

# Securities Note

OKEA ASA senior secured callable USD 250,000,000  
bonds 2023/2026

NO0013009282



**DNB** Markets

**DNB Markets, a part of DNB Bank ASA**

*as Joint Lead Managers*

**Pareto**  
Securities

**Pareto Securities AS**

**Fearnley Securities AS**

*as Co-manager*

**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. 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.

## ***Risks relating to call options on the Bonds***

The terms and conditions of the Bonds (the "Bond Terms") will provide that the Bonds shall be subject to optional redemption by the Issuer 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 (the "Bondholders") to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

## ***Risks relating to change of control and other put option events***

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

## ***A trading market that provides adequate liquidity may not develop***

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 Issuer will apply for listing of the Bonds on the Oslo Stock Exchange, the Issuer 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.

## ***The trading price of the Bonds may be volatile***

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 Issuer and other factors, many of which are beyond the Issuer's control.

## ***Currency exchange risks or adverse tax consequences***

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.

***Modification of the Bonds and waivers may be implemented without the consent***

The Bond Terms include provisions for convening Bondholder meetings and thus, decisions may be made by defined majority of the Bondholders, implementing changes that are binding for all Bondholders. This could potentially have negative implications for Bondholders who do not wish to proceed with a certain resolution, as they will still be subject to the agreed changes despite their opposition.

***Debt may rank pari passu with or be senior to the Bonds***

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, including but not limited to, additional secured debt under a Tap Issue, secured debt under any Permitted Additional Secured Bond Issues, unsecured debt and by increasing the total amount under the SSRCF. Any such indebtedness may reduce the amount recoverable by Bondholders upon liquidation of the Issuer.

***The Bondholders will vote jointly with the bondholders under any Permitted Additional Secured Bond Issues***

Pari Passu Creditors (as defined in the Intercreditor Agreement) includes both the Bondholders and other bondholders under any Permitted Additional Secured Bond Issues. Hence, if any Permitted Additional Secured Bond Issue has a larger issue amount than the aggregate of the Issue Amount of the Bonds and any Tap Issues, the bondholders under such Permitted Additional Secured Bond Issue will be able to have a decisive influence on any decision under the Intercreditor Agreement which requires the Majority Pari Passu Creditors (as defined in the Intercreditor Agreement).

***The Issuer is exposed to credit risk***

The Issuer's income is dependent on receiving payments from a limited number of counterparties to contracts, and hence the Issuer may be exposed to financial loss if such counterparties fail to meet their obligations. If significant amounts are not paid, either by failure of one or several counterparties to obtain sufficient funds to cover their obligations towards the Issuer, this could have a material adverse impact on the Issuer and result in liquidity issues, including issues relating to service of interest under the Bonds.

***The Issuer may incur substantial debt in the future***

The Issuer may incur substantial indebtedness in the future, either under the bond terms for the Bonds, by increasing the SSRCF, pari passu secured debt, unsecured debt or as subordinated debt. The issuer may, subject to strategic and/or marked conditions, further incur substantial indebtedness in the course of its operation and or M&A activities, including Deferred Claims. Such new debt or other obligations, will increase the related risks that it faces, and may also result in the Issuer having incurred a significant indebtedness in addition and compared to the Bonds. The Issuer is currently under and may in the future incur obligations that do not constitute indebtedness as defined under the agreements governing the debt arrangements. As such obligations may not fall within the definition of Total Debt, the Issuer may incur debt or obligations which are not subject to the financial covenants in the bond terms. This entails that the Issuer may, at its discretion, incur substantial liabilities which are not restricted by the financial covenants in the bond terms. Such incurrence of liabilities will influence the degree to which the Issuer is leveraged, which could have important consequences to the Issuer's business and holders of the Bonds, including, but not limited to: (i) making it difficult for the Issuer to satisfy the Issuer's obligations with respect to the Bonds or other indebtedness; and (ii) increasing the Issuer's vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions.

***The Issuer may not have sufficient cash to service future debt and sustain its operations***

The Issuer's ability to make payments on, or repay or refinance, any debt (including the Bonds), and to fund working capital and capital investments, will depend on its future operating performance and

ability to generate sufficient cash. This depends on the success of its business strategy and is largely subject to the situation of the industry which the Issuer operates in, which may be affected by general economic, financial, competitive, market, legislative, regulatory, technical and other factors. As the Issuer's future operating performance and ability to generate sufficient cash are also subject to the risks discussed in these "Risk Factors", many of which are beyond the Issuer's control. The Issuer cannot assure that its business will generate sufficient cash flow from operations as the industry is sensitive to a number of factors as mentioned above. Further, the Issuer cannot assure that future debt and equity financings will be available to it in an amount sufficient to enable it to pay its debt, including the Bonds, or to fund its other liquidity needs. The Issuer cannot give assurance that it will be able to refinance any debt on commercially reasonable terms or at all.

Any absence of such required cash flow from operations or future debt and equity financings, may result in failure by the Issuer to make payments on debt on a timely basis and would likely result in a reduction of its credit quality, which could also harm its ability to incur additional indebtedness. With reference to the Issuer's industry, which may be affected by several elements as mentioned above, there can be no assurance that any assets that the Issuer may elect to sell can be sold or that, if sold, the timing of such sale will be acceptable and the amount of proceeds realised will be sufficient to satisfy its debt service and other liquidity needs. If the Issuer is unsuccessful in any of these efforts, it may not have sufficient cash to meet its obligations, which could cause an event of default under any debt arrangements, including the Bonds, and could result in the debt being accelerated, lending reserves and certain bank accounts being frozen, triggering of cross-default provisions, enforcement of security and the Issuer being forced into bankruptcy or liquidation, which could result in an investor losing its investment in the Issuer's Bonds in its entirety.

***The Issuer's working capital needs are difficult to forecast and may be subject to significant and rapid increases***

The Issuer is unable to predict with certainty its working capital needs going forward. This is primarily due to possible new acquisitions or divestments of current assets, large capital requirements for general operating expenses, exploration and development expenditures. The Issuer is to a limited extent able to mitigate working capital fluctuations, including through the use of Permitted Sales Contracts, under which hydrocarbon deliveries may be settled pre-delivery. Nevertheless, as the future level of income is also difficult to predict with any certainty due to uncertainties concerning prices for oil and gas and actual production levels, forecasting capital requirements is difficult and subject to substantial uncertainty, which could adversely affect the Issuer's ability to repay the principal of its indebtedness and interest, including the Bonds, and adversely affect the Issuer's ability to obtain required funds on satisfactory terms, or at all, including to refinance the Bonds at their maturity.

***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"), which will be shared with (i) other pari passu indebtedness, and (ii) super senior ranking financing, as permitted under the terms of the Bonds. 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 realize the collateral. Values from appraisals of the value of any of the security (or underlying transaction security) may not be correct.

***Difficulties in 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 licences 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 such process will take. Finally, enforcement of Transaction Security will be subject to the terms of the Intercreditor Agreement between Bondholders, super senior ranking creditors and other pari passu ranking creditors which share the Transaction Security. The Intercreditor Agreement will in certain instances impose restrictions on the ability to enforce and may entail enforcement decisions (or the decision to abstain from enforcement) being decided against the will of the Bondholders.

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.

***The Issuer will have 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).

***Risks relating to super senior creditors***

Alongside the Bond Terms, the Issuer may incur liabilities under the SSRCF and under any Permitted Hedging. The SSRCF and any Permitted Hedging entered into with an SSRCF lender shall rank on a super senior basis in priority to the Bonds with respect to the enforcement proceeds from the

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Transaction Security. The Bonds will be secured on a pari passu basis with the other Secured Parties in respect of the Transaction Security, subject to the super senior status of the SSRCF (and any refinancing thereof) and the Hedging Liabilities relating to any Permitted Hedging entered into with an SSRCF lender. The RCF Creditors and Hedge Counterparties (provided that the Hedge Counterparties also are SSRCF lenders) will receive (i) the proceeds from any enforcement of the Transaction Security and (ii) any payments following any other enforcement event prior to the Bondholders. Such super senior creditors may have conflicting interests with the Bondholders in a default and enforcement scenario, including an incentive to take enforcement steps which may be detrimental to the value of the Bonds or the prospect of recovery for Bondholders. In general, and in these situations in particular, there can be no assurance that any enforcement proceeds will be sufficient to cover all Secured Obligations.



## 2. Person responsible

### RESPONSIBLE FOR THE INFORMATION

Responsible for the information given in the Prospectus are as follows:

OKEA AS,  
Kongens gate 8  
7011 Trondheim,  
Norway.

### DECLARATION BY 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.

07.03.2024

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

ISIN:	NO0013009282.
The Bonds:	OKEA ASA senior secured callable USD 250,000,000 bonds 2023/2026.
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 each (directly and indirectly owned) Subsidiary of the Issuer. At the date of this Prospectus, there are no guarantors.
Guarantee:	Means any Norwegian law on-demand guarantee granted by a Guarantor in relation to the Finance Documents.
Maximum Issue Amount:	USD 250 000 000
Initial Bond Issue:	USD 125 000 000
Initial Nominal Amount of each Bond:	USD 1 000 - each and among themselves pari passu ranking.
Securities Form:	The Bonds are electronically registered in book-entry form with the CSD.
Issue Date:	14 September 2023.
Interest Accrual Date:	Issue Date.
Interest Bearing To:	Maturity Date.
Maturity Date:	14 September 2026, adjusted according to the Business Day Convention.
Interest Rate:	9.125 per cent, per annum.
Interest Payment Date:	Means the last day of each Interest Period, the first Interest Payment Date being 14 March 2024 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 14 September and 14 March each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest:	Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the Issue Date, and ending on but excluding the last date of the Interest Period.

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

Interest shall be calculated on the basis of a 360-day year comprised of twelve months of thirty (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.

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, no adjustment will be made to the Interest Period.
Payment Date:	Means any Interest Payment Date or any Repayment Date.
Issue Price:	100% of par value.
Yield:	<p>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. As of the Issue Date, the yield to maturity was 9.125.</p> <p>The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» <a href="https://finansfag.no/publikasjoner/">https://finansfag.no/publikasjoner/</a><sup>1</sup> prepared by Norske Finansanalytikeres Forening in March 2022.</p>
Business Day:	Means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency 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

<sup>1</sup> Disclaimer - the information on the website does not form part of this Securities Note unless information is incorporated by reference into the Securities Note

price equal to one hundred per cent (100%) of the Nominal Amount (plus accrued interest on the redeemed Bonds).

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 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 falling twenty-four (24) months after the Issue Date at a price equal to 104.563 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds);
- (iii) Interest Payment Date falling twenty-four (24) months after the Issue Date to, but not including, the Interest Payment Date falling thirty (30) months after the Issue Date at a price equal to 103.011 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds); and
- (iv) the Interest Payment Date falling thirty (30) months after the Issue Date to, but not including, the Maturity Date at a price equal to 100.500 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds).

