

NORSK TILLITSMANN

NORWEGIAN TRUSTEE

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Norsk Tillitsmann ASA.

To the bondholders in:

ISIN: NO 001 060632.0 - Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2011/2016 (2013/2017)

ISIN: NO 001 069703.0 - Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016

ISIN: NO 001 069704.8 - Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (2013/2019)

Oslo, 28 February 2014

Prepayment Offer – instructions to the Bondholders

1. INTRODUCTION

Norsk Tillitsmann ASA acts as trustee for the bondholders (together the “**Bondholders**”) in the above mentioned bond issues (together the “**Bond Issues**”) with Norwegian Energy Company ASA as issuer (the “**Company**” or the “**Issuer**”). ISIN NO 001 060632.0 (the “**NOR06 Bond**”) is a NOK 600,000,000 bond issue, ISIN NO 001 069703.0 (the “**NOR10 Bond**”) is a NOK 1,399,050,000 bond issue, ISIN NO 001 069704.8 (the “**NOR11 Bond**”) is a NOK 736,155,000 bond issue.

Capitalized terms used herein shall have the meaning assigned to them in the bond agreements for the Bond Issues dated 6 December 2013 (and as amended for the NOR11 Bond on 11 February 2014) (each the “**Bond Agreement**” and together, the “**Bond Agreements**”).

This letter provides the Bondholders with an instruction how to exercise the Prepayment Offer in accordance with the Bond Agreements Clause 10.6 for the NOR06 Bond and Clause 10.5 of the NOR10 and NOR11 Bonds.

Each Bondholder wishing to exercise its rights under the Prepayment Offer must forward the attached “Prepayment Offer Instruction” to the Issuer’s paying agent, DNB Bank ASA, Verdipapirservice KUO, preferably by e-mail or fax (for contact details please see the attached Prepayment Instruction). The “Prepayment Offer Instruction” must be received by DNB at the latest on the Record Date for the Payment Offer to be exercised on behalf of each Bondholder.

For further information and background regarding the Prepayment Offer Event and the Prepayment Offer see the attached information letter from the Company.

2. EXERCISE OF THE PREPAYMENT OFFER - ACCEPTANCE

The Prepayment Offer to the Bondholders constitutes an aggregate amount of NOK 61,633,000 (the “Prepayment Offer Amount”) and approximately 2.2533% of the outstanding principal amount of the Bonds.

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The Prepayment Offer Amount is to be made at 100% of par value and shared among all the Bondholders on a pro rata and pari passu basis. With a total outstanding amount on all Bonds of NOK 2,735,205,000, the Prepayment Offer Amount represents an offer to each Bondholder for repayment of approximately 2.2533% of each Bondholder's holdings. The relevant amount to be offered repaid to each Bondholder will be rounded down to the nearest NOK 1, which is the Face Value of all the Bonds.

The distribution between each Bond Issue on an aggregated level is as follows:

Bond Issue	Outstanding amount:	Repayment %:	Repayment amount:
NOR06 Bond	kr 600 000 000,00	2,25330 %	kr 13 519 800,00
NOR10 Bond	kr 1 399 050 000,00	2,25330 %	kr 31 524 793,65
NOR11 Bond	kr 736 155 000,00	2,25330 %	kr 16 587 780,62
Total:	kr 2 735 205 000,00		kr 61 632 374,27

In accordance with the terms of the Bond Agreements, each Bondholder must exercise the Prepayment Offer within the Record Date (being 60 Business Days from the date of this letter). Each Bondholder may only exercise its rights under the Prepayment Offer in full (and not partly), and there will be no right to be repaid any higher amount than the relative ownership of Bonds reflected for each Bondholder in the securities registry in Norway (Norwegian: Verdipapirsentralen ASA) on the Record Date.

If the Bondholder are represented by a custodian and is not directly registered as a holder of an account in the security registry in Norway (Norwegian: Verdipapirsentralen ASA – "VPS") – please contact your custodian directly.

The Record Date is: 30 May 2014

Settlement Date is: 16 June 2014

It is only the Bondholders that are registered as holders of Bonds in VPS as per the Record Date that will receive settlement for redeemed Bonds under the Prepayment Offer.

