN and same rights as the other Bonds prior to such merger.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]

SCHEDULE 3

RBL INTERCREDITOR PRINCIPLES

The intercreditor agreement will be based on the following key intercreditor principles:

Parties: The RBL Facility Agent (on behalf of the Finance Parties), the RBL Security Agent (on behalf of the Secured Parties), the Issuer and Bond Trustee as bond trustee for the Bondholders.

Security and ranking: The Bond Debt shall be subordinated to the RBL Debt and shall remain unsecured, but rank *pari passu* with any other unsecured and unsubordinated debt of the Borrower (OKEA ASA).

Restrictions on payments of the Bond Debt: **Coupon, fees, costs and expenses:** No restrictions under the terms of this intercreditor agreement on payment of coupon, until the Bond Trustee is notified by the RBL Facility Agent of the occurrence of an Event of Default under the RBL Facility, which is continuing. Following such notice from the RBL Facility Agent, payment of coupon shall be treated similarly to payment of principal. No restrictions on payment of fees to the Bond Trustee or reimbursing costs and expenses incurred by the Bond Trustee.

Principal: No repayment of principal prior to the RBL Discharge Date, other than after the lapse of a standstill period of 180 calendar days (from and including the date the RBL Facility Agent was notified of a Bond Event of Default).

Restrictions on enforcement: No enforcement actions shall be made for the Bond Debt, other than:

- (i) following the occurrence of an insolvency event in respect of the Borrower, including any attachment (*No. utlegg*) over any assets of the Borrower having an aggregate value exceeding USD 5,000,000 or the equivalent thereof in any other currencies, unless such petition or proceeding is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days;
- (ii) following the occurrence of the RBL Discharge Date;
- (iii) enforcement actions taken after the lapse of a standstill period of 180 days (from and including the date the RBL Facility Agent was notified of the Bond Event of Default from the Bond Trustee), save that failure to pay the RBL Debt following the occurrence of springing maturity, provided that no enforcement action is taken by the RBL Lenders, shall not be considered a Bond Event of Default (including any cross defaults triggered by such failure to pay the RBL Debt following the occurrence of springing maturity); and
- (iv) other customary executions, including actions necessary (but only to the extent necessary) to preserve validity, existence and priority, obtain injunctive relief, obtain order for specific performance (other than with respect to payment obligations) with no claim for damages

and actions taken to challenge the basis on which any sale or disposal is to take place.

Restrictions on amendments and waivers:

None.

Option to purchase:

The Bond Trustee shall, at the direction of one or more bondholders, or one or several bondholders shall (as the case may be), have a right to, at any time whilst an RBL Event of Default is outstanding, acquire the RBL Debt and the benefit of the RBL Security against payment in full in cash of an amount equal to the RBL Debt.

Turnover of receipt:

All amounts received in respect of the Bond Debt (other than such amounts which are permitted to be paid under paragraph 1 of the *"Restrictions on payments of the Bond Debt"* above) by the Bond Trustee shall be paid by the Bond Trustee to the RBL Facility Agent and be applied to settle the RBL Debt until the RBL Debt Discharge Date has occurred. Any excess amount, after the occurrence of the RBL Debt Discharge Date, may be used to repay Bond Debt. In any event, prior to the RBL Debt Discharge Date, no payments in respect of the Bond Debt (save for coupon payments otherwise allowed hereunder) shall be made by the Issuer directly to the bondholders, and any payments (save for coupon payments otherwise allowed hereunder) otherwise allowed hereunder shall be made to the Bond Trustee, and the Bond Trustee and the Borrower undertake, until the occurrence of the RBL Debt Discharge Date, to take all reasonable steps to ensure that all payments made in respect of the Bond Debt (save for coupon payments otherwise allowed hereunder) shall be made to the Bond Trustee.

The Bond Trustee (acting on behalf of all Bondholders) acknowledges that the RBL Debt is secured by first priority security over certain assets of the Borrower from time to time (the **"RBL Security"**) and furthermore, that a fundamental condition for the RBL Finance Parties' acceptance of the Borrower issuing the Bonds is that the Bonds shall be unsecured and in no way compete with the RBL Security.

To the bondholders in each of:

ISIN: NO 0010826852 - FRN OKEA ASA Senior Secured Bond Issue 2018/2023 (the “OKEA02 Bond Issue”)

ISIN: NO 0010869175 - OKEA ASA Senior Secured Bond Issue 2019/2024 (the “OKEA03 Bond Issue”)

Oslo, 15 June 2020

IMPORTANT NOTICE

Due to the outbreak of the corona virus Covid-19, Bondholders are encouraged to abstain from appearing in person at the Bondholders' Meeting, but rather participate by means of granting a proxy as described below. The Issuer may be prevented from arranging the meeting as a physical meeting.

Summons to Bondholders' Meetings

Nordic Trustee AS (the “**Bond Trustee**”) is the appointed bond trustee for the holders of the bonds (the “**Bondholders**”) in the abovementioned bond issues (each a “**Bond Issue**” and together the “**Bond Issues**”) issued by OKEA ASA (“**OKEA**” or the “**Issuer**”).

A separate Bondholders' Meeting will be held for each Bond Issue, but for practical purposes these will be held simultaneously.