Any redemption of Bonds pursuant to the paragraph above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date and not based on the date the Call Option was exercised (i.e. the date the written notice was sent to the Bond Trustee in accordance with section (c) of the Bond Terms Clause 10.2).

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least ten (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 three (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 the Accounts may be used as partial payment (unless in conflict with the terms of the Intercreditor Agreement).

Mandatory repurchase due to a  
Put Option Event:

Disposal of assets:

Upon the occurrence of:

- (i) 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 (i) 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 (ii) swap of participating interests in Hydrocarbon Assets in exchange of participating interest in other Hydrocarbon Assets)(an "**Asset Disposal Event**"); and/or
- (ii) 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 (a "**Share Disposal Event**" and together with the Asset Disposal Event, the "**Disposal of Assets Put Option Events**" and each a "**Disposal of Asset Put Option Event**"),

and to the extent that the aggregate of (collectively, the "**Disposal of Asset Put Option Amount**):

- (iii) with respect to each Asset Disposal Event, the post-tax disposal consideration (excluding pro/contra adjustments and earn-out) received or receivable by the relevant Group Company in each transaction constituting an Asset Disposal Event; and
- (iv) with respect to each Share Disposal Event, the post-tax disposal consideration (excluding pro/contra adjustments and earn-out) received or receivable by the relevant Group Company in each transaction constituting a Share Disposal Event,
- (v) after deducting the amount (such amount to be pledged as Transaction Security and blocked in favour of the Bond Trustee) of any such proceeds which is expected to be reinvested in assets useful in the business of the Issuer within twelve (12) months following the receipt of such proceeds (provided that if all or any portion of such proceeds are not so reinvested within such twelve (12) months period, such unused portion shall trigger the Put Option in an amount equal to such unused portion to the extent the sum of (iii), (iv) and any unused amount under (v) would exceed the Put Option Threshold Amount),

exceeds USD 50,000,000 (the "**Put Option Threshold Amount**") during any Relevant Period, the Issuer shall promptly notify the Bond Trustee in writing thereof and each Bondholder shall have a right of pre-payment (a "**Disposal of Asset Put Option**") of the Bonds at a price of one hundred and one per cent (101%) of Nominal Amount (plus accrued interest on the redeemed Bonds) during an acceptance period of thirty (30) calendar days from the date the Bond Trustee received written

Notice from the Issuer. The Issuer's obligation to redeem bonds hereunder shall be limited to a number of Bonds (allocated pro rata between Bondholders exercising the Disposal of Asset Put Option) with an aggregate Nominal Amount equal to the Disposal of Asset Put Option Amount.

The redemption of the Bonds shall be made as soon as possible, but no later than ten (10) calendar days after the expiry of the acceptance period.

No event shall constitute a Disposal of Asset Put Option Event if a waiver thereof has been resolved by a simple majority of the voting bonds in a Bondholders' Meeting.

No Termination Event shall constitute a Disposal of Asset Put Option Event.

Total Loss:

Upon the occurrence of one or more actual or constructive total losses (a "**Total Loss Event**" or a "**Total Loss Put Option Event**") of any Hydrocarbon Assets (or related assets such as production units, installations and infrastructure) and provided that the post-tax amount (if applicable) of insurance proceeds (the "**Total Loss Put Option Amount**") received by the relevant Group Company within two hundred and ten (210) calendar days after the occurrence of the Total Loss Put Option Event exceeds the Put Option Threshold Amount during any Relevant Period, the Issuer shall promptly notify the Bond Trustee in writing thereof and each Bondholder shall have a right of pre-payment (a "**Total Loss Put Option**") of the Bonds at a price of one hundred per cent (100%) of Nominal Amount (plus accrued interest on the redeemed Bonds) during an acceptance period of thirty (30) calendar days from the date the Bond Trustee received the written notice from the Issuer. The Issuer's obligation to redeem Bonds hereunder shall be limited to a number of Bonds (allocated pro rata between Bondholders exercising the Total Loss Put Option) with an aggregate Nominal Amount equal to the Total Loss Put Option Amount.

The redemption of the Bonds shall be made promptly once insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than two hundred and ten (210) calendar days following the occurrence of the Total Loss Put Option Event.

All Bonds repaid or redeemed pursuant to the provisions above shall be discharged and cancelled.

Change of Control:

Upon a Change of Control Event occurring, each Bondholder shall have a right of pre-payment (a "**Change of Control Put Option**") of the Bonds at a price of one hundred and one per cent (101%) of Nominal Value (plus accrued but unpaid interest

on the redeemed Bonds) during a period of fifteen (15) calendar days following the notice of a Change of Control Event. The Change of Control Put Option repayment date will be the fifth (5th) Business Day after the end of the fifteen (15) calendar days exercise period (the "**Change of Control Put Option Repayment Date**").

If Bonds representing more than ninety per cent (90%) of the Outstanding Bonds have been repurchased due to the Change of Control Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than twenty (20) calendar days after the Change of Control Put Option Repayment Date. Such prepayment may occur at the earliest on the fifteenth (15<sup>th</sup>) calendar day following the date of such notice.

Adjustments with respect to certain Permitted Financial Indebtedness:

Any amount required to be otherwise applied for the redemption of Bonds shall be adjusted:

- (i) by excluded amounts resulting from an Asset Disposal Event, a Share Disposal Event or Total Loss Event that, under the terms of the SSRCF, must be used in the repayment and permanent reduction of the SSRCF; and
- (ii) to permit such amount to be used towards pro rata redemption of the Bonds and any Permitted Additional Secured Bond Issue (provided that this is required under the terms of the Permitted Additional Secured Bond Issue),

and the number of Bonds to be redeemed shall be re-calculated accordingly.

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 (100%) of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than forty (40) Business 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, any Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

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Put Option Event:	Means any event or circumstances that results in a Put Option.
Put Option:	Means any Disposal of Asset Put Option, a Total Loss Put Option or a Change of Control Put Option, each as defined in the Bond Terms Clause 10.3 ( <i>Mandatory repurchase due to a Put Option Event</i> ).
Change of Control Event:	Means: <ul style="list-style-type: none"> <li>(a) if any person or group of persons under the same Decisive Influence, or two or more persons acting in concert, directly or indirectly, obtains Decisive Influence over the Issuer; or</li> <li>(b) a de-listing of the Issuer's shares from the Oslo Stock Exchange.</li> </ul>
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:	The Bonds shall constitute senior debt obligations of the Issuer and the relevant Obligor, and shall, subject to the terms of the Intercreditor Agreement, be secured on a first priority basis by the Transaction Security Documents, 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. The Bonds will be subject to the Intercreditor Agreement.
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.
Transaction Security Documents:	Means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to the Bond Terms Clause 2.5 ( <i>Initial Transaction Security</i> ) and Clause 2.6 ( <i>Additional Transaction Security</i> ).
Finance Documents:	Means: <ul style="list-style-type: none"> <li>(a) the Bond Terms;</li> <li>(b) the Security Documents;</li> <li>(c) the Intercreditor Agreement;</li> <li>(d) any subordination agreement entered into with the Bond Trustee;</li> <li>(e) the Bond Trustee Fee Agreement; and</li> <li>(f) any other document the Issuer and the Bond Trustee designate as a Finance Document.</li> </ul>
Obligor:	Means the Issuer and any Guarantor.
Information undertakings:	For information regarding information undertakings, please see the Bond Terms Clause 12.



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General and financial undertakings:	Information regarding general and financial undertakings, please see the Bond Terms Clause 13.
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.
Use of proceeds:	The Issuer will use the Net Proceeds from the Initial Bond Issue for: <ul style="list-style-type: none"><li>(i) the refinancing of the Issuer's outstanding bond OKEA03 (together with applicable premium and accrued interest) – USD 110,675,350-; and</li><li>(ii) cost of executing of roll-over bonds (together with accrued interest) – USD 16,032,564.38.</li></ul>
Approvals:	The Bonds have been issued in accordance with the Issuer's board approval dated 29.08.2023.
Listing:	An application for listing will be sent to Oslo Børs. 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:	<a href="http://www.okea.no">www.okea.no</a>
Bond Trustee:	Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway.
Joint Lead Managers:	DNB Markets, a part of DNB Bank ASA; and Pareto Securities AS.
Co-Manager:	Fearnley Securities AS.

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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:	Nordic Trustee Services AS, P.O. Box 1470 Vika, Norway.
Central Securities Depository (CSD):	The central securities depository in which the Bonds are registered, being Euronext Securities Oslo (Verdipapirsentralen ASA (VPS)), P.O. Box 1174 Sentrum, 0107 Oslo, Norway.
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:	<p>Total expenses related to the issue of NO0013009282:</p> <p>Prospectus fee (FSA): NOK 101 000  Listing fee 2024 (Oslo Børs): NOK 49 550  Registration fee (Oslo Børs): NOK 20 000  Listing Agent: NOK 100 000  Legal fee: NOK 1,300,000  Manager: approx. MNOK 27,230.</p>
Transfer restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <p>(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</p>

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.

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.

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## 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).

"**Bond Terms**" means the Bond Terms dated 13<sup>th</sup> September 2023.

"**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 7<sup>th</sup> March 2024.

"**Securities Note**" means this document dated 7<sup>th</sup> March 2024.

"**Summary**" means the Summary dated 7<sup>th</sup> March 2024.

## 5. Additional information

Neither the Issuer nor the Bonds are rated.

There is no interest, including a conflict of interest that is material to the issue.

OKEA ASA mandated DNB Markets, a part of DNB Bank ASA and Pareto Securities AS as Joint Lead Managers and Fearnley Securities AS as Co-Manager of the Bonds. The Joint Lead Managers and Co-Manager have acted as advisors and managers to OKEA ASA in relation to the transaction. The Joint Lead Managers and Co-Manager 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:**

Nordic Trustee 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

*Execution version*

**BOND TERMS**

**FOR**

**OKEA ASA senior secured callable USD 250,000,000 bonds 2023/2026**

**ISIN NO0013009282**

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

ATTACHMENT 3 INTERCREDITOR PRINCIPLES

ATTACHMENT 4 EXISTING LICENCES



<b>BOND TERMS between</b>	
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:	12 September 2023
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 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.

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

**"Accounting Standard"** means GAAP.

**"Accounts"** means the 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);
- (b) the VPS Account (as defined below) (in connection with the settlement of the Bonds); and
- (c) any Pledged Account(s) (as defined below),

**"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 the debt instruments issued under a Tap Issue, including any Temporary Bonds.

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

**"Attachment"** means any schedule, appendix or other attachment to these Bond Terms.

**"Bond Currency"** means the currency in which the Bonds are denominated, as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Bond Terms"** means these terms and conditions, including all Attachments which form an integrated part of these 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 Fee 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 (*Bondholders' Decisions*).

**"Bonds"** means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

**"Business Day"** means a day on which both the relevant CSD settlement system is open, and the relevant settlement system for the Bond Currency 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, no adjustment will be made to the Interest Period.

