

# Summary

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

NO0010869175



Global Coordinator and Joint Bookrunner:



Joint Bookrunner:



## Summary

Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

**A - INTRODUCTION AND WARNINGS**

Warning	This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
The Bonds	ISIN: NO0010869175 - OKEA ASA senior secured callable USD 150,000,000 bonds 2019/2024.
The Issuer	OKEA ASA is a public limited liability company domiciled in Norway and existing under the laws of Norway pursuant to the Norwegian Companies Act, the Norwegian Petroleum Act and the Petroleum Taxation Act. The Company was incorporated in Norway on 29 April 2015, and the organisation number in the Norwegian Register of Business Enterprises is 915 419 062 and LEI code 549300H385IGBB58CN9. OKEA's registered office is in the municipality of Trondheim, located at Ferjemannsveien 10, N-7042 Trondheim, Norway and the Company's main telephone number at this address is +47 73 52 52 22.
The Offeror	Not applicable. There is no offeror, the Prospectus has been produced in connection with listing of the Bonds at Oslo Børs. The Issuer is going to seek admission to trade the Bonds in a regulated market.
Competent Authority Approving the Prospectus.	The Financial Supervisory Authority of Norway (Norwegian: <i>Finanstilsynet</i> ), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and on 19 <sup>th</sup> June 2020, approved the Prospectus.

**B - KEY INFORMATION ON THE ISSUER**

<b>Who is the issuer of the securities?</b>	
Corporate Information	OKEA ASA is a public limited liability company domiciled in Norway and existing under the laws of Norway pursuant to the Norwegian Companies Act, the Norwegian Petroleum Act and the Petroleum Taxation Act. The Company was incorporated in Norway on 29 April 2015, and the organisation number in the Norwegian Register of Business Enterprises is 915 419 062 and LEI code 549300H385IGBB58CN9.  Website: <a href="http://www.okea.no">www.okea.no</a>
Principal activities	OKEA is a Norwegian independent oil producer. All of OKEA's oil and gas assets are located on the Norwegian Continental Shelf. OKEA's strategy is to increase recovery from late life assets and develop smaller discoveries and fields on the NCS by capitalising on the Company's expertise and ability to operate at a lower cost than its competitors. OKEA is focused on cost-effective and safe development and operations and will seek to leverage existing infrastructure to reduce both the cost and the environmental footprint of our business. The Company's aim is to maximise shareholder

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	value while ensuring that resources are utilized in an efficient and responsible manner to the benefit of all stakeholders. Also, many oil companies on the NCS are specialized exploration companies in need of a development partner when discoveries are made. OKEA is one of a few candidates for such a partnership.																		
Major Shareholders	<b>The 20 largest shareholders in OKEA ASA as of 15 June 2020:</b>																		
<b>INVESTOR</b>	<b>NUMBER OF SHARES    % OF TOP 20    % OF TOTAL</b>																		
BCPR PTE. LTD.	47 477 563    55,18 %    46,43 %																		
OKEA Holdings Ltd.	20 592 975    23,94 %    20,14 %																		
Church Bay Trust Co. Ltd	6 113 079    7,11 %    5,98 %																		
SPAREBANK 1 SMN INVEST AS	1 679 760    1,95 %    1,64 %																		
SJÆKERHATTEN AS	1 473 409    1,71 %    1,44 %																		
GH HOLDING AS	1 131 495    1,32 %    1,11 %																		
KØRVEN AS	1 050 344    1,22 %    1,03 %																		
JENSSEN & CO AS	1 030 860    1,20 %    1,01 %																		
SALT VALUE AS	703 178    0,82 %    0,69 %																		
LIGNA AS	675 640    0,79 %    0,66 %																		
SKJEFSTAD VESTRE AS	562 761    0,65 %    0,55 %																		
KEBS AS	531 390    0,62 %    0,52 %																		
TVENGE	500 000    0,58 %    0,49 %																		
B FINANS AS	499 983    0,58 %    0,49 %																		
JOHAN VINJE AS	393 625    0,46 %    0,38 %																		
MUST INVEST AS	366 296    0,43 %    0,36 %																		
State Street Bank and Trust Comp	326 221    0,38 %    0,32 %																		
UBS Switzerland AG	325 575    0,38 %    0,32 %																		
BERGEN KOMMUNALE PENSJONSKASSE	308 600    0,36 %    0,30 %																		
ESPEDAL & CO AS	293 062    0,34 %    0,29 %																		
<b>Total number owned by top 20</b>	<b>86 035 816    100,00 %    84,14 %</b>																		
<b>Total number of shares</b>	<b>102 250 265                         100,00 %</b>																		
Key managing directors	<table border="1"> <thead> <tr> <th>Name</th> <th>Current position</th> </tr> </thead> <tbody> <tr> <td>Erik Haugane</td> <td>CEO</td> </tr> <tr> <td>Knut Gjertsen</td> <td>SVP Projects and Technology</td> </tr> <tr> <td>Birte Norheim</td> <td>CFO</td> </tr> <tr> <td>Dag Eggen</td> <td>SVP Business Performance</td> </tr> <tr> <td>Andrew McCann</td> <td>SVP Subsurface &amp; Wells</td> </tr> <tr> <td>Tor Bjerkestrand</td> <td>SVP Operations</td> </tr> <tr> <td>Espen Myhra</td> <td>SVP Business Development</td> </tr> <tr> <td>Marit Moen Vik-Langlie</td> <td>VP Legal</td> </tr> </tbody> </table>	Name	Current position	Erik Haugane	CEO	Knut Gjertsen	SVP Projects and Technology	Birte Norheim	CFO	Dag Eggen	SVP Business Performance	Andrew McCann	SVP Subsurface & Wells	Tor Bjerkestrand	SVP Operations	Espen Myhra	SVP Business Development	Marit Moen Vik-Langlie	VP Legal
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Andrew McCann	SVP Subsurface & Wells																		
Tor Bjerkestrand	SVP Operations																		
Espen Myhra	SVP Business Development																		
Marit Moen Vik-Langlie	VP Legal																		
Statutory auditor	The Company's auditor for 2019 and 2018 has been PricewaterhouseCoopers AS, with registration number 987 009 713, and registered address at Dronning Eufemias gate 8, 0191 Oslo, Norway. PricewaterhouseCoopers AS is a member of the Norwegian Institute of Public Accountants.																		