The information in this summons and its appendices regarding the Issuer and the conditions in the markets where the Issuer operates have been provided by the Issuer. The Bond Trustee expressly disclaims any liability whatsoever related to such information. Bondholders are encouraged to read this summons in its entirety.

All capitalized terms used but not defined herein shall have the meaning assigned to them in each of the relevant bond terms for (i) the bonds issued under the OKEA02 Bond Issue (the “**OKEA02 Bonds**”) made between the Bond Trustee and the Issuer on 27 June 2018 (the “**OKEA02 Bond Terms**”) and (ii) the bonds issued under the OKEA03 Bond Issue (the “**OKEA03 Bonds**”) made between the Bond Trustee and the Issuer on 10 December 2019 (the “**OKEA03 Bond Terms**”), respectively. The OKEA02 Bonds and the OKEA03 Bonds hereinafter to be referred to as the “**Bonds**”.

References to clauses and paragraphs are references to clauses and paragraphs in the OKEA02 Bond Terms or the OKEA03 Bond Terms.

1. Background

OKEA is a pure play Norwegian Continental Shelf (“**NCS**”) independent E&P company. The Issuer has a strong and diversified asset portfolio, including the operated Draugen field as well as non-operated positions in the Gjøa and Ivar Aasen producing fields and the Yme development project. As of year-end 2019, OKEA had certified net 2P reserves of 49.5 mmboe and 2C resources of 32.6 mmboe. In Q1 2020, the portfolio produced 19,099 boepd net to OKEA with average production costs of less than USD 10/boe.

COVID-19 effect

As a result of the global COVID-19 pandemic, the oil and gas industry is facing unprecedented challenges, caused by a dramatic fall and high volatility in oil prices combined with increased risk for impact on daily operations. While OKEA's offshore production has remained operational, the pandemic has adversely impacted the progress of the Yme development. Infection control measures and travel restrictions have resulted in significantly lower availability of personnel at the Aker Solutions yard in Egersund where the Maersk Inspirer rig is undergoing upgrade. OKEA expects first oil for Yme to be delayed until the first half of 2021. OKEA continues to work closely with operator Repsol to ensure a robust and safe project execution.

In an effort to contribute to a faster stabilization of the oil and gas industry following the demand disruptions caused by COVID-19, the Norwegian Government announced in April that it will implement production restriction measures for oil production for 2020. For the Issuer's portfolio, the main impact relates to the Draugen field, as the Gjøa field (12.00% WI) is exempted from the production limitations.

Permitted production volumes for Draugen (44.56% WI) for June and H2-20 have been reduced from a total of 3.63 mmboe to a total of 3.43 mmboe. In order to re-optimize the operation and production at Draugen, the license has decided to move the biennial maintenance shutdown from September to late June. On this basis, OKEA maintains the production guidance for 2020 of 14,000 – 15,000 boepd on average for the year. The Issuer's capex guidance for 2020 remains at NOK 0.9-1.0bn.

The Issuer is continuously assessing the impacts of the ongoing COVID-19 pandemic on its business, as well as identifying mitigating factors that will ensure the Issuer is able to withstand the current market conditions for an extended period of time. The Issuer has announced and implemented several initiatives to preserve liquidity, including reduced spending on exploration and appraisal, delay of planned investment projects and reduced SG&A expenditures.

Amendments to the Norwegian Petroleum tax regime

To mitigate the challenges the COVID-19 pandemic has created for the oil and gas industry on the NCS, the Norwegian Government has proposed temporary changes to the petroleum tax regime in Norway, as set out in Prop. 113 L (2019 – 2020) and as later proposed adjusted by the parliamentary Finance Committee in its recommendation to Parliament (Innst. 351 L (2019-2020)) (the "**Tax Proposal**") in order to improve the liquidity of petroleum companies and stimulate investment in the oil and gas industry.

The Tax Proposal includes *inter alia* a proposal for an immediate depreciation of investments made in 2020 and 2021 against the hydrocarbon tax (currently 56% special tax), with the addition of 24% uplift, as well as the right to a refund of the tax value of losses and unutilized uplift in the income years 2020 and 2021 in relation to activities on the NCS from the Norwegian State, which will be paid out over negative installments.

The Tax Proposal is expected to be passed into law before Parliament is scheduled to take summer leave on 19 June 2020.

The Tax Proposal is expected to have a material positive effect on the Issuer's near term liquidity. Based on the Issuer's estimates and the current forward curve, the Issuer expects a positive liquidity effect for the tax year 2020 of approximately USD 60m.

Financial position

Following the Issuer's IPO and bond refinancing in 2019, OKEA has a solid liquidity position. The Issuer does not face any bond maturities until 2023 or other refinancing requirements in the short term. However, based on estimates using the forward curve for oil and gas prices, the Issuer may be at risk of temporarily breaching the Leverage Ratio in the OKEA02 Bond Terms and OKEA03 Bond Terms from Q2 or Q3 2020 as the EBITDA is impacted by the lower oil prices.

Assuming the Tax Proposal is put into law, OKEA will maintain a strong liquidity throughout the coming period, and based on the current forward curve, the Issuer is in a position to manage its debt commitments as they come due.