**"Call Option"** has the meaning ascribed to such term in Clause 10.2 (*Voluntary early 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*), paragraph (d) of Clause 10.3 (*Mandatory repurchase due to a Put Option Event*) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**"Cash"** means on any relevant date the current market value of the Group's:

- (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 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.

**"Cash Equivalents"** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation or maturing after more than one year after the relevant date of calculation so long as the Issuer is able to access the cash within fifteen (15) Business Days of giving notice, and issued by an Acceptable Bank; or
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, Canada, any member state of the European Economic Area which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody's Investors Service Limited maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security; or
- (c) tradable commercial paper not convertible or exchangeable to any other security with a maturity no greater than one year after the relevant calculation date and which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating,

in each case, to which a Group Company is beneficially entitled at that time and which is not issued or guaranteed by a Group Company or subject to any Security.

**"Change of Control Event"** means:

- (a) if any person or group of persons under the same Decisive Influence, 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 Attachment 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.

**"Default Notice"** has the meaning ascribed to such term 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.

**"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, and which shall be blocked and pledged in favour of the Bond Trustee (on behalf of the Bondholders holding Bonds other than the Temporary Settlement Bonds).

**"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 Settlement Bonds), where the bank operating the account has waived any set-off rights. The amount on the Escrow Account shall only be used 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 Børs (the Oslo Stock Exchange); or
- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

**"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), each withholding account (No: *skattetrekkskonto*), a DSA Account (as defined in Permitted Security), each bank account maintained by a Group Company in its capacity as the operator for any Hydrocarbon Asset, any cash collateral bank account permitted under the Bond Terms and any other account designated by the Issuer as an Exempted Account for the purpose of completing a third party transaction or settlement involving funds on such accounts provided

that only amounts required for such purpose is deposited on such accounts and that the use of such accounts for such purpose is temporary.

**"Existing Licences"** means the Issuer's ownership interests in the licenses on the Norwegian continental shelf set out in Attachment 4 (*Existing Licenses*).

**"Finance Documents"** means:

- (a) the Bond Terms;
- (b) the Security Documents;
- (c) the Intercreditor Agreement;
- (d) any subordination agreement entered into with the Bond Trustee;
- (e) the Bond Trustee Fee Agreement; 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 dematerialised 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 the Accounting Standard, 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 the Accounting Standard 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 the Accounting Standard;
- (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 one hundred and twenty (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 the Accounting Standard; 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) in or to any person.

**"First Call Date"** means the Interest Payment Date falling in 14 March 2025.

**"First Oil Date"** means, (i) with respect to any Hydrocarbon Asset under development, the date on which such Hydrocarbon Asset has achieved thirty (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.

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

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

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

**"Guarantor"** means each (directly and indirectly owned) Subsidiary of the Issuer.

**"GAAP"** means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

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

**"IFRS"** means the 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 and to the extent applicable to the relevant financial statement.

**"Incurrence Test"** has the meaning ascribed to such term in Clause 13.22 (*Financial covenants and Incurrence Test*).

**"Initial Bond Issue"** means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

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

**"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 Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

**"Intercreditor Agreement"** means an intercreditor agreement based on (i) customary terms and conditions for the Nordic high yield bond for similar super senior structures and (ii) the Intercreditor Principles.

**"Intercreditor Principles"** means the principles for the Intercreditor Agreement set out in Attachment 3 (*Intercreditor Principles*) hereto.

**"Interest Payment Date"** means the last day of each Interest Period, the first Interest Payment Date being 14 March 2024 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 14 September and 14 March each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

**"Interest Rate"** means 9.125 per cent, per annum.

**"Interim Accounts"** means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard.

**"ISIN"** means International Securities Identification Number.

**"Issue Date"** means 14 September 2023.

**"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 Pareto Securities AS.

**"Leverage Ratio"** means the ratio of Net Debt to EBITDA.

**"Liquid Assets"** means, at any time and in respect of the Group, an amount calculated as the aggregate amount of:

- (a) cash deposits on the Escrow Account;
- (b) any cash collateral on an Exempted Account provided for any other Financial Indebtedness, always provided that only cash that is collateral for Financial Indebtedness included in Total Debt shall be included;
- (c) Cash and Cash Equivalents; and
- (d) the amount booked in the latest Financial Report of the Issuer (consolidated) as the tax refund payable to the Issuer and any other Group Company (by the Norwegian government under the Norwegian Petroleum Tax Act).

**"Liquidity"** means the aggregate book value of the Group's Cash and Cash Equivalents and any undrawn and readily available amounts under the SSRCF.

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

- (a) the Call Option Repayment Date of 104.563% of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) 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 5.56 per cent per annum.

**"Managers"** means DNB Markets, a part of DNB Bank ASA and Pareto Securities AS.

**"Material Adverse Effect"** means a material adverse effect on:

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

**"Maturity Date"** means 14 September 2026, adjusted according to the Business Day Convention.

**"Maximum Issue Amount"** means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).



**"Net Debt"** means, at any time and in respect of the Group, an amount calculated as Total Debt less the amount of Liquid Assets.

**"Net Proceeds"** means the proceeds from the issuance of the Bonds (net of fees and legal cost of the Managers and, if required by the Bond Trustee, the Bond Trustee fee, and any other agreed cost and expenses).

**"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.

**"Nominal Amount"** means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2 (*The duties and authority of the Bond Trustee*).

**"Obligor"** means the Issuer and any Guarantor.

**"OKEA03"** means the Issuer's outstanding USD 150,000,000 senior secured bond issue with ISIN NO 001 0869175.

**"OKEA03 Bondholders"** means the holders of OKEA03.

**"OKEA03 Bondholders' Roll-Over"** means the process whereby OKEA03 Bondholders that have applied for and been allocated Bonds may participate in the Bond Issue by exchange of their bonds issued under OKEA03 for Bonds. Accrued interest and premium will be payable as set out in paragraph (b) of Clause 2.8 (*Settlement*).

**"Operating Leases"** means any lease or hire purchase contract which would, in accordance with the Accounting Standard in force prior to 1 January 2019, have been treated as an operating lease.

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

**"Overdue Amount"** means any amount required to be paid by the Issuer under 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 Additional Secured Bond Issue"** means a Norwegian law governed secured bond issue made by the Issuer and with the Bond Trustee as the bond trustee thereof, and which:

(a) is subject to the Intercreditor Agreement through its bond trustee's accession thereto; and

- (b) has a maturity date falling after the Maturity Date of the Bonds and with no scheduled amortisation until after the Maturity Date of the Bonds.

**"Permitted Distribution"** means a Distribution, resolved and completed while no Event of Default is continuing or resulting therefrom, made during any Relevant Period:

- (a) in the form of a repurchase of shares in the Issuer for the purpose of transferring such shares to board members and employees under incentive schemes (each an "**Employee Share Repurchase**"), provided that the amount of the repurchase, together with all other repurchases of shares for the same purpose made during the same calendar year, does not exceed an aggregate amount of NOK 80,000,000 per calendar year;
- (b) in an amount whereby immediately after the Distribution has been completed, the amount of the Liquid Assets (less any amount of approved but not completed Distributions) is equal to or greater than the amount of the Total Debt, provided that the amount of the relevant Distribution, together with the amount of all other Distributions made with reference to the same Relevant Period (including any Employee Share Repurchase), does not exceed an amount equal to one-hundred per cent (100%) of the Issuer's net profit after taxes based on Financial Reports (tested for impairments) for the Relevant Period ending on the latest Quarter Date; or
- (c) subject to the Incurrence Test and in an amount whereby the amount of the Distribution, together with the amount of all other Distributions made with reference to the same Relevant Period (including any Employee Share Repurchase), does not exceed an amount equal to fifty per cent (50%) of the Issuer's net profit after taxes based on Financial Reports (tested for impairments) for the Relevant Period ending on the latest Quarter Date.

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

- (a) arising under the Finance Documents (including, subject to the satisfaction of the Incurrence Test, any Tap Issue);
- (b) incurred under OKEA03, up until the date of the first release from the Escrow Account to the Issuer;
- (c) incurred under the SSRCF;
- (d) being Acquired Financial Indebtedness, provided that such Financial Indebtedness (other than Financial Indebtedness which is otherwise permitted hereunder) is repaid or otherwise settled in full (a) within ninety (90) 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;
- (e) that satisfies the Incurrence test and which in addition is:
  - (i) a Permitted Additional Secured Bond Issue; or

- (ii) unsecured and issued or incurred by the Issuer, and otherwise 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 scheduled amortisation prior to the Maturity Date of the Bonds;
- (f) arising under any Permitted Hedging;
- (g) in form of (i) a deferred payment obligation of acquisition costs (including any earn-out) to the seller of a Hydrocarbon Assets (or an entity mainly owning Hydrocarbon Assets) (each a "**Deferred Claim**") or (ii) a Permitted Sales Contract;
- (h) 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;
- (i) arising under Subordinated Loans to the Issuer;
- (j) arising under finance or capital lease of real estate, 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;
- (k) 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;
- (l) not otherwise permitted by the preceding paragraphs in the aggregate total amount of which does not exceed USD 20,000,000 (or the equivalent in other currencies) at any time; and
- (m) any refinancing (including increase, if otherwise permitted), extension, amendment or replacement of any of (a) and (c)-(l) above from time to time, however always subject to the financial covenants and Incurrence Test (where applicable).

**"Permitted Financial Support"** means Financial Support:

- (a) made in the ordinary course of business;
- (b) made, granted or given by any Group Company in, to or for the benefit of any Group Company;
- (c) constituting Permitted Security or provided for any Permitted Financial Indebtedness, other than the Permitted Financial Indebtedness set out in paragraphs (d), (e)(ii), (h) and (i) thereof;
- (d) in the form of loans given to another person; or
- (e) which is not otherwise permitted by the preceding paragraphs, provided that such Financial Support does not in aggregate exceed a total amount of USD 20,000,000 (or the equivalent in other currencies) at any time.

**"Permitted Hedging"** means non-speculative hedging of currency, interest rate and commodity risks, and so that any Permitted Hedging entered into with an RCF Creditor will be secured on a super senior basis in accordance with the Intercreditor Agreement.

**"Permitted Sales Contracts"** means contracts involving advance or deferred settlement for sale and delivery of hydrocarbon products entered into in the ordinary course of business and relating to hydrocarbon products that (i) are already produced and/or (ii) estimated by the operator(s) of the relevant Hydrocarbon Assets to be produced within not more than thirty (30) days after receipt of the advance payment.

**"Permitted Security"** means any Security:

- (a) granted in relation to Permitted Financial Indebtedness under paragraphs (a), (b), (c), (d), (e)(i) and (f) of the definition thereof (including any refinancing thereof);
- (b) over the assets referred to in paragraph (j) of the definition of Permitted Financial Indebtedness, securing the finance or capital leases referred to in that paragraph;
- (c) in the form of 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);
- (d) in the form of any lien arising or required 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;
- (e) over cash or cash deposits on a bank account (the account used for such purpose only, 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;
- (f) 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 not arising as a result of any default or omission by the Issuer or any other Group Company; and
- (g) permitted under the terms of the Intercreditor Agreement.