On the Settlement Date each Bondholder having exercised the Prepayment Offer by returning the attached Prepayment Offer Instruction to DNB before the Record Date, will receive redemption of approx. 2.2533% of its holdings of Bonds at par value (100%) and any unpaid interest accrued up to the Settlement Date.

Yours sincerely

Norsk Tillitsmann ASA



Vivian Trøsch

Enclosed:

Appendix I: Prepayment Offer Instruction

Appendix II: NOR 06, NOR 10 and NOR 11 – information about prepayment offer (provided by the Issuer)

Prepayment Offer Instruction

We, [name of holder of VPS-account: _____], hereby wish to exercise the rights under the Prepayment Offer for the following Bond Issues:

- ISIN: NO 001 060632.0 - Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2011/2016 (2013/2017)**
- ISIN: NO 001 069703.0 - Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016**
- ISIN: NO 001 069704.8 - Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (2013/2019)**

ISIN: NO 001 060632.0	Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2011/2016 (2013/2017)
Name of holder of VPS-account	Account number in VPS
	Day time telephone number

ISIN: NO 001 069703.0	Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016
Name of holder of VPS-account	Account number in VPS
	Day time telephone number

ISIN: NO 001 069704.8	Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (2013/2019)
Name of holder of VPS-account	Account number in VPS
	Day time telephone number

This Prepayment Offer Instruction must be received by DNB Bank ASA, Verdipapirservice KUO, **before 30 May 2014** (the "Record Date") in order for the Prepayment Offer to be exercised on behalf of the Bondholder.

Each Bondholder may only exercise its rights under the Prepayment Offer in full (and not partly) for each Bond Issue (ISIN), and there will be no right to be repaid any higher amount than the relative ownership of Bonds reflected for each Bondholder in the securities registry in Norway (Norwegian: Verdipapirsentralen ASA – "VPS") on the Record Date.

If the Bondholder exercising the right under the Prepayment Offer is represented by a custodian and is not directly registered as a holder of an account in the security registry in Norway (Norwegian: Verdipapirsentralen ASA – "VPS") please forward the Prepayment Offer Instruction to your custodian directly.

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Place, date

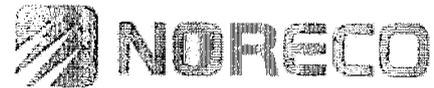
.....
Signature

Name of signer

Return – preferably by e-mail or fax:

DNB Bank ASA
Verdipapirservice KUO
Postboks 1600 Sentrum
N-0021 Oslo

Telefax: +47 24 05 02 57
E-mail: kuo@dnb.no



Norwegian Energy Company ASA
 Nykirkebakken 2
 P.O. Box 550 Sentrum
 N-4003 Stavanger, Norway
 Tel: +47 99 28 39 00
 Fax: +47 51 53 33 33
 E-mail: post@noreco.com
 www.noreco.com
 Org.no: NO 987 989 297 MVA

Norsk Tillitsmann ASA
 Att: Fredrik Lundberg

Acting as bond trustee in:

- ISIN NO 001 060632.0 Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2011/2016 (2013/2017)
- ISIN NO 001 069703.0 Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016
- ISIN NO 001 069704.8 Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (2013/2019)

Stavanger, 28 February 2014

NOR 06, NOR 10 AND NOR 11 – INFORMATION ABOUT PREPAYMENT OFFER

1. INTRODUCTION

This letter is sent to Norsk Tillitsmann ASA (the "Bond Trustee") in its capacity as trustee for the bondholders (together, the "Bondholders") in the above bond issues (together the "Bonds" / "Bond Issues") with Norwegian Energy Company ASA as issuer (the "Company", "Noreco" or the "Issuer" and together with its subsidiaries the "Group"). ISIN NO 001 060632.0 (the "NOR06 Bond") is a NOK 600,000,000 bond issue, ISIN NO 001 069703.0 (the "NOR10 Bond") is a NOK 1,399,050,000 bond issue, ISIN NO 001 069704.8 (the "NOR11 Bond") is a NOK 736,155,000 bond issue.

Capitalized terms used herein shall have the meaning assigned to them in the bond agreements for the Bond Issues dated 6 December 2013 (and as amended for the NOR11 Bond on 11 February 2014) (each a "Bond Agreement" and together, the "Bond Agreements"), respectively, unless otherwise stated herein.