As the Issuer has NOK as its operating and reporting currency and the debt is denominated in USD, the Issuer is exposed to risk of breaching the Capital Employment Ratio in case of large upwards movements in USD-NOK exchange rate, which is outside of the control of the Issuer.

As such, the Issuer is approaching the Bondholders with a request for an amendment of the Leverage Ratio for 2020 and 2021, as well as requesting that amendments are made to the definition of the Capital Employment Ratio to use the USD-NOK exchange rate for the Capital Employment Ratio that was applicable at the time the cash equity capital was registered in the Norwegian Business Register. Furthermore, in order to improve the ability to protect against movements in commodity prices and exchange rates, the Issuer requests to align the definition of Permitted Hedging in the OKEA02 Bond Terms with the OKEA03 Bond Terms. The terms and conditions are set out and described below in (i) section 2 (the proposal for amendments to the OKEA02 Bond Terms), and (ii) section 3 (the proposal for amendments to the OKEA03 Bond Terms).

2. Proposal - OKEA02 Bond Issue

Based on the above, the Issuer proposes that the OKEA02 Bond Terms are amended as follows, from and including the Effective Date (as defined below) (the "**OKEA02 Proposal**"):

- a) Amendment of the Leverage Ratio: For the period to and including 31 December 2021 (the "**Waiver Period**"), the Leverage Ratio shall not exceed:
 - (i) 3:1 to and including 30 June 2020;
 - (ii) 5:1 from 1 July 2020 to and including 30 September 2020;
 - (iii) 7:1 from 1 October 2020 to and including 30 June 2021;
 - (iv) 6:1 from 1 July 2021 to and including 30 September 2021; and
 - (v) 3:1 from 1 October 2021 to and including 31 December 2021.

During the Waiver Period, a breach of the Leverage Ratio covenant will only result in a default if the Issuer is in breach on two consecutive Calculation Dates.

- b) Capital Employment Ratio: The cash equity capital shall be converted using the USD-NOK exchange rate applicable at the time the capital was registered as a share capital increase in the Issuer with the Norwegian Business Register (*No: Foretaksregisteret*). The Capital Employment Ratio shall be calculated in USD.
- c) Permitted Hedging: Alignment of the definition of Permitted Hedging in the OKEA02 Bond Terms with the definition of Permitted Hedging in the OKEA03 Bond Terms.
- d) Call options: All call prices are increased by one (1) percentage point.

- e) Redemption price: The Outstanding Bonds shall be redeemed at 101% of the Nominal Amount at the Maturity Date.
- f) Asset Disposal Event, Change of Control Event, Share Disposal Event and Distribution put option: All put prices are increased by one (1) percentage point.
- g) Distribution restrictions: The Issuer shall not declare or make any dividends (or similar transactions) or grant any loans or make any other distributions constituting a transfer of value to its shareholders for the period to and including 31 December 2021.
- h) Security in any additional tax refund claims against the Norwegian state: If, at any time, Norwegian law permits taking security over any additional tax refund claims against the Norwegian state, the OKEA02 Bondholders, the OKEA03 Bondholders and the bondholders under any secured Permitted Additional Bond Issue will be provided with joint first priority Security in any such tax refund claims against the Norwegian state.
- i) Extraordinary Put Option: On 30 June 2021, the Issuer shall offer to redeem up to 15% of each of the Outstanding Bonds and the outstanding bonds under OKEA03 at 100% of the Nominal Amount (the "**Extraordinary Put Option**"). The Extraordinary Put Option offered to the OKEA02 Bondholders shall be allocated *pro rata* between the OKEA02 Bondholders exercising the Extraordinary Put Option, and the Put Option Repayment Date will occur 10 Business Days after the lapse of a 30 calendar days' exercise period.
- j) Put Option: Alignment of the provisions in the OKEA02 Bond Terms on allocation of amounts for redemption of Bonds due to a Put Option being exercised with the OKEA03 Bond Terms.
- k) Amendments to the Intercreditor Agreement: Consent to amendments to the Intercreditor Agreement to allow payments to the OKEA02 Bondholders and the OKEA03 Bondholders solely in respect of the Extraordinary Put Option as a Permitted Payment thereunder.

The amendments to the OKEA02 Bond Terms proposed in (a) – (j) above shall be incorporated in the OKEA02 Bond Terms in the form set out in Appendix 2 through an amendment agreement (the "**OKEA02 Amendment Agreement**"). The amendments to the Intercreditor Agreement proposed in (k) above shall be incorporated in the Intercreditor Agreement through an amendment agreement (the "**ICA Amendment Agreement**").

3. Proposal – OKEA03 Bond Issue

Based on the above, the Issuer proposes that the OKEA03 Bond Terms are amended as follows, from and including the Effective Date (as defined below) (the "**OKEA03 Proposal**"):

- a) Amendment of the Leverage Ratio: For the period to and including 31 December 2021 (the "**Waiver Period**"), the Leverage Ratio shall not exceed:
 - (i) 3:1 to and including 30 June 2020;
 - (ii) 5:1 from 1 July 2020 to and including 30 September 2020;
 - (iii) 7:1 from 1 October 2020 to and including 30 June 2021;
 - (iv) 6:1 from 1 July 2021 to and including 30 September 2021; and
 - (v) 3:1 from 1 October 2021 to and including 31 December 2021.