**"Pledged Accounts"** 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) and which is, or shall become (under the terms hereof), subject to Transaction Security.

**"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"** means any Disposal of Asset Put Option, a Total Loss Put Option or a Change of Control Put Option, each as defined in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

**"Put Option Event"** means any event or circumstances that results in a Put Option.

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

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

**"RCF Creditor"** shall have the meaning ascribed to that term in the Intercreditor Agreement.

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

**"Relevant Period"** means each period of twelve months ending on a Quarter Date.

**"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; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders' Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Bond Trustee.

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

**"Roll-Over Bonds"** means the existing bonds issued under OKEAO3 which in accordance with the acceptance of the OKEAO3 Bondholders of the OKEAO3 Bondholders' Roll-Over is used as payment for the Temporary Settlement Bonds (in kind).

**"Secured Obligations"** means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any Secured Party under the Finance Documents, the finance documents relating to any Permitted Additional Secured Bond Issue and the SSRFC Finance Documents, both actual and contingent.

**"Secured Parties"** has the meaning given to such term in the Intercreditor Agreement.

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

"**Security**" means a mortgage, charge, pledge, lien, security assignment 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).

"**Security Provider**" means any person granting Transaction Security.

"**SSRCF**" means one or several super senior revolving credit facilities for capital expenditures, acquisitions or working capital purposes, provided to the Issuer by one or several bank lenders, and any refinancing or replacements thereof, the principal amount of which shall in aggregate not exceed the higher of (a) USD 25,000,000 (or its equivalent in other currencies) and (b) fifteen per cent (15%) of the sum of (A) Outstanding Bonds and (B) any outstanding bonds under any Permitted Additional Secured Bond Issue. Any loans outstanding under the SSRCF shall be subject to clean-down for three (3) consecutive Business Days once every twelve (12) months with no less than three (3) months elapsing between each clean-down.

"**SSRCF Finance Documents**" shall have the meaning ascribed to that term in the Intercreditor Agreement.

"**Subordinated Loans**" means Financial Indebtedness which;

- (a) is subordinated in right of payment to the Bonds, except 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 Clause 13.13 (*Distribution restrictions*); and
- (b) 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**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

"**Tap Issue Addendum**" has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"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*).

**"Temporary Bonds"** has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

**"Temporary Settlement Bonds"** shall have the meaning ascribed to that term in Clause 2.8 (*Settlement*).

**"Termination Event"** means, with respect to any Hydrocarbon Asset, the handing back, revocation, termination or cancellation of that Hydrocarbon Asset and the rights associated therewith.

**"Total Debt"** means, at any time and in respect of the Group, the aggregate amount of all obligations for or in respect of any (without double counting):

- (a) Financial Indebtedness (other than Financial Indebtedness constituting a Deferred Claim) at that time and so that (A) (for the sake of clarity and without double counting), the amount of any surety bonds, letters or credit and similar guarantees, in each case that would otherwise qualify as Financial Indebtedness, shall be included and (B) any amount of Financial Indebtedness calculated by reference to paragraph (f) (*derivatives*) of the definition thereof shall be calculated as the amount (which shall not be lower than zero (0)) by which the aggregate amount owing by the Group under derivatives contracts exceeds the aggregate amount owing to the Group under derivatives contracts by counterparties that qualify as Acceptable Banks;
- (b) any Financial Support in the form of guarantees or indemnities for the obligations of a person which is not a Group Company;
- (c) Deferred Claim, provided that only amounts which have become unconditional and finally determined (under the terms of the agreement(s) regulating that Deferred Claim) and booked in the relevant Financial Statements shall be included; and
- (d) the amount booked in the latest Financial Report of the Issuer (consolidated) as the income tax payable by the Issuer and any other Group Company (including accruals for tax),

and where the following shall be excluded from the calculation (if relevant):

- (i) any Subordinated Loan;
- (ii) any Financial Indebtedness under Operating Leases;
- (iii) any Intra-Group liabilities;
- (iv) any Bonds and bonds in Permitted Additional Secured Bond Issues owned by the Issuer;
- (v) for clarity, the amount of any decommissioning liability of a Group Company;

- (vi) any obligations in respect of Permitted Sales Contract; and
- (vii) the amount of any liability in respect of any surety bonds, letters or credit or guarantee or indemnity to the extent the primary obligation is accounted for in paragraphs (a) to (j) of the definition of Financial Indebtedness and excluding any other double counting.

**"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.

**"Transaction Security Documents"** means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Initial Transaction Security*) and Clause 2.6 (*Additional Transaction Security*).

**"Voting Bonds"** means the Outstanding Bonds less the Issuer's 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, and which shall be blocked and pledged in favour of the Bond Trustee (on behalf of Bondholders holding Temporary Settlement Bonds and having delivered Roll-Over Bonds as settlement for subscription of Bonds).

**"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) references to a provision of "**law**" are a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;



- (h) 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;
- (i) 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*);
- (j) references to persons "**acting in concert**" shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) 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 250,000,000 (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 125,000,000. The Issuer may, provided that the conditions set out in Clause 6.44 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a "**Tap Issue**") until the Nominal Amount of all Additional 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 Additional 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**").

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the "**Temporary Bonds**"). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

- (a) The Bonds are denominated in US Dollars (USD), being the legal currency of the United States of America.
- (b) The Initial Nominal Amount of each Bond is USD 1,000.
- (c) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.
- (d) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1 (*Authority of the Bondholders' Meeting*).

## 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

- (a) The Issuer will use the Net Proceeds from the Initial Bond Issue for:
  - (i) the refinancing of the Issuer's outstanding bond OKEA03 (together with applicable premium and accrued interest); and
  - (ii) the 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, subject to the terms of the Intercreditor Agreement, be secured on a first priority basis by the Transaction Security Documents, 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 Bonds will be subject to the Intercreditor Agreement.

## 2.5 Initial Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, including but not limited to payment of principal, interest, premiums and expenses, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent on behalf of the Secured Parties with first priority:

### Pre-Settlement Security

- (i) an Escrow Account Pledge; and
- (ii) a first priority pledge over the VPS Account (the "**VPS Account Pledge**").

### Pre-Disbursement Security

- (iii) a first Norwegian law mortgage over the Issuer's interest in the Existing Licences;
- (iv) a first priority Norwegian law security assignment of all its monetary claims under or with respect to any insurances and/or reinsurance required to be taken out hereunder, but excluding any construction insurance with respect to Hydrocarbon Assets taken out by an operator (including the Issuer in its capacity as operator);
- (v) a first Norwegian law floating charge over all accounts receivables of the Issuer (No: "*factoringpart*"), provided that such floating charge shall not prevent the disposal of claims in the ordinary course of business; and
- (vi) a first priority Norwegian law pledge over each of its bank accounts (except for the Escrow Account and each Exempted Account) and the amount from time to time standing to the credit of the Issuer in such bank accounts.

- (b) The Pre-Settlement Security shall be established no later than on the Issue Date, as described in and subject to the terms of Clause 6.1 (*Conditions precedent for disbursement to the Escrow Account (pre-settlement)*).
- (c) The Pre-Disbursement Security shall be established prior to or simultaneously with the release from the Escrow Account, as described in and subject to the terms of Clause 6.2 (*Conditions precedent for disbursement to the Issuer (pre-disbursement)*).
- (d) The Security in (i)-(vi) above to be referred to herein as the "**Initial Security**" and the agreements, documents and instruments documenting the granting, terms and perfection thereof are referred to as the "**Initial Security Documents**".
- (e) The Transaction Security shall constitute a joint first priority Security securing the Secured Obligations as set out in the Intercreditor Agreement (with the exception of the Escrow Account Pledge and the VPS Account Pledge which will only secure the Bonds). The Transaction Security may, until the security granted for OKEA03 is released, be formally registered or otherwise perfected with priority after the security granted for OKEA03, provided that this will not affect the contractually agreed joint first priority in the Intercreditor Agreement.
- (f) Pledged Accounts shall only be blocked for as long as an Event of Default is continuing under the Finance Documents or for as long as an event of default is continuing under the SSRCF Finance Documents.
- (g) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Security Agent and 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 any Group Company acquires any new or increased ownership interest in any Hydrocarbon Asset (the "**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 forty-five (45) calendar days of the completion of the relevant transaction, provide Security perfected with first priority, on terms substantially identical to the relevant Initial Security Documents, over:
  - (i) the New Hydrocarbon Asset, provided that Security over any New Hydrocarbon Assets in Norway that are awarded directly to the Group Company in predefined areas (Norw.: *TFO – tildeling i forhåndsdefinerte områder*) or in ordinary concession rounds (Norw.: *nummererte tildelinger*) shall be granted within forty-five (45) calendar days after the license partners have made a concept decision regarding the development of the New Hydrocarbon Asset (informally known as DG2 or Decision Gate 2) and the Bond Trustee shall be informed in writing of such decision; 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 any company becomes a New Group Company, the Issuer shall promptly notify the Bond Trustee thereof in writing and promptly procure that, as soon as possible and in any event within forty-five (45) 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):
- (i) the New Group Company becomes a guarantor by providing a Norwegian law on-demand guarantee;
  - (ii) perfect first priority Security, on terms substantially identical to the Initial Security Documents (or in case of (A) below or with respect to non-Norwegian companies or non-Norwegian assets, on terms satisfactory to the Bond Trustee), is provided over:
    - (A) the entire share capital of the New Group Company held by the Issuer or a Group Company other than a New Group Company (the "**New Share Security**"); and
    - (B) the following assets of the New Group Company:
      - (1) its ownership interests in Hydrocarbon Assets (and, if relevant, related assets and agreements) (the "**New Hydrocarbon Asset Security**");
      - (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 (the "**New Insurance Security**");
      - (3) its account receivables (provided that such security shall not prevent the disposal of claims in the ordinary course of business; and
      - (4) 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:

- (A) listed above and the start of the forty-five (45) 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;

- (B) (other than the New Share Security, the New Hydrocarbon Asset Security and the New Insurance Security), shall, for any New Group Company that owns Hydrocarbon Assets and that is incorporated and existing under the laws of Norway, the forty-five (45) calendar days completion period shall start six (6) months after the date the New Group Company became a Group Company; and
  - (C) (other than the New Share Security) shall, for any New Group Company that (i) at the time it became a New Group Company was not a wholly-owned Subsidiary of the Issuer and (ii) either (1) does not own a Hydrocarbon Asset or (2) only owns Hydrocarbon Assets which are not located in Norway, be suspended for as long as such New Group Company has minority shareholders which are not Group Companies and where the granting of the relevant guarantee and security requires the approval of such minority shareholders in order to constitute valid and binding guarantee and Security and where such approval has not, despite the reasonable efforts of the Issuer, been given.
- (c) If any monetary claims exceeding USD 250,000 (the "**Intra-Group Claim**") is or will become 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), 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 any new bank account and which is not an Exempted Account (the "**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 forty-five (45) calendar days of the completion of the relevant transaction, provide Security perfected with first priority, on terms substantially identical to the relevant Initial Security Documents, over the New Account and the amounts from time to time standing to the credit of the relevant Group Company.
  - (e) 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 Security Documents.
  - (f) 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.