The letter is submitted in order to present a Prepayment Offer to the Bondholders (on a pro rata basis for all the Bonds) in an aggregate amount of NOK 61,633,000 (the "Prepayment Offer Amount") following a Prepayment Offer Event as further described herein. The Prepayment Offer Amount constitutes approximately 2.2533% of the outstanding principal amount of the Bonds.

2. THE PREPAYMENT OFFER EVENT AND PREPAYMENT OFFER

Reference is made to previous communications by Noreco regarding its obligations to provide security for the future removal decommissioning expenses on the Nini and Nini East field (license



no. 4/95) and the Cecilie field (license no. 16/98) in Denmark (the "Danish Abandonment Costs"), and for which DKK 500 million has been reserved as part of the recent refinancing. As announced on 20 February 2014, the discussions between Noreco and the license partners have now been concluded with an agreement between Noreco, Dong and RWE Dea pursuant to which Noreco shall deposit DKK 445 million in cash in an escrow account for the benefit of the operator Dong, to serve as security for its part of the Danish Abandonment Costs. As a consequence of the actual amount set aside for the Danish Abandonment Costs being less than DKK 500 million, and as set out in the Bond Agreements, a Prepayment Offer Event is deemed to have occurred.

Noreco thus hereby through the Bond Trustee provides the Bondholders (i.e. the holders of bonds in all its secured bond loans) with a Prepayment Offer in accordance with the Bond Agreements Clause 10.6 for the NOR06 Bond and Clause 10.5 of the NOR10 and NOR11 Bonds of the residual Prepayment Offer Amount, i.e. DKK 55 million, which is equal to NOK 61,633,000 using the daily exchange rate published by Norges Bank on 20 February 2014.

The Prepayment Offer Amount is to be made at 100% of par value and shared among all the Bondholders on a pro rata and pari passu basis. With a total outstanding amount on all Bonds of NOK 2,735,205,000, the Prepayment Offer Amount represents an offer to each Bondholder for repayment of approximately 2.2533% of each Bondholder's holdings in each of the Bond Issues. The relevant amount to be offered repaid to each Bondholder will be rounded down to the nearest NOK 1, which is the Face Value of all the Bonds.

3. PREPAYMENT OFFER PERIOD - ACCEPTANCE

In accordance with the terms of the Bond Agreements, there shall be a period of 60 Business Days from the launch of the Prepayment Offer until the deadline for acceptance thereof. Said period starts running from the day the Prepayment Offer is submitted to the Bondholders through the VPS. Each Bondholder may only exercise its rights under the Prepayment Offer for each Bond Issue in full (and not partly), and there will be no right to be repaid any higher amount than the relative ownership of Bonds reflects for each Bondholder.

Each Bondholder wishing to exercise its rights under the Prepayment Offer shall respond as set out in the instruction letter from the Bond Trustee that will be circulated to the Bondholders with this letter. Said instruction letter will also determine the exact expiry date of the Prepayment Offer acceptance period (the "Record Date"). It is only the Bondholders that are registered as holders of Bonds as per the Record Date that will receive settlement for redeemed Bonds under the Prepayment Offer.

A Bondholder exercising its rights under the Prepayment Offer as set out herein may expect settlement of its relevant repayment amount and redemption of the corresponding Bonds within such period after the Record Date as is necessary for the Securities Depository procedure to complete the transaction (the date of settlement referred to as the "Settlement Date"). Said procedure will be described in the above mentioned Bond Trustee instruction letter.

Outstanding accrued interest on the Bonds for which the Prepayment Offer is being exercised, for the period until the Settlement Date, will be paid to the respective Bondholder on the Settlement Date together with settlement of the relevant part of the Prepayment Offer Amount.



Such part of the Prepayment Offer Amount for which no acceptance of the Prepayment Offer has been received by the Issuer by the Record Date, will be released to the Issuer to be used at its discretion for general corporate purposes.

Yours sincerely
Norwegian Energy Company ASA

A handwritten signature in black ink, appearing to read "Ørjan Gjerde", written over the printed name.

Ørjan Gjerde
CEO