During the Waiver Period, a breach of the Leverage Ratio covenant will only result in a default if the Issuer is in breach on two consecutive Quarter Dates.

- b) Capital Employment Ratio: The cash equity capital shall be converted using the USD-NOK exchange rate applicable at the time the capital was registered as a share capital increase in the Issuer with the Norwegian Business Register (*No: Foretaksregisteret*). The Capital Employment Ratio shall be calculated in USD.
- c) Call options: All call prices are increased with one (1) percentage point.
- d) Redemption price: The Outstanding Bonds shall be redeemed at 101% of the Nominal Amount at the Maturity Date.
- e) Asset Disposal Event, Change of Control Event, and Share Disposal Event: All put prices are increased by one (1) percentage point.
- f) Distribution restrictions: The Issuer shall not declare or make any dividends (or similar transactions) or grant any loans or make any other distributions constituting a transfer of value to its shareholders to and including 31 December 2021.
- g) Security in any additional tax refund claims against the Norwegian state: If, at any time, Norwegian law permits taking security over any additional tax refund claims against the Norwegian state, the OKEA02 Bondholders, the OKEA03 Bondholders and any Additional Secured Bonds will be provided with joint first priority Security in any such tax refund claims against the Norwegian state.
- h) Extraordinary Put Option: On 30 June 2021, the Issuer shall offer to redeem up to 15% of each of the Outstanding Bonds and the outstanding bonds under OKEA02 at 100% of the Nominal Amount (the "**Extraordinary Put Option**"). The Extraordinary Put Option offered to the OKEA03 Bondholders shall be allocated *pro rata* between the OKEA03 Bondholders exercising the Extraordinary Put Option, and the Put Option Repayment Date will occur 10 Business Days after the lapse of a 30 calendar days exercise period.
- i) Amendments to the Bond Issues Intercreditor Agreement: Consent to amendments to the Bond Issues Intercreditor Agreement to allow payments to the OKEA02 Bondholders and the OKEA03 Bondholders solely in respect of the Extraordinary Put Option as a Permitted Payment thereunder.

The amendments to the OKEA03 Bond Terms proposed in (a) – (h) above shall be incorporated in the OKEA03 Bond Terms in the form set out in Appendix 3 through an amendment agreement (the "**OKEA03 Amendment Agreement**", and together with the OKEA02 Amendment Agreement, the "**Amendment Agreements**"). The amendments to the Bond Issues Intercreditor Agreement proposed in (i) above shall be incorporated in the Bond Issues Intercreditor Agreement through an amendment agreement (the "**ICA Amendment Agreement**").

4. Amendment Fee

As consideration for the Bondholders' approval of each of the OKEA02 Proposal and the OKEA03 Proposal (together, the “**Proposals**”), the Issuer offers to pay an amendment fee of 0.50% of the par value of all the OKEA02 Bonds and all the OKEA03 Bonds (to be shared among the Bondholders on a *pro rata* basis) (the “**Amendment Fee**”).

The Amendment Fee is payable 20 Business Days after each of the OKEA02 Proposal and the OKEA03 Proposal have been approved by the required majority of Bondholders pursuant to Clause 15 of each of the OKEA02 Bond Terms and the OKEA03 Bond Terms (with record date on the end of business on the date of the Bondholders' Meeting that approved the relevant Proposal). Payment of the Amendment Fee is subject to the passing of the Tax Proposal by Parliament and the approval of both the OKEA02 Proposal and the OKEA03 Proposal by the relevant Bondholders' Meeting, but shall otherwise be payable whether or not the Amendment Agreements are executed and the Effective Date occurs.

5. Conditions

The amendments to the OKEA02 Bond Terms and the OKEA03 Bond Terms contemplated by the Proposals (when approved by each of the Bondholders' Meetings) shall become effective from the date on which the following conditions precedent have, in the Bond Trustee's sole discretion, been satisfied, delivered or waived (the “**Effective Date**”):

- a) the respective Bondholders' Meetings having approved both Resolutions (and if one or both of the Resolutions are not adopted, the OKEA02 Bond Terms and the OKEA03 Bond Terms will remain unchanged and no Amendment Fee will be payable);
- b) the Amendment Agreements have been duly executed by all parties thereto;
- c) the ICA Amendment Agreement has been duly executed by all parties thereto;
- d) certified copies of all necessary corporate resolutions of the Issuer to execute the Amendment Agreements and the ICA Amendment Agreement (if applicable) have been received;
- e) a certified copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Amendment Agreements and the ICA Amendment Agreement and evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer has been received;
- f) The adoption of the Tax Proposal by the Norwegian Parliament and King-in-Council (substantially in form and substance as set out in Innst. 351 L (2019-2020)) from the parliamentary Finance Committee);
- g) the Amendment Fee has been paid by the Issuer; and
- h) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Amendment Agreements),

always provided that the OKEA02 Bond Terms and OKEA03 Bond Terms will remain unchanged (as if the resolution in each of the Bondholders' Meetings had not been made) if the conditions precedent for the Effective Date set out above have not been satisfied (or waived) 20 Business Days after each of the Bondholders' Meeting at the latest.