- (g) The guarantees and Security listed above and otherwise put in place in favour of the Bond Trustee (on behalf of the Bondholders) after the date of the release from the Escrow Account are collectively referred to as the "**Additional Security**".
- (h) The Additional Security shall be in favour of the Bond Trustee (on behalf of the Bondholders) and shall secure all obligations and liabilities of the Obligors under the Finance Documents, including but not limited to principal, interest, premiums and expenses.
- (i) 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, subject to the terms of the Intercreditor Agreement, 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.

## 2.8 Settlement

- (a) The Bonds shall be settled as follows:
  - (i) in cash; and/or
  - (ii) in kind by delivery of Roll-Over Bonds,to be specified in the application form in respect of the Bonds.
- (b) Applicants delivering Roll-Over Bonds will receive the accrued interest on Roll-Over Bonds up until the Issue Date and the applicable call premium, each payable in cash at the Issue Date.
- (c) Bonds issued under item (a) above will be issued with ISIN NO0013009282, which will be the surviving ISIN for the Bond issue. Bonds issued under item (b) above will be issued with temporary ISIN NO0013009290 (the "**Temporary Settlement Bonds**"). The Temporary Settlement Bonds will be merged with the Bonds in connection with disbursement of funds from the Escrow Account. The CSD and the Bond Trustee are authorised to carry out the aforesaid in the best practical way.

### **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 legal 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 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 shall apply for listing of the Bonds on an Exchange within six (6) months from the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full. The Issuer shall use its reasonable endeavours to ensure that any Temporary Bonds are listed on an Exchange within six (6) months of the issue date for such Temporary Bonds.

## **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 (pre-settlement)**

- (a) Payment of the net proceeds from the issuance of the Bonds into the Escrow Account shall be conditional on the Bond Trustee having received two (2) Business Days prior to the Issue Date each of the following documents (including, but not limited to), in form and substance satisfactory to the Bond Trustee:
  - (i) the Bond Terms and other relevant Finance Documents duly executed by all parties thereto;
  - (ii) the Escrow Account Pledge and the VPS Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
  - (iii) the Bond Trustee's Fee Agreement duly executed;
  - (iv) 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;
  - (v) certified copies of the certificate of registration and articles of association of the Issuer;
  - (vi) 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;
  - (vii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
  - (viii) confirmation of an irrevocable call notice regarding OKEA03;



- (ix) confirmation that the applicable prospectus requirements (ref. The EU Prospectus Directive (2017/1129 EC)) concerning the issuance of the Bonds have been fulfilled;
- (x) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds;
- (xi) copies of any written documentation used in marketing the Bond Issue or made public by the Issuer or the Joint Bookrunners in connection with the issuance of the Bonds;
- (xii) copies of the Issuer's latest Financial Reports; and
- (xiii) 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 (pre-disbursement)

- (a) The Net Proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (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:
  - (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
  - (ii) unless delivered under paragraph **Error! Reference source not found.** above, as pre-settlement conditions precedent:
    - (A) copies of all necessary corporate resolutions of each Security Provider required to provide the Initial Security Documents and execute the Finance Documents to which it is a party;
    - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each Security Provider 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 individuals' authorisation to execute such Finance Documents on behalf of the relevant Obligor;
    - (C) copies of the articles of association and a full extract from the relevant company register in respect of each Security Provider evidencing that it is validly existing;
  - (iii) the Initial Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of such Security;
  - (iv) the Intercreditor Agreement duly executed by the parties thereto;

- (v) copy of a written consent from the Norwegian Ministry of Petroleum and Energy to the Existing Licence Mortgages;
  - (vi) copies of agreements for any existing Intercompany Loans (and any Intercompany Loans to be established upon disbursement) duly executed by all parties thereto;
  - (vii) a closing procedure, including a description of flow of funds, acceptable to the Bond Trustee;
  - (viii) confirmation from the Issuer that no Event of Default has occurred and is continuing or will result from the release of funds from the Escrow Account;
  - (ix) any other Finance Documents duly signed by all parties thereto; and
  - (x) 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 Guarantors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) as pre-settlement conditions precedent).
- (b) Notwithstanding the foregoing, the Issuer may elect to satisfy the condition precedent under paragraphs (a) (other than the pre-settlement Initial Security) and (c) above insofar as they relate to the granting and perfection of Initial Security no later than five (5) Business Days after the date of the first release and disbursement to the Issuer.
- (c) The Bond Trustee, acting in its sole discretion, may, regarding Clause 6.1 and 6.2, waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

### **6.3 Disbursement of the proceeds**

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 6.2 (*Conditions precedent for disbursement to the Issuer (pre-disbursement)*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.12 (*Conditions precedent for disbursement to the Issuer (pre-disbursement)*).

### **6.4 Tap Issues**

- (a) The Issuer may issue Additional Bonds if:
- (i) a Tap Issue Addendum has been duly executed by all parties thereto; and
  - (ii) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms, including without limited to that no Event of Default occurs or would occur as a result of making of such Tap Issue, are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds;
  - (iii) any such amendments, supplements and/or confirmations related to the Transaction Security Documents as may be reasonably required by the Bond Trustee, are entered into; and

- (iv) the Issuer meets the Incurrence Test tested pro forma including the new Financial Indebtedness incurred as a result of issuing such Additional Bonds.
- (b) For Tap Issues not falling on an Interest Payment Date, accrued interest will be calculated using standard market practice in the secondary bond market. The Additional Bonds may be issued at a discount or at a premium relative to the issue price.

## **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) on the date of these Bond Terms;
- (b) on the date of the relevant Finance Document;
- (c) on the Issue Date;
- (d) on each date of disbursement of proceeds from the Escrow Account; and
- (e) on the date of issuance of any Additional 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 disbursement of proceeds 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 Authorisations and consents**

All authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations 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 the Accounting Standard, 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 the Finance Documents.

**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 (*Status of the Bonds*).

**7.13 Security**

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

**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 on 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 has 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 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 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) if the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*); or
  - (ii) if a resolution according to Clause 15 (*Bondholders' Decisions*) has been made.

### 8.4 Taxation

- (a) Each Obligor 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 Obligors 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.
- (c) 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.
- (d) The Bond Trustee shall not have any responsibility to obtain information about the Bondholders relevant for the tax obligations pursuant to these Bond Terms.

### 8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the Bond Currency. If, however, the Bond Currency 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 (5) 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 will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the Issue Date, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional 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 thirty (30) days each (30/360-days basis), unless:
  - (i) the last day in the relevant Interest Period is the 31<sup>st</sup> calendar day but the first day of that Interest Period is a day other than the 30<sup>th</sup> or the 31<sup>st</sup> 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 one hundred per cent (100%) of the Nominal Amount (plus accrued interest on the redeemed Bonds).

### 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 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 falling twenty-four (24) months after the Issue Date at a price equal to 104.563 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds);
  - (iii) Interest Payment Date falling twenty-four (24) months after the Issue Date to, but not including, the Interest Payment Date falling thirty (30) months after the Issue Date at a price equal to 103.011 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds); and
  - (iv) the Interest Payment Date falling thirty (30) months after the Issue Date to, but not including, the Maturity Date at a price equal to 100.500 per cent of the Nominal Amount (plus accrued but unpaid interests on the redeemed Bonds).
- (b) Any redemption of Bonds pursuant to paragraph (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date and not based on the date the Call Option was exercised (i.e. the date the written notice was sent to the Bond Trustee in accordance with section (c) of this Clause 10.2).
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least ten (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 three (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 the Accounts may be used as partial payment (unless in conflict with the terms of the Intercreditor Agreement)



### 10.3 Mandatory repurchase due to a Put Option Event

Disposal of assets:

- (a) Upon the occurrence of:
- (i) 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 (i) 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 (ii) swap of participating interests in Hydrocarbon Assets in exchange of participating interest in other Hydrocarbon Assets) (an "**Asset Disposal Event**"); and/or
  - (ii) 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 (a "**Share Disposal Event**" and together with the Asset Disposal Event, the "**Disposal of Assets Put Option Events**" and each a "**Disposal of Asset Put Option Event**"),

and to the extent that the aggregate of (collectively, the "**Disposal of Asset Put Option Amount**):

- (iii) with respect to each Asset Disposal Event, the post-tax disposal consideration (excluding pro/contra adjustments and earn-out) received or receivable by the relevant Group Company in each transaction constituting an Asset Disposal Event; and
- (iv) with respect to each Share Disposal Event, the post-tax disposal consideration (excluding pro/contra adjustments and earn-out) received or receivable by the relevant Group Company in each transaction constituting a Share Disposal Event,
- (v) after deducting the amount (such amount to be pledged as Transaction Security and blocked in favour of the Bond Trustee) of any such proceeds which is expected to be reinvested in assets useful in the business of the Issuer within twelve (12) months following the receipt of such proceeds (provided that if all or any portion of such proceeds are not so reinvested within such twelve (12) months period, such unused portion shall trigger the Put Option in an amount equal to such unused portion to the extent the sum of (iii), (iv) and any unused amount under (v) would exceed the Put Option Threshold Amount),

exceeds USD 50,000,000 (the "**Put Option Threshold Amount**") during any Relevant Period, the Issuer shall promptly notify the Bond Trustee in writing thereof and each Bondholder shall have a right of pre-payment (a "**Disposal of Asset Put Option**") of the Bonds at a price of one hundred and one per cent (101%) of Nominal Amount (plus accrued interest on the redeemed Bonds) during an acceptance period of thirty (30) calendar days from the date the Bond Trustee received written Notice from the Issuer. The Issuer's obligation to redeem bonds hereunder shall be limited to a number of Bonds (allocated pro rata between Bondholders exercising the Disposal of Asset Put Option) with an aggregate Nominal Amount equal to the Disposal of Asset Put Option Amount.

- (b) The redemption of the Bonds shall be made as soon as possible, but no later than ten (10) calendar days after the expiry of the acceptance period.
- (c) No event shall constitute a Disposal of Asset Put Option Event if a waiver thereof has been resolved by a simple majority of the voting bonds in a Bondholders' Meeting.
- (d) No Termination Event shall constitute a Disposal of Asset Put Option Event.