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<b>What is the key financial information regarding the Issuer?</b>				
<b>OKEA ASA</b>	<b>Q1 2020</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018*</b>	<b>31 Dec 2018</b>
<i>Amounts in NOK '000</i>	Unaudited	audited	restated	audited
<b>INCOME STATEMENT</b>				
Total operating income	550 770	3 019 566	309 087	353 508
Total operating expenses	-1 053 964	-2 192 406	-260 326	-272 509
Profit/loss (-) from operating activities	-503 194	827 160	48 761	80 999
Net financial items	-423 073	-407 764	-348 963	-348 963
Profit/loss (-) before income tax	-926 268	419 396	-300 202	-267 964
<b>Net profit/loss (-) for the period</b>	<b>-784 730</b>	<b>-71 131</b>	<b>-155 715</b>	<b>-148 622</b>
<b>BALANCE SHEET</b>				
Total non-current assets	8 110 194	8 558 409	8 164 561	8 351 218
Total current assets	1 988 129	2 427 682	1 640 858	1 702 895
<b>Total assets</b>	<b>10 098 323</b>	<b>10 986 091</b>	<b>9 805 419</b>	<b>10 054 113</b>
Total equity	900 027	1 681 430	1 456 304	1 463 396
Total non-current liabilities	7 886 140	7 556 259	7 063 939	7 274 680
Total current liabilities	1 312 155	1 748 402	1 285 176	1 316 036
<b>Total equity and liabilities</b>	<b>10 098 323</b>	<b>10 986 091</b>	<b>9 805 419</b>	<b>10 054 113</b>
<b>CASH FLOW STATEMENT</b>				
Net cash flow from operating activities	21 135	2 111 116	235 428	235 428
Net cash flow from / used in (-) investing activities	-333 170	-847 391	-2 257 043	-2 257 043
Net cash flow from financing activities	-92 104	5 083	2 386 677	2 386 677
Net change in cash and cash equivalents	-404 139	1 268 807	365 062	365 052
<b>Cash and cash equivalents at the end of the period</b>	<b>1 259 339</b>	<b>1 663 478</b>	<b>394 670</b>	<b>394 670</b>
<b>Restricted and unrestricted cash at the end of the period</b>	<b>1 259 339</b>	<b>1 663 478</b>	<b>442 997</b>	<b>442 997</b>
<i>*Restated</i>				
<b>What are the key risk factors that are specific to the Issuer?</b>				
Most material key risk factors	<p><i>RISKS RELATED TO THE BUSINESS OF THE COMPANY AND THE INDUSTRY IN WHICH THE COMPANY OPERATES</i></p> <ul style="list-style-type: none"> <li>• The Company's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon and may be adversely affected by the level of oil and gas prices, which are highly volatile</li> <li>• The Company's operations and financial positions may be adversely affected by the currently ongoing Covid-19 outbreak, and related restrictions and temporary legislation</li> <li>• The Company's current production is concentrated in a limited number of offshore fields</li> <li>• The Company's current or future development projects and exploration activities are associated with risks relating to delays, cost inflations, potential penalties and regulatory requirements and therefore, the estimated development costs and time to achieve first oil for fields like for example Yme may be substantially exceeded and delayed</li> <li>• Developing discovered fields requires significant investments</li> <li>• Extending lifetime of producing fields</li> </ul>			