6. The Bond Trustee's disclaimer/non-reliance

The request for acceptance of the Proposals are presented to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders from the Bond Trustee. The Bondholders must independently evaluate whether the Proposals are acceptable and vote accordingly in the Bondholders' Meeting for the OKEA02 Bond Issue and/or OKEA03 Bond Issue (as applicable).

7. Support from the Bondholders

The Issuer has informed the Bond Trustee that it has received confirmation from a group of the largest Bondholders in each Bond Issue that they will irrevocably support the Proposals.

8. Further information

For further information about the Issuer, please visit the Issuer's website:

<https://www.okea.no/investor/>

The Issuer has engaged DNB Markets (a part of DNB Bank ASA) as the Issuer's financial advisor (the "**Advisor**") with respect to the Proposals. Bondholders may contact the Advisor for further information as follows:

DNB Markets:
Att: Bond Syndicate
bond.syndicate@dnb.no

The Advisor is acting solely for and relying on information from, the Issuer in connection with the Proposals. No due diligence investigations have been carried out by the Advisor with respect to the Issuer and the Advisor does not assume any liability in connection with the Proposals (including but not limited to the information contained herein).

9. Summons to Bondholders' Meetings

To enable the Issuer to receive the required approvals, the Issuer has requested the Bond Trustee to summon a Bondholders' Meeting for each of the OKEA02 Bond Issue and the OKEA03 Bond Issue to consider the Proposals as set forth in this summons.

Bondholders are hereby summoned to Bondholders' Meetings:

Time: 29 June 2020 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee AS,
Kronprinsesse Märthas Plass 1, 0160 Oslo - 7th floor

Agenda:

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

It is proposed that each Bondholders' Meeting resolve the following:

(a) in respect of the OKEA02 Bond Terms:

“The OKEA02 Proposal and the proposed amendments to the OKEA02 Bond Terms as set out and defined in Appendix 2 (OKEA02 Proposal) to the summons to this Bondholders' Meeting is approved.”

(b) in respect of the OKEA03 Bond Terms:

“The OKEA03 Proposal and the proposed amendments to the OKEA03 Bond Terms as set out and defined in Appendix 3 (OKEA03 Proposal) to the summons to this Bondholders' Meeting is approved.”

In respect of both resolutions in a) and b) above, (i) the approval is subject to the conditions set out in Section 5 above and (ii) the Bond Trustee (subject to the relevant Bondholders' Meetings having approved the OKEA02 Proposal and the OKEA03 Proposal) is authorised to enter into the necessary Amendment Agreements, the ICA Amendment Agreement and any other agreement, notice, arrangement or documentation as it deems necessary or desirable to effect the OKEA02 Proposal and/or the OKEA03 Proposal in its sole discretion in accordance with the decisions made by each Bondholders' Meeting, and (iii) if either the OKEA02 Proposal or the OKEA03 Proposal is not adopted, the Bond Trustee shall for a period of 20 Business Days thereafter be authorised to consent to minor and/or beneficial changes to the approved Proposal conditional upon the same changes later being proposed to and approved by the other Proposal.

To approve each of the Proposals through the above resolutions (the “**Resolutions**”), Bondholders representing at least 2/3 of the Voting Bonds under each of the OKEA02 Bond Issue and/or OKEA03 Bond Issue represented in person or by proxy at the relevant Bondholders Meeting must vote in favour of such Resolution. In order to have a quorum, at least 5/10 of the Voting Bonds must be represented at each of the meetings. If one or both of the Resolutions are not adopted, the OKEA02 Bond Terms and the OKEA03 Bond Terms will remain unchanged.

Please find attached a Bondholder's form from the Securities Depository (“**VPS**”), reflecting your holding of Bonds on record at the date set forth thereon. The form will serve as proof of your ownership of Bonds and of your voting rights at the relevant 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 identity of 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.)

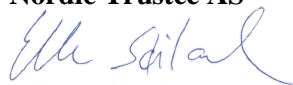
The individual Bondholder may authorise the Bond Trustee to vote on its behalf, in which case the Bondholder's form also serves as a proxy. A duly signed Bondholder's form, authorising the Bond Trustee to vote, must then be returned to the Bond Trustee before the relevant Bondholders' Meeting is scheduled (by scanned e-mail, telefax or post – please see page 1 hereof for further details).

At the Bondholders' Meeting votes may be cast based on Bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's form was distributed, 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.com) within 16:00 hours (4 pm) (Oslo time) the Business Day before the Bondholders' Meeting takes place. Please note that those who intend to register their proxies electronically with VPS must do so within 20:00 hours (8 pm) (Oslo time) the Business Day before the Bondholders' Meeting takes place.