Total Loss:

- (a) Upon the occurrence of one or more actual or constructive total losses (a "**Total Loss Event**" or a "**Total Loss Put Option Event**") of any Hydrocarbon Assets (or related assets such as production units, installations and infrastructure) and provided that the post-tax amount (if applicable) of insurance proceeds (the "**Total Loss Put Option Amount**") received by the relevant Group Company within two hundred and ten (210) calendar days after the occurrence of the Total Loss Put Option Event exceeds the Put Option Threshold Amount during any Relevant Period, the Issuer shall promptly notify the Bond Trustee in writing thereof and each Bondholder shall have a right of prepayment (a "**Total Loss Put Option**") of the Bonds at a price of one hundred per cent (100%) of Nominal Amount (plus accrued interest on the redeemed Bonds) during an acceptance period of thirty (30) calendar days from the date the Bond Trustee received the written notice from the Issuer. The Issuer's obligation to redeem Bonds hereunder shall be limited to a number of Bonds (allocated pro rata between Bondholders exercising the Total Loss Put Option) with an aggregate Nominal Amount equal to the Total Loss Put Option Amount.
- (b) The redemption of the Bonds shall be made promptly once insurance proceeds (if any) are available to the relevant Group Company, but in any event no later than two hundred and ten (210) calendar days following the occurrence of the Total Loss Put Option Event.
- (c) All Bonds repaid or redeemed pursuant to the provisions above shall be discharged and cancelled.

Change of Control:

- (a) Upon a Change of Control Event occurring, each Bondholder shall have a right of prepayment (a "**Change of Control Put Option**") of the Bonds at a price of one hundred and one per cent (101%) of Nominal Value (plus accrued but unpaid interest on the redeemed Bonds) during a period of fifteen (15) calendar days following the notice of a Change of Control Event. The Change of Control Put Option repayment date will be the fifth (5<sup>th</sup>) Business Day after the end of the fifteen (15) calendar days exercise period (the "**Change of Control Put Option Repayment Date**").
- (b) If Bonds representing more than ninety per cent (90%) of the Outstanding Bonds have been repurchased due to the Change of Control Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than twenty (20) calendar days after the Change of Control Put Option Repayment Date. Such prepayment may occur at the earliest on the fifteenth (15<sup>th</sup>) calendar day following the date of such notice.

Adjustments with respect to certain Permitted Financial Indebtedness:

- (a) Any amount required to be otherwise applied for the redemption of Bonds shall be adjusted:
  - (i) by excluded amounts resulting from an Asset Disposal Event, a Share Disposal Event or Total Loss Event that, under the terms of the SSRCF, must be used in the repayment and permanent reduction of the SSRCF; and
  - (ii) to permit such amount to be used towards pro rata redemption of the Bonds and any Permitted Additional Secured Bond Issue (provided that this is required under the terms of the Permitted Additional Secured Bond Issue),

and the number of Bonds to be redeemed shall be re-calculated accordingly.

**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 (100%) of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than forty (40) Business 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 or sold (but not 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 for ensuring 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 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 one hundred and twenty (120) days after the end of the financial year.
- (b) The Issuer shall prepare 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 sixty (60) days after the end of the relevant interim period.

### **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*), a Compliance Certificate with a copy of the Financial Reports 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 fairly represent its financial condition as at the date of the relevant Financial Report and setting out (in reasonable detail) computations evidencing compliance with Clause 13.22 (*Financial covenants and Incurrence Test*) as at such date.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

### **12.3 Put Option Event**

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

### **12.4 Information: Miscellaneous**

The Issuer shall:

- (a) 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;
- (b) 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);
- (c) 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;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;

- (e) 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;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD; and
- (g) 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; and
- (h) 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.

### **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 procure that each Group Company will, ensure 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**

- (a) The Issuer shall not, and shall procure that no other Group Company will, carry out:
  - (i) 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
  - (ii) 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 transaction**

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 organization 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 Financial Indebtedness**

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

**13.11 Financial Support**

The Issuer shall not, and shall ensure that no other Group Company shall, grant any Financial Support, other than Permitted Financial Support.

**13.12 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.

**13.13 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**"), other than a Permitted Distribution.

**13.14 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 Intercreditor Agreement, in form and substance satisfactory to the Bond Trustee.

### **13.15 Subsidiaries' distributions**

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.

### **13.16 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) the Bonds are redeemed in accordance with the Put Option Event (if applicable).

### **13.17 Restrictions on repayment of certain Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, prior to the Bonds having been repaid in full, repay or redeem (in part or in full) any principal amount of Financial Indebtedness that constitute Permitted Financial Indebtedness under paragraph (e) of the definition thereof, unless permitted under a Put Option Event or the Intercreditor Agreement.

### **13.18 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 relate to Hydrocarbon Assets which at the time of acquisition of such, have an aggregate acquisition cost (excluding pro/contra adjustments and earn-out) not exceeding ten per cent (10%) of the Group's total assets (as set out in the latest Financial Report (consolidated), adjusted pro forma by taking the acquisition into account) at the date of such acquisition, and further provided that any such Hydrocarbon Assets shall be located within the European Economic Area (EEA) or the United Kingdom.

**13.19 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).

**13.20 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), other than:

- (i) under any Permitted Sales Contract or other ordinary course of business arrangements for the sale of hydrocarbon products; and
- (ii) in connection with acquisition or disposal of ownership/participation interests in a Hydrocarbon Asset (in respect of sales proceeds, income, earnings, or revenue deriving from such Hydrocarbon Asset).

**13.21 Payment of Project Proceeds**

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.

**13.22 Financial covenants and Incurrence Test**

- (a) The Issuer undertakes to comply with the following financial covenants during the term of the Bond Issue:

- (i) *Liquidity*

the Issuer shall ensure that the Group maintains a Liquidity of not below the higher of (i) USD 25,000,000 (or the equivalent in other currencies) and (ii) an amount equal to fifteen per cent (15%) of the aggregate amount of the Outstanding Bonds and any Permitted Additional Secured Bond Issue, from time to time; and

- (ii) *Leverage Ratio*

the Issuer shall ensure that the Group maintains a Leverage Ratio of no more than 1.75:1.0x.



- (b) The Issuer undertakes to comply with the above financial covenants at all times, such compliance to be measured on each Quarter Date and certified by the Issuer by the delivery of a Compliance Certificate, setting out such compliance in reasonable detail with the delivery of each Financial Statements or Interim Accounts. The Compliance Certificate may be made available by the Bond Trustee to the Bondholders.
- (c) Testing and calculations of the Financial Covenants
- (i) With respect to any Quarter Date ending on a date that is less than twelve (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) 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.
- (iii) The financial covenants shall be calculated on a consolidated basis for the Group.
- (d) Incurrence test

The Incurrence Test is met if no Event of Default is continuing or would result from the relevant event and:

***In terms of any Distribution that is subject to the Incurrence Test:***

- (i) Liquidity is no less than USD 50,000,000 (or the equivalent in other currencies); and
- (ii) Leverage Ratio does not exceed 1.25:1.0x

immediately after completion of the relevant Distribution.

***In terms of additional Financial Indebtedness that is subject to the Incurrence Test:***

- (i) Leverage Ratio does not exceed 1.50:1.0x.

(e) Testing and calculation of the Incurrence Test:

The calculations shall be made as per a testing date determined by the Issuer, falling no earlier than one (1) month prior to the event relevant for the application of the Incurrence Test, by taking into account the following principles:

- (i) if any Distribution has been resolved but not yet completed, any cash to be distributed in any way shall be deducted when calculating Net Debt and Liquidity;

- (ii) if any mandatory repayment (through put, call or otherwise) or redemption of Financial Indebtedness has been determined but not yet completed, any cash to be used for such purpose shall be excluded when calculating Net Debt and Liquidity and the Financial Indebtedness to be repaid shall be excluded when calculating Net Debt;
- (iii) the additional Financial Indebtedness shall be included in the calculations, provided that any cash balance resulting from the incurrence of any new Financial Indebtedness in respect of which the Incurrence Test is made shall not increase Liquidity or reduce Net Debt; and
- (iv) 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 Incurrence Test, but adjusted so that:
  - (A) 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; and
  - (B) any company, business, undertaking or assets to be acquired with the proceeds from new Financial Indebtedness in respect of which the Incurrence Test is applied shall, subject to closing being in connection with the incurrence of such new Financial Indebtedness, be included, pro forma, for the entire Relevant Period.
- (v) Such adjustments to be made on the same basis as for calculation of the financial covenants.

## **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 five (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 five (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 twenty (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 by any Obligor under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

(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 20,000,000 (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 reorganisation; 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 paragraphs (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 ten (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 (d) (*Cross default*) above and is not discharged within twenty (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 to the Issuer:

- (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 call 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):

- (a) 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 call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in paragraph (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

## **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 (50%) 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 paragraph (a)(i) and (ii) of Clause 17.1 (*Procedure for amendments and waivers*), 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 ten (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 ten (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 regarding whether a person is a Representative or entitled to vote, the Chairperson 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, 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 (e) 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 ten (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 15.2 (*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 (e) 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 15.2 (*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*), 15.2 (*Procedure for arranging a Bondholders' 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 15.2 (*Procedure for arranging a Bondholders' Meeting*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5,shall not apply to a Written Resolution.
- (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, which shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons (the "**Voting Period**").
- (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 (f) of Clause 15.1 (*Authority of the 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 obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the time specified in the summons 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 the 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 shall facilitate 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 value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

### **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 Fee Agreement.
- (g) 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 Finance Document which the Bond Trustee reasonably believes may constitute or lead to a breach of any Finance Document or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) 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 any 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.
- (i) 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 15.2

(*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, 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. The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) 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, 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 paragraph (a)(i) of 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**

- (a) 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.
- (b) 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).
- (c) 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.

- (d) 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 or e-mail. 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; and
  - (iii) if by publication on a relevant information platform, when published.
- (e) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone and contact persons.
- (f) 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 paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), 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 Oslo district court 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 any of its/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 by way of electronic signatures.

**SIGNATURES:**

<p><b>The Issuer:</b></p> <p><b>OKEA ASA</b></p> <p>DocuSigned by: <i>Marit Moen Vik-Langlie</i> FDBD1A9B18C04DE...</p> <p>By: Marit Moen Vik-Langlie</p> <p>Position: Authorised Signatory</p>	<p><b>As Bond Trustee and Security Agent:</b></p> <p><b>Nordic Trustee AS</b></p> <p>DocuSigned by: <i>Jørgen Andersen</i> 58A2C1FDB37C410...</p> <p>By: Jørgen Andersen</p> <p>Position: Authorised Signatory</p>
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**ATTACHMENT 1  
COMPLIANCE CERTIFICATE**

[date]

**[Issuer][FRN]/[●.●●]% bonds 20[●]/20[●] ISIN [●]**

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 [●] 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. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

[The financial covenants set out in Clause 13.22 (*Financial covenants and Incurrence Test*) are met, please see the calculations and figures in respect of the covenants 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: Annual Financial Statements / Interim Accounts; [and any other written documentation]*

**ATTACHMENT 2  
RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**[Issuer][FRN]/[●.●●]% bonds 20[●]/20[●] ISIN [●]**

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 draw all amounts from the Escrow Account to be applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

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 confirm that the representations and warranties set out in the Bond Terms are true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

\_\_\_\_\_

Name of authorised person

*Enclosure I: Flow of Funds*

### ATTACHMENT 3 INTERCREDITOR PRINCIPLES

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

Capitalised terms below shall have the same meaning as ascribed to them in the Term Sheet, unless otherwise defined below.