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	<ul style="list-style-type: none"> <li>• The Company may not have access to necessary infrastructure or capacity booking for the transportation of oil and gas, and technical issues may also lead to capacity restraints</li> <li>• The Company is exposed to political and regulatory risks, and the political attention on climate change and protests against fossil fuel extraction may have a significant adverse effect on the oil and gas industry</li> <li>• The Company is dependent on locating, acquiring, developing and producing oil and gas reserves that are economically recoverable</li> </ul> <p><i>FINANCIAL RISKS AND RISKS RELATED TO DEBT OBLIGATIONS</i></p> <ul style="list-style-type: none"> <li>• The Company will require a significant amount of cash to service future debt and sustain its operations, and its ability to generate sufficient cash depends on many factors beyond its control</li> <li>• Financial effects of the current Covid-19 outbreak</li> <li>• The Company is subject to restrictive debt covenants that may limit the Company’s ability to finance its future operations and capital needs and to pursue business opportunities and activities</li> <li>• The Company is exposed to credit risk</li> <li>• The Company may incur substantial debt in the future, which may make it difficult for it to service its debt</li> <li>• The Company’s working capital needs are difficult to forecast and may be subject to significant and rapid increases which could result in additional financing requirements that the Company may not be able to obtain on satisfactory terms or at all</li> </ul>
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**C - KEY INFORMATION ON THE SECURITIES**

<b><i>What are the main features of the securities?</i></b>	
Description of the securities, including ISIN	ISIN: NO0010869175 - Senior secured callable bonds with fixed rate. Issue Date: 11 December 2019. Maturity Date: 11 December 2024. Initial Bond Issue is USD 120 000 000, and Initial Nominal Amount of each Bond is USD 100 000 each and among themselves pari passu ranking. Issue Price: 99%. The Bonds are fixed rate bonds; 8.75 percentage points per annum.
Rights attached to the securities*	<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 subscribed / purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms.</p> <p>The Bond Terms include descriptions of rights and any limitations of those rights, such as:</p> <ul style="list-style-type: none"> <li>• Voluntary early redemption - Call Option</li> <li>• Mandatory repurchase due to a Put Option Event</li> <li>• Early redemption option due to a Tax Event</li> <li>• Events of default and acceleration of the Bonds</li> </ul>

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	<i>*This section may be changed due to the Bondholders' Meeting that will be held on 29<sup>th</sup> June</i>
Status of the Bonds and security*	<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. The Bonds shall rank ahead of any subordinated capital. The Bonds will thereafter be unsecured.</p> <p><i>*This section may be changed due to the Bondholders' Meeting that will be held on 29<sup>th</sup> June</i></p>
<b>Where will the securities be traded?</b>	
Admission to trading	The Bonds will be listed on Oslo Børs as soon as possible after the prospectus has been approved by the Norwegian FSA.
<b>What are the key risks that are specific to the securities?</b>	
Most material key risks	<ul style="list-style-type: none"> <li>• Credit risk</li> <li>• The Company has several call options on the Bonds, which will reduce the sum of interest payments made if exercised</li> <li>• Although the occurrence of specific change of control and other put option events affecting the Company will permit the Bondholders to require the Company to redeem the Bonds, the Company may not be able to do so</li> <li>• Mandatory prepayment events may lead to prepayment of the Bonds at a time when the Bondholders may not be able to reinvest the prepayment proceeds at an equivalent rate of interest.</li> <li>• There is no existing trading market for the Bonds, and a trading market that provides adequate liquidity may not develop</li> <li>• The Bonds will be subject to purchase and transfer restrictions</li> <li>• The trading price of the Bonds may be volatile</li> <li>• Bondholders may face currency exchange risks or adverse tax consequences by investing in the Bonds denominated in currencies other than their reference currency</li> <li>• The terms and conditions of the Bonds will allow for modification of the Bonds and waivers that may be implemented without the consent from each Bondholder</li> <li>• The Issuer may enter into an RBL facility, and following such RBL financing the bonds will automatically become unsecured</li> <li>• The Issuer may also issue debt in the future, which may rank pari passu with or be senior to the Bonds</li> <li>• Optional redemption by the Issuer</li> <li>• Value of the Transaction Security</li> <li>• Difficulties in enforcing the Transaction Security</li> </ul>

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**D - KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKED**

<b><i>Under which conditions and timetable can I invest in this security?</i></b>	
Terms and conditions for the offer	Not applicable. The Bonds have not been subject to a public offer and are already issued and settled.
<b><i>Why is the Prospectus being produced?</i></b>	
Admission to trading	The Prospectus is produced in connection with listing of the Bonds on Oslo Børs.
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.
Material conflicts of interest	There is no interest, nor conflicting interests that is material to the issue.