Yours sincerely

Nordic Trustee AS



Ellen Sjøiland

Enclosed: Appendix 1 Bondholder's form
 Appendix 2 Amendments to the OKEA02 Bond Terms
 Appendix 3 Amendments to the OKEA03 Bond Terms

Appendix 2

Amendments to the OKEA02 Bond Terms

By accepting the OKEA02 Proposal, the Bondholders accept and instruct the Bond Trustee to enter into an amendment agreement to the OKEA02 Bond Terms including the following amended terms:

- a) The defined term “Capital Employment Ratio” in Clause 1.1 (Definitions) is amended to read as follows:

*“**Capital Employment Ratio**” means a ratio (calculated in USD), expressed as a percentage, in each case on the relevant Calculation Date, of the (i) aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret) to (ii) the aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret) plus the amount of Total Debt (converted into USD using the exchange rate applicable on the relevant Calculation Date). The cash equity capital shall be converted to USD at the exchange rate applicable on the date on which the cash equity capital was registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret).”*

- b) A new definition of "Extraordinary Put Event" is included in Clause 1.1 (Definitions):

*“**Extraordinary Put Event**” means the occurrence of 30 June 2021.”*

- c) The defined term “Make Whole Amount” in Clause 1.1 (Definitions) is amended to read as follows:

*“**Make Whole Amount**” means an amount equal to the sum of:*

- (a) the present value on the Call Option Repayment Date of 105.375 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and*
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date) to and including the First Call Date,*

where the present value shall be calculated by using a discount rate of 50 basis points above the comparable US Government Bond Rate (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).”

- d) A new definition of “OKEA03” is included in Clause 1.1 (Definitions):

*“**OKEA03**” means the Issuer’s outstanding USD 120,000,000 senior secured bond issue with ISIN NO 001 0869175.”*

- e) A new definition of “OKEA03 Bondholders” is included in Clause 1.1 (Definitions):

*“**OKEA03 Bondholders**” means the bondholders of OKEA03.*”

- f) The defined term “Permitted Hedging” in Clause 1.1 (Definitions) is amended to read as follows:

*“**Permitted Hedging**” means non-speculative hedging of currency, interest rate and commodity risks.*”

- g) A new paragraph (d) shall be included in the definition of "Put Option Amount" in Clause 1.1 (Definitions):

"(d) with respect to an Extraordinary Put Event, an amount equal to 15% of the Outstanding Bonds at the time of the occurrence of the Extraordinary Put Event."

- h) A new paragraph (e) shall be included in the definition of "Put Option Event" in Clause 1.1 (Definitions):

"(e) an Extraordinary Put Event."

- i) Paragraph (f) of Clause 2.6 (Additional Security) is amended to read as follows:

“(f) If, at any time, Norwegian law permits taking Security over the Tax Credit or any other tax refund claim against the Norwegian state, the Issuer shall, and shall procure that each Group Company will, promptly notify the Bond Trustee in writing thereof and grant and perfect a first priority security assignment over Tax Credit and/or any other tax refund claim against the Norwegian state, on terms satisfactory to the Bond Trustee.”

- j) Clause 10.1 (Redemption of Bonds) is amended to read as follows:

“10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 101 per cent. of the Nominal Amount.”

- k) Paragraph (a) of Clause 10.2 (Voluntary early redemption – Call Option) is amended to read as follows:

“10.2 Voluntary early redemption – Call Option

(a) The Issuer may redeem all or parts of the Outstanding Bonds (the “Call Option”) on any Business Day from and including:

- (i) the Issue Date to, but not including, the Interest Payment Date in December 2020 (the “First Call Date”) at a price equal to the Make Whole Amount;*
- (ii) the First Call Date to, but not including, the Interest Payment Date in June 2021, at a price equal to 105.375 per cent. of the Nominal Amount;*

- (iii) *the Interest Payment Date in June 2021 to, but not including, the Interest Payment Date in December 2021, at a price equal to 104.50 per cent. of the Nominal Amount;*
- (iv) *the Interest Payment Date in December 2021 to, but not including, the Interest Payment Date in June 2022, at a price equal to 103.625 per cent. of the Nominal Amount;*
- (v) *the Interest Payment Date in June 2022 to, but not including, the Interest Payment Date in December 2022, at a price equal to 102.75 per cent. of the Nominal Amount; and*
- (vi) *the Interest Payment Date in December 2022 to, but not including, the Maturity Date, at a price equal to 101.50 per cent. of the Nominal Amount."*

- l) Paragraph (a) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) is amended to read as follows:

- "(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to:*
- (i) in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 102 per cent. of the Nominal Amount.*
 - (ii) in relation to a Total Loss Event or an Extraordinary Put Event, 100 per cent. of the Nominal Amount.*

With respect to an Asset Disposal Event, a Share Disposal Event, a Total Loss Event or an Extraordinary Put Event, the amount for which the Issuer is obligated to purchase the relevant Bonds shall be limited to the relevant Put Option Amount.