- Parties:** To establish the relative rights of the creditors under various financing arrangements, the Intercreditor Agreement will be entered into (or acceded to where relevant) by and among the following parties (the "**Parties**"):
1. OKEA ASA as issuer of the Bonds (the "**Issuer**");
  2. each Guarantor (together with the Issuer, the "**Debtors**");
  3. any Group Company that is a lender under any Intercompany Claims (the "**Intra-Group Lenders**");
  4. the subordinated creditors in respect of any Subordinated Loan (the "**Subordinated Creditors**");
  5. any RCF Creditor;
  6. the Pari Passu Creditors (represented by the relevant bond trustees)
  7. any hedge counterparties in respect of the Hedging Liabilities (the "**Hedge Counterparties**");
  8. the Bond Trustee; and
  9. the bond trustee for any Permitted Additional Secured Bond Issue;
  10. the Security Agent.

**Ranking and priority:** The Senior Liabilities owed by the Debtors to the Primary Creditors shall rank in right and priority of payment (subject to the super senior ranking of the RCF Liabilities and Hedging Liabilities with respect to the application of proceeds set out below) *pari passu* and without any preference between them.

Any Guarantee and the Transaction Security shall rank and secure the Senior Liabilities (subject to the super senior ranking of the RCF Liabilities and the Super Senior Hedging Liabilities with respect to the application of proceeds set out in section "Application of proceeds" below) *pari passu* and without any preference between them (but only to the extent that such Guarantee or Transaction Security is expressed to secure those liabilities and provided that Transaction Security over any escrow account or VPS account opened and maintained for the purpose of facilitating settlement of bonds shall only secure the bond issues in respect of which the same has been opened and maintained).

The Subordinated Liabilities and the Intra-Group Liabilities are postponed and subordinated to the Liabilities owed by the Debtors to the Primary Creditors under the Debt Documents.

**Option to purchase and hedge transfer:**

Each Pari Passu Creditor Representative may after a Distress Event and subject to certain customary conditions being fulfilled and after having given each other Pari Passu Creditor Representative the opportunity to participate in such purchase or transfer, by giving not less than ten (10) days' notice to the Security Agent, require the transfer to them of all, but not part, of the rights, benefits and obligations in respect of the RCF Liabilities and (at the same time or after the transfer of the RCF Liabilities) the Super Senior Hedging Liabilities.

**Permitted payments in respect of Intra-Group Liabilities and Subordinated Liabilities:**

The Debtors may make payments in respect of Intra-Group Liabilities from time to time when due until an event of default has occurred and is continuing and of which an acceleration notice has been served under any of the relevant Debt Documents.

Prior to the final discharge date of the Primary Creditors, neither the Issuer nor any other Debtor shall, and the Issuer shall procure that no other Group Company will, make any payment of Subordinated Liabilities, other than (i) prior to the occurrence of an acceleration event under the relevant Debt Documents, to the extent permitted under the Bond Terms and the Super Senior Finance Documents, or (ii) following an acceleration event, with the consent of the Instructing Group. The Debt Documents shall not prohibit or restrict any roll-up or capitalisation of interest, fees or any other amount payable in respect of any Intra-Group Liabilities or Subordinated Liabilities.

**Effect of insolvency event:**

After the occurrence of an insolvency event in relation to any Group Company, any party entitled to receive a distribution out of the assets of that Group Company (in the case of a Primary Creditor, only to the extent that such amount constitutes Enforcement Proceeds) in respect of Liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that Group Company to make that distribution to the Security Agent (or to such other person as the Security Agent shall direct) until the Liabilities owing to the Secured Parties have been paid in full.

The Security Agent shall apply such distributions made to it in accordance with section "Application of proceeds" below.

**Turnover of receipts:**

If at any time prior to the final discharge date of all Primary Creditors, any Creditor receives or recovers any payment on account or in respect of any Liabilities other than as permitted by the Intercreditor Agreement, that Creditor will promptly pay or distribute an amount equal to that receipt or recovery to the Security Agent for application in accordance with section "Application of proceeds" below.

**Bond Trustee protection:**

Notwithstanding the foregoing or any other provision in the Intercreditor Agreement, the Bond Trustee shall not be liable for any failure by any Bondholder to comply with any obligation such Bondholder may have under the Intercreditor Agreement, including to make any payment or repayment, or any distribution or redistribution (including, without limitation, under section "Turnover of receipts" above), to the Security Agent (or any other Creditor or person) of any amount received or recovered by that Bondholder under or in respect of any Debt Document.

Furthermore, the Bond Trustee shall have no obligation to pay, repay, distribute or redistribute, or ensure the payment, repayment, distribution or redistribution of, any amount received or recovered by any Bondholder under or in respect of any Debt Document which should have been paid, repaid, distributed or redistributed by such Bondholder to the Security Agent (or any other Creditor or person) pursuant to the terms of the Intercreditor Agreement, and shall not be liable for any damages, costs or losses incurred by any Creditor or any other person as result of any such failure by any Bondholder referred to above.

**Enforcement of Transaction Security and Guarantees:**

If either the Required Super Senior Creditors or the Majority Pari Passu Creditors (the "**Instructing Primary Creditors**") wish to issue instructions as to enforcement of any Transaction Security or Guarantee ("**Enforcement Instructions**"), the creditor representatives (and, if applicable, the Hedge Counterparties) representing the Instructing Primary Creditors shall deliver a copy of those proposed Enforcement Instructions (an "**Initial Enforcement Notice**") to the Security Agent and the Security Agent shall promptly forward such Initial Enforcement Notice to each creditor representative and each Hedge Counterparty which did not deliver such Initial Enforcement Notice.

Subject to the exceptions set out below, the Security Agent will act in accordance with Enforcement Instructions received from the Majority Pari Passu Creditors.

If (a) the Majority Pari Passu Creditors have not either (i) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue (and notified the Security Agent of that determination in writing) or (ii) appointed a financial adviser to assist them in making such a determination, within 3 months of the date of the Initial Enforcement Notice or (b) the discharge date of the Super Senior Creditors has not occurred within 6 months of the date of the Initial Enforcement Notice, then the Security Agent will act in accordance with Enforcement Instructions received from the Required Super Senior Creditors until that discharge date has occurred.

If an insolvency event is continuing with respect to a Debtor then the Security Agent will, to the extent the Required Super Senior Creditors elect to provide such Enforcement Instructions, act in accordance with Enforcement Instructions received from the Required Super Senior Creditors until the discharge date of the Super Senior Creditors has occurred.

If the Majority Pari Passu Creditors have not either (a) made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue

(and notified the Security Agent of that determination in writing) or (b) appointed a financial adviser to assist them in making such a determination, and the Required Super Senior Creditors (i) determine in good faith (and notify the other Creditor representatives, the Hedge Counterparties and the Security Agent) that a delay in issuing Enforcement Instructions could reasonably be expected to have a material adverse effect on the ability to effect a distressed disposal or on the expected realisation proceeds of any enforcement and (ii) deliver Enforcement Instructions which they reasonably believe to be consistent with section "Enforcement principles" below before the Security Agent has received any Enforcement Instructions from the Majority Pari Passu Creditors, then the Security Agent will act in accordance with the Enforcement Instructions received from the Required Super Senior Creditors until the discharge date of the Super Senior Creditors has occurred.

Notwithstanding anything to the contrary set out herein, there shall be no independent enforcement rights for any Hedge Counterparty.

**Manner of enforcement:**

If the Transaction Security is being enforced, the Security Agent shall enforce the Transaction Security in such manner as the Instructing Group shall instruct (provided that such instructions are consistent with section "Enforcement principles" below) or, in the absence of any such instructions, as the Security Agent considers in its discretion to be appropriate and consistent with those principles.

The other Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the documents evidencing the terms of the Transaction Security except through the Security Agent.

**Non-distressed disposals:**

If a disposal of an asset is a non-distressed disposal, the Security Agent shall, if the non-distressed disposal is permitted under the Debt Documents for the Super Senior Creditors and the Pari Passu Creditors, be irrevocably authorised (without any consent or authority of any Creditor) to, among others things, release the Transaction Security or any claim over the relevant asset or the relevant Group Company's other property.

If any disposal proceeds are required to be applied in mandatory prepayment of the RCF Liabilities or the Pari Passu Liabilities, then those disposal proceeds shall be applied in accordance with the Debt Documents and the consent of any other party shall not be required for that application.

**Distressed disposals:**

If a disposal of an asset is a distressed disposal, the Security Agent shall be irrevocably authorised:

- (a) to release the Transaction Security and any other claim over the relevant asset; and



- (b) if the relevant asset consists of shares or ownership interests in a Debtor or a holding company of a Debtor (each, a "**Disposed Entity**"):
  - (i) to release any Transaction Security granted by the Disposed Entity or over the shares thereof, or over any assets of any subsidiary of the Disposed Entity;
  - (ii) to release the Disposed Entity, or any subsidiary of the Disposed Entity, from all or any part of its liabilities under the Debt Documents;
  - (iii) to release any other claim of any Creditor or another Debtor over that Disposed Entity's assets or over the assets of any subsidiary of that Disposed Entity;
  - (iv) to release the Disposed Entity and any other Group Company from all or any part of its liabilities arising out of or in connection with that distressed disposal, or dispose of (including by way of appropriation) all or any part of those liabilities;
  - (v) to dispose of (including by way of appropriation) all or any part of the Liabilities owing by the Disposed Entity or any subsidiary of the Disposed Entity; and/or
  - (vi) to dispose of (including by way of appropriation) all or any part of the Liabilities owing to the Disposed Entity or any subsidiary of the Disposed Entity,

in each case, (A) that may, in the discretion of the Security Agent, be considered necessary or desirable and (B) on behalf of the relevant Creditors, Secured Parties and Debtors.

The net proceeds of each distressed disposal (and each debt disposal) shall be paid, or distributed, to the Security Agent for application in accordance with section "Application of proceeds" below.

For the purposes of distressed disposals, the Security Agent (a) shall act on the instructions of the Instructing Group, or in the absence of any such instructions, as the Security Agent sees fit and (b) may engage, or approve the engagement of, pay for and rely on the services of a financial adviser in accordance with section "Enforcement principles" below.