- m) Paragraph (c) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) is amended to read as follows:

- "(c) Any amount required to be applied for the redemption of Bonds hereunder and which are also required to be applied for the redemption under any Permitted Additional Bond Issue shall be split pro rata between the Bond Issue and such Permitted Additional Bond Issue(s) and the number of Bonds to be redeemed shall be re-calculated accordingly:*

- n) Paragraph (d)(i) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) is amended to read as follows:

- "(i) in relation to an Asset Disposal Event, a Share Disposal Event and an Extraordinary Put Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above,"*

- o) Paragraph (a) (Dividend Restrictions) of Clause 13.11 (Issuer specific covenants) – is amended to read as follows:

“13.11 Issuer specific covenants

(a) Dividend restrictions

- (i) The Issuer shall not declare or make any dividend payment, repurchase of shares or make any loans or other equity or capital distributions or payments (including group contributions) to its direct or indirect 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") to and including 31 December 2021.*
- (ii) From 1 January 2022 the Issuer shall not make any Distribution, other than, commencing from the later of (a) the First Oil Date of the Yme Licences and (b) the date the Yme Bonds are fully redeemed, a Distribution for an amount not exceeding 50% of the Issuer's net profit after tax for the previous calendar year (and for this calculation all Distributions made by reference to the same calendar year shall be aggregated), subject to, (A) before the date any Distribution is made, an offer is made by the Issuer to all Bondholders to redeem an aggregate amount of Bonds and any Permitted Additional Bond Issue(s) (if any) equal to the amount of the Distribution at 103% of the Nominal Amount (plus accrued interest) to the Issuer and (B) no Event of Default continuing at the date of the Distribution or resulting therefrom. Any redeemed Bonds shall be discharged.”*

- p) Paragraph (c) (Leverage Ratio) of Clause 13.12 (Financial Covenants) is amended to read as follows:

“(c) Leverage Ratio

on each Calculation Date:

- (i) to, but excluding, 1 July 2020, maintain a Leverage Ratio not exceeding 3:1;*
- (ii) from, and including, 1 July 2020, to, but excluding, 1 October 2020, maintain a Leverage Ratio not exceeding 5:1;*
- (iii) from, and including, 1 October 2020 to, but excluding, 1 July 2021, maintain a Leverage Ratio not exceeding 7:1;*
- (iv) from, and including, 1 July 2021 to, but excluding, 1 October 2021, maintain a Leverage Ratio not exceeding 6:1;*
- (v) from, but excluding 1 October 2021 to, but excluding, 1 January 2022, maintain a Leverage Ratio not exceeding 3:1; and*
- (vi) from and including 1 January 2022, maintain a Leverage Ratio not exceeding 2:1.”*

A failure to comply with the requirements set out in this Clause 13.12(c) (Leverage Ratio) in the period to, but excluding, 1 January 2022 will only result in a default if the Issuer does not comply with such requirements on two consecutive Calculation Dates.”

- q) Paragraph (d) (Testing) of Clause 13.12 (Financial Covenants) is amended to read as follows:

“(d) Testing

The financial covenants (other than Liquidity, and for purposes of calculation of the Capital Employment Ratio, other than as set out in the definition thereof) shall be calculated in accordance with GAAP and tested by reference to each of the Financial Reports and/or each Compliance Certificate delivered to the Bond Trustee pursuant to Clause 12.2 (Requirements as to financial reports), provided that:”

The remaining part shall remain unchanged.

Appendix 3

Amendments to the OKEA03 Bond Terms

By accepting the OKEA03 Proposal, the Bondholders accept and instruct the Bond Trustee to enter into an amendment agreement to the OKEA03 Bond Terms including the following amended terms:

- a) The defined term “Capital Employment Ratio” in Clause 1.1 (Definitions) is amended to read as follows:

*“**Capital Employment Ratio**” means a ratio (calculated in USD), expressed as a percentage, in each case on the relevant Quarter Date, of the (i) aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret) to (ii) the aggregate amounts that have been paid in as cash equity capital in the Issuer and which have been registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret) plus the amount of Total Debt (converted into USD using the exchange rate applicable on the relevant Quarter Date). The cash equity capital shall be converted to USD at the exchange rate applicable on the date on which the cash equity capital was registered as a share capital increase in the Issuer with the Norwegian Business Register (No: Foretaksregisteret).”*

- b) A new definition of "Extraordinary Put Event" is included in Clause 1.1 (Definitions):

*“**Extraordinary Put Event**” means the occurrence of 30 June 2021.”*

- c) The defined term “Make Whole Amount” in Clause 1.1 (Definitions) is amended to read as follows:

*“**Make Whole Amount**” means an amount equal to the sum of:*

- (a) the present value on the Call Option Repayment Date of 104.50 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and*
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (less any accrued and unpaid interest on the redeemed Bonds) through and including the First Call Date,*

where the present value shall be calculated by using a discount rate of two point zero five (2.05) per cent. per annum.”

- d) A new paragraph (d) shall be included in the definition of "Put Option Amount" in Clause 1.1 (Definitions):

“(d) with respect to an Extraordinary Put Event, an amount equal to 15% of the Outstanding Bonds at the time of the occurrence of the Extraordinary Put Event.”

- e) A new paragraph (e) shall be included in the definition of "Put Option Event" in Clause 1.1 (Definitions):

"(e) an Extraordinary Put Event."

- f) Paragraph (f) of Clause 2.6 (Additional Security) is amended to read as follows:

"(f) If, at any time, Norwegian law permits taking Security over the Tax Credit or any other tax refund claim against the Norwegian state, the Issuer shall, and shall procure that each Group Company will, promptly notify the Bond Trustee in writing thereof and grant and perfect a first priority security assignment over Tax Credit and/or any other tax refund claim against the Norwegian state, on terms satisfactory to the Bond Trustee."