**Application of proceeds:**

All amounts from time to time received or recovered by the Security Agent (a) pursuant to the terms of any Debt Document, (b) in connection with the realisation or enforcement of all or any part of the Transaction Security or (c) in connection with the making of any demand under any Guarantee (collectively, the "**Recoveries**") shall be applied by the Security Agent in the following order of priority:

- (a) in discharging any sums owing to the Security Agent, any receiver, any delegate or any other Primary Creditor representatives (for its own account);

- (b) in payment or distribution to:
  - (i) the RCF Agent on its own behalf and on behalf of the RCF Creditors for application towards the discharge of the RCF Liabilities; and
  - (ii) the Super Senior Hedge Counterparties for application towards the Super Senior Hedging Liabilities,

in each case, on a pro rata basis;

- (c) in payment or distribution to the Hedge Counterparties (other than any Super Senior Hedge Counterparties) or Creditor representatives in respect of any Pari Passu Liabilities on its own behalf and on behalf of the Pari Passu Creditors for which it is the Creditor representative for application towards the Pari Passu Liabilities on a pro rata basis;
- (d) if none of the Debtors is under any further actual or contingent liability under any document evidencing the terms of any Senior Liabilities, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Debtor; and
- (e) the balance, if any, in payment or distribution to the relevant Debtor,

subject to certain customary exceptions in respect of prospective liabilities and treatment of cash cover in respect of the RCF Finance Documents.

**Enforcement principles:**

The main enforcement principles are as follows:

- (a) it shall be the primary and overriding aim of any enforcement of any Transaction Security to maximise, to the extent consistent with a prompt and expeditious realisation of value, the value realised from any such enforcement;
- (b) the Security Agent shall be under no obligation to appoint a financial adviser or to seek the advice of a financial adviser unless expressly required to do so by the Intercreditor Agreement; and
- (c) any fairness opinion from an independent, reputable financial adviser who is recognized for its experience with the assets and transactions in question, will be conclusive evidence that the enforcement objective set out above has been met.

**Additional Debt:**

The Intercreditor Agreement and the Transaction Security will not prevent, or otherwise inhibit, the refinancing, replacement, increase or restructuring of any of the Liabilities in whole or in part (including by way of additional permitted indebtedness) (each, a "**Debt Refinancing**") which is undertaken in accordance with the terms of the Debt Documents and customary provisions will be included to allow any relevant agent, trustee and the Security Agent to make necessary amendments to the Debt Documents and Transaction Security to enable the establishment of each new Debt Refinancing on the basis described above.

**Other terms:** The Intercreditor Agreement will contain customary terms, including related to (i) appointment of and the role, powers and discretions of the Security Agent, (ii) change of Security Agent and indemnities for the benefit of the Security Agent, (iii) information and information sharing, (iv) costs and expenses, (v) notices, (vi) consents, amendment and override, (vii) invalidity and (viii) creditor accession.

**Governing law and jurisdiction** The Intercreditor Agreement shall be governed by Norwegian law and be subject to the jurisdiction of the Oslo District Court (Oslo tingrett).

**Definitions:** "**Creditors**" means the Primary Creditors, the Intra-Group Lenders and the Subordinated Creditors.

"**Debt Document**" means the Intercreditor Agreement and any documents evidencing the terms of any RCF Liabilities, any Hedging Liabilities, any Pari Passu Liabilities, any Intra-Group Liabilities or any Subordinated Liabilities, any Guarantee or any Transaction Security and any other document designated as such by the Security Agent and a Debtor.

"**Distress Event**" means (a) any exercise of any rights under any acceleration provisions, or any acceleration provisions being automatically invoked, in each case under any Debt Document evidencing the terms of any RCF Liabilities or any Pari Passu Liabilities, (b) the enforcement of any Transaction Security or (c) (unless the context otherwise requires) the making of any demand under any Guarantee.

"**Enforcement Instructions**" means instructions as to enforcement (including the manner and timing of enforcement) given by the Majority Super Senior Creditors or the Majority Pari Passu Creditors to the Security Agent, provided that instructions not to undertake enforcement or an absence of instructions as to enforcement shall not constitute "Enforcement Instructions".

"**Guarantee**" means any guarantee, indemnity or other assurance against loss granted by any Debtor in respect of the obligations of any of the Debtors under any of the Debt Documents.

"**Hedge Counterparties**" means the hedge counterparties in respect of the Hedging Liabilities.

"**Hedging Liabilities**" means the liabilities owed by any Debtor to the Hedge Counterparties under or in connection with the relevant Debt Documents.

"**Instructing Group**" means:

- (a) subject to paragraph (b) below, the Required Super Senior Creditors and the Majority Pari Passu Creditors; and

(b) in relation to instructions as to the enforcement of any Transaction Security, the group of Primary Creditors entitled to give instructions as to such enforcement under section "Enforcement of Transaction Security".

**"Intra-Group Liabilities"** means the liabilities owed by any Group Company to any of the Intra-Group Lenders.

**"Liabilities"** means all present and future liabilities and obligations at any time of any Property Group Company to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity.

**"Majority Pari Passu Creditors"** means, at any time, those Pari Passu Creditors whose pari passu credit participations at that time in aggregate are more than fifty per cent (50.00%) of the total pari passu credit participations at that time (and where the bond trustee for each bond issue shall act (and be considered to act) on behalf of all the pari passu bondholders in that bond trustee and all their pari passu credit participations in that bond issue regardless of whether all or only the required majority of those pari passu bondholders in that bond issue voted in favour or against the decision to be made by the Majority Pari Passu Creditors under the Intercreditor Agreement at any relevant preceding meeting(s) of the pari passu bondholders).

**"Majority Super Senior Creditors"** means, at any time, the Super Senior Creditors whose super senior credit participations at that time aggregate more than fifty per cent (50.00%) of the total aggregate amount of the super senior credit participations at that time.

**"Pari Passu Creditor Representatives"** means the Bond Trustee and any lender or bondholder (or in the event any trustee or agent has been appointed to act on its behalf, such trustee or agent) under the Pari Passu Liabilities.

**"Pari Passu Creditors"** means any Hedge Counterparty (other than any Super Senior Hedge Counterparty), the Bondholders, Bond Trustee, the bondholders under any Permitted Additional Secured Bond Issues and the bond trustee in respect thereof.

**"Pari Passu Liabilities"** means the liabilities owed by the Debtors to the Pari Passu Creditors under or in connection with the relevant Debt Documents.

**"Primary Creditors"** means the Super Senior Creditors and the Pari Passu Creditors.

**"RCF Creditors"** means the RCF Agent, any arranger and each lender under any Revolving Credit Facility.

**"RCF Liabilities"** means the liabilities owed by any Debtor to any RCF Creditors under or in connection with the relevant Debt Documents.

**"Required Super Senior Creditors"** means, at any time, those Super Senior Creditors whose super senior credit participations at that time aggregate more than 66.67 per cent of the total super senior credit participations at that time.

**"Revolving Credit Facility"** means any revolving credit facility made available to the Issuer in accordance with the RCF Finance Documents, and subject to the restrictions in the Bond Terms.

**"Secured Parties"** means the Security Agent, any receiver or delegate and each of the Primary Creditors from time to time but, in the case of each Primary Creditor, only if it (or, in the case of a Pari Passu Creditor being a bondholder, its bond trustee) is a party or has acceded to the Intercreditor Agreement in the proper capacity pursuant to the terms thereof.

**"Senior Liabilities"** means the RCF Liabilities, the Hedging Liabilities and the Pari Passu Liabilities.

**"Subordinated Liabilities"** means the liabilities owed to the Subordinated Creditors by the Issuer

**"Super Senior Creditors"** means the RCF Creditors and the Super Senior Hedge Counterparties.

**"Super Senior Finance Documents"** means the RCF Finance Documents and any documents evidencing the terms of any Super Senior Hedging Liabilities.

**"Super Senior Hedge Counterparties"** means any RCF Creditor in its capacity as hedge counterparties in respect of any Hedging Liabilities.

**"Super Senior Hedging Liabilities"** means the liabilities owed by any Debtor to the Super Senior Hedge Counterparties under or in connection with the relevant Debt Documents.

**"Transaction Security"** means the security granted by any Debtor in respect of the obligations of any of the Debtors under any of the Debt Documents (other than any Escrow Account Pledge or any Existing Bonds Escrow Account Pledge).

**ATTACHMENT 4  
EXISTING LICENCES**

<b>Licence</b>	<b>Field</b>	<b>Operator</b>	<b>Ownership</b>
PL 053 B	Brage	OKEA ASA	35,2%
PL 055	Brage	OKEA ASA	35,2%
PL 055 B	Brage	OKEA ASA	35,2%
PL 055 D	NE of Brage	OKEA ASA	35,2%
PL 055 E	Brage/ 30/6-14	OKEA ASA	35,2%
PL 093	Draugen	OKEA ASA	44,56%
PL 093 B	Draugen	OKEA ASA	44,56%
PL 093 C	Draugen	OKEA ASA	44,56%
PL 093 D	Draugen	OKEA ASA	44,56%
PL 153	Gjøa	Neptune Energy Norge AS	12%
PL 153 B	Gjøa	Neptune Energy Norge AS	12%
PL 153 C	Gjøa	Neptune Energy Norge AS	12%
PL 158	Draugen	OKEA ASA	44,56%
PL 176	Draugen	OKEA ASA	44,56%
PL 185	Brage/Brasse	OKEA ASA	35,2%
PL 195	35/8-3 (Aurora)/ NE of Nova	OKEA ASA	65%
PL 195 B	35/8-3 (Aurora)/ NE of Nova	OKEA ASA	65%
PL 316	Yme	REPSOL NORGE AS	15%
PL 316 B	Yme	REPSOL NORGE AS	15%
PL 338 BS	Ivar Aasen/ 16/1-14 (Apollo)	Aker BP ASA	35%
PL 418	Nova	Wintershall Dea Norge AS	6%
PL 418 B	Nova	Wintershall Dea Norge AS	6%

PL 457 BS	Ivar Aasen	Aker BP ASA	54,707%
PL 938	6407/8-8 S (Calypso)/ NW of Draugen	Neptune Energy Norge AS	30%
PL 958	East of Draugen	OKEA ASA	50%
PL 1014 B	East of Skuld/ East of Urd	Equinor Energy AS	20%
PL 1014	East of Skuld/ East of Urd	Equinor Energy AS	20%
PL 740	Brasse	OKEA ASA	50%
PL 1108	West of Gjøa/ 35/9-6 S	DNO Norge AS	30%
PL 1115	NW of Draugen	Neptune Energy Norge AS	40%
PL 1117	6407/4-4 (Spirell Sør)/ Nw of Draugen	OKEA ASA	50%
PL 1119	South of Trestakk/ 6406/6-4 S (Tvillingen Sør)	Equinor Energy AS	30%
PL 1125	East of Skuld	OKEA ASA	50%
PL 1150 S	North of Aurora/ North of Nova	Sval Energi AS	30%
PL 1156	SW of Draugen	OKEA ASA	40%
PL 1159	South of Trestakk/ 6406/5-1	OKEA ASA	50%
PL 1161	East of Halten Øst/ North of Draugen	OKEA ASA	60%
PL 1178	West of Brage	OKEA ASA	50%
PL 1180	South of Gjøa	Neptune Energy Norge AS	30%
PL 1186	West of Njord	Equinor Energy AS	20%
PL 1187	North of Draugen	OKEA ASA	40%