- g) Clause 10.1 (Redemption of Bonds) is amended to read as follows:

"10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 101 per cent. of the Nominal Amount."

- h) Paragraph (a) of Clause 10.2 (Voluntary early redemption – Call Option) is amended to read as follows:

"10.2 Voluntary early redemption – Call Option

(a) The Issuer may redeem all or parts of the Outstanding Bonds (the "Call Option") on any Business Day from and including:

- (i) the Issue Date to, but not including, the Interest Payment Date in December 2022 (the "First Call Date") at a price equal to the Make Whole Amount;*
- (ii) the First Call Date to, but not including, the Interest Payment Date in June 2023, at a price equal to 104.50 per cent. of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);*
- (iii) the Interest Payment Date in June 2023 to, but not including, the Interest Payment Date in December 2023, at a price equal to 103.20 per cent. of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds);*
- (iv) the Interest Payment Date in December 2023 to, but not including, the Interest Payment Date in June 2024, at a price equal to 102.30 per cent. of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds); and*
- (v) the Interest Payment Date in June 2024 to, but not including, the Maturity Date, at a price equal to 101.50 per cent. of the Nominal Amount (plus accrued but unpaid interest on the redeemed Bonds."*

- i) Paragraph (a) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) is amended to read as follows:

"(a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to:

- (i) *in relation to an Asset Disposal Event, a Share Disposal Event and a Change of Control Event, 102 per cent. of the Nominal Amount.*
- (ii) *in relation to a Total Loss Event or an Extraordinary Put Event, 100 per cent. of the Nominal Amount.*

With respect to an Asset Disposal Event, a Share Disposal Event, a Total Loss Event or an Extraordinary Put Event, the amount for which the Issuer is obligated to purchase the relevant Bonds shall be limited to the relevant Put Option Amount."

- j) Paragraph (c)(i) of Clause 10.3 (Mandatory repurchase due to a Put Option Event) is amended to read as follows:

"(i) in relation to an Asset Disposal Event, a Share Disposal Event and an Extraordinary Put Event, the 10th Business Day after the end of the 30 calendar days exercise period referred to in paragraph (b) above,"

- k) Paragraph (a) (Distribution restrictions) of Clause 13.10 (Issuer specific covenants) is amended to read as follows:

"(a) Distribution restrictions

- (i) *The Issuer shall not declare or make any divided payment, repurchase of shares or make other distributions or payments to its shareholders (including but not limited to payment of principal or interest on any Subordinated Loans in cash), including without limitation any total return swaps or instruments with similar effect (a "**Distribution**") to and including 31 December 2021.*
- (ii) *From 1 January 2022 the Issuer shall not make any Distribution exceeding 50% of the Issuer's net profit after taxes based on the Financial Reports for the previous Relevant Period less the amount of the Permitted Employee Share Issues (as defined below) made during the year in which the Distribution is made (the "**Permitted Distribution**") and subject to the Distribution Test being met.*
- (iii) *Repurchase of shares in the Issuer for the purpose of transferring shares to board members and employees under incentive schemes for an aggregate amount not exceeding NOK 80,000,000 per year shall not be considered a Distribution for the purpose of the above ("**Permitted Employee Share Issue**").*
- (iv) *Any un-utilized portion of the Permitted Distribution pursuant to the above may not be carried forward"*

- l) Paragraph (a)(ii) (Leverage Ratio) of Clause 13.12 (Financial Covenants) is amended to read as follows:

“(ii) Leverage Ratio

the Issuer shall:

- (i) to, but excluding, 1 July 2020, maintain a Leverage Ratio not exceeding 3:1;*
- (ii) from, and including, 1 July 2020, to, but excluding, 1 October 2020, maintain a Leverage Ratio not exceeding 5:1;*
- (iii) from, and including, 1 October 2020 to, but excluding, 1 July 2021, maintain a Leverage Ratio not exceeding 7:1;*
- (iv) from, and including, 1 July 2021 to, but excluding, 1 October 2021, maintain a Leverage Ratio not exceeding 6:1;*
- (v) from, but excluding 1 October 2021 to, but excluding, 1 January 2022, maintain a Leverage Ratio not exceeding 3:1; and*
- (vi) from and including 1 January 2022, maintain a Leverage Ratio not exceeding 2:1.*

A failure to comply with the requirements set out in this Clause 13.12 (a)(ii) (Leverage Ratio) in the period to, but excluding, 1 January 2022 will only result in a default if the Issuer does not comply with such requirements on two consecutive Quarter Dates.“

- m) Clause 13.12 (Financial Covenants) second paragraph starting with “The financial covenants...” is amended to read as follows:

“The financial covenants (other than Liquidity, and for purposes of calculation of the Capital Employment Ratio, other than as set out in the definition thereof) shall be calculated in accordance with GAAP and tested by reference to each of the Financial Reports and/or each Compliance Certificate delivered to the Bond Trustee pursuant to Clause 12.2 (Requirements as to financial reports), provided that:”

The remaining part shall remain unchanged.