

# 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 069704.8 - Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (NOR11)**

Oslo, 27 January 2014

## **Summons to repeated Bondholders' Meeting – Amended and Restated Bond Agreement**

Norsk Tillitsmann ASA ("**Norsk Tillitsmann**") acts as trustee (the "**Bond Trustee**") for the bondholders (together, the "**Bondholders**") in the above bond issue (together the "**Second Lien Bonds**" / "**Second Lien Bond Issue**") with Norwegian Energy Company ASA as issuer (the "**Company**", "**Noreco**" or the "**Issuer**" and together with its subsidiaries the "**Group**").

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 6 December 2013 (the "**Bond Agreement**") unless otherwise stated herein.

*The information in this summons regarding the Issuer and market conditions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

## **1 BACKGROUND**

A Bondholders' meeting was held 24 January 2014, pursuant to summons of 10 January 2014.

The amount of the Bonds outstanding at the date of the meeting was NOK 736 155 000 of which Bondholders representing 21.21 per cent of the voting Bonds were present. There were not sufficient Bondholders present at the meeting to form a quorum, and no valid resolution was made, however the proposed resolution obtained 99.82 % of the votes.

In accordance with Clause 16.2 of the Bond Agreement, the Company has approached the Bond Trustee to convene a repeated Bondholders' Meeting for the Second Lien Bonds in order to consider the Company's request to amend and restate the Bond Agreement, pursuant to the authority given to the Bondholders' Meeting under Clause 16.4 of the Bond Agreement.

## **2 SUMMONS FOR REPEATED BONDHOLDERS' MEETINGS**

Each of the Bondholders is hereby summoned to a repeated Bondholders' Meeting in the Second Lien Bond Issue:

**Time:** 11 February 2014 at 13:00 hours (Oslo time)

**Place:** The premises of Norsk Tillitsmann ASA,  
Haakon VII's gt 1, 01061 Oslo - 5<sup>th</sup> floor

**Agenda:**

1. Approval of the summons.
2. Approval of the agenda.

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3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of Amendment Proposal:

**It is proposed that the repeated Bondholders' Meeting for the Second Lien Bond resolves the following:**

*"The Bondholders' Meeting approves the Amendment Proposal as described in section 2 of the summons for Bondholders' Meeting dated 10 January 2014 and detailed in the attached amended and restated Bond Agreement.*

*The Bond Trustee is hereby authorised to complete the negotiation of form, terms, conditions and timing in relation to the Amendment Proposal, without any obligation to notify the Bondholders as provided for in Clause 16.2 of the Bond Agreement. Further, the Bond Trustee is given power of attorney to prepare, finalise and enter into the necessary agreements in connection with documenting the decisions made by the Bondholders' Meeting as well as to carry out the necessary completion work, including entering into the amended and restated Bond Agreement and any other ancillary documents in relation thereto."*

To approve the above resolutions, Bondholders representing more than 2/3 of the Second Lien Bonds represented in person or by proxy at each of the Bondholders' Meeting must vote in favour of the resolution. A valid resolution may be passed at the repeated Bondholders' Meeting even though less than half (1/2) of the Second Lien Bonds are represented.

\* \* \* \* \*

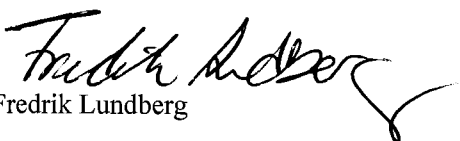
Please find attached a Bondholder's Form from the Securities Depository (VPS) as Schedule A hereto, indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Second Lien Bonds and of the voting rights at the Bondholders' Meeting. (If the Second Lien Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Second Lien Bonds, (ii) the aggregate nominal amount of said Second Lien Bonds and (iii) the account number in VPS on which the Second Lien Bonds are registered.)

The individual Bondholder may authorise the Norsk Tillitsmann to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Norsk Tillitsmann to vote, must then be returned to Norsk Tillitsmann in due time before the meeting is scheduled (by scanned e-mail, telefax or post to [post@trustee.no](mailto:post@trustee.no), +47 22 87 94 10, or Norsk Tillitsmann ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

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

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Norsk Tillitsmann, to notify Norsk Tillitsmann by telephone or by e-mail (at set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
Norsk Tillitsmann ASA

  
Fredrik Lundberg

Enclosed:

- Schedule A – Summons to the Bondholders' Meeting dated 10 January 2014
- Schedule B – Bondholder's Form
- Schedule C – Amended and Restated Bond Agreement

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

To the bondholders in:

- ISIN NO 001 069704.8 - Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020 (NOR11)

Oslo, 10 January 2014

## Summons to Bondholders' Meeting – Amended and Restated Bond Agreement

Norsk Tillitsmann ASA ("Norsk Tillitsmann") acts as trustee (the "Bond Trustee") for the bondholders (together, the "Bondholders") in the above bond issue (together the "Second Lien Bonds" / "Second Lien Bond Issue") with Norwegian Energy Company ASA as issuer (the "Company", "Noreco" or the "Issuer" and together with its subsidiaries the "Group").

Capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 6 December 2013 (the "Bond Agreement") unless otherwise stated herein.

*The information in this summons regarding the Issuer and market conditions is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

## 1 BACKGROUND

### 1.1 Introduction

Following a comprehensive refinancing of the Group, the Issuer has e.g. completed a restructuring of all its previous bond loans, resulting in the following bond loans being issued on 9 December 2013:

- (i) the Second Lien Bond Issue (NOR11),
- (ii) the 6.00 per cent Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016 (NOR10),
- (iii) the 6.50 per cent Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2017 (NOR06), and
- (iv) the 4.00 per cent Norwegian Energy Company ASA Senior Unsecured Convertible Bond Issue 2013/2018 (NOR12),

together referred to as the "New Bonds".

The restructuring of previously issued bonds and issue of the New Bonds was approved and resolved by bondholder meetings held on 5 November 2013. Prior to said bondholder meetings, through a public announcement of the Company on 4 November 2013, the Issuer e.g. provided the bondholders with certain undertakings as set out in the following (the "Undertakings"):

- (i) "The Issuer irrevocably undertakes not to exercise the option provided to the Company under the terms of the Second Lien Bond allowing 50% of the interest accruing in 2014 to be paid in kind (PIK) and thus all interest accrued on the Second Lien Bond will be paid by the Issuer in cash on the relevant interest payment dates."

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- (ii) *"The Issuer irrevocably undertakes to exercise the call option with respect to all outstanding Second Lien Bonds at the latest by the date five years and six months after the settlement date of the New Bonds, acknowledging that the Second Lien Bonds will be redeemed at a price equal to at least the prevailing call premium (at five years and six months being 102% of par value)."*

The Company also indicated its intention to call for a Bondholders' Meeting in the Second Lien Bond Issue shortly following the Issue Date in order to formalise the Undertakings directly in the Bond Agreement. Said formalisation is the purpose of the Bondholders' Meeting hereby being summoned.

## 1.2 Amendment Proposal

On the above basis, Noreco is putting forward a request to the Bondholders for an amendment to be made to the Bond Agreement as further described below in Section 2 (the "Amendment Proposal"). Formally the implementation of the Amendment Proposal will occur through execution of an amended and restated Bond Agreement in which (i) the option for the Company to pay interest in kind (PIK) in 2014 is removed and (ii) the tenor of the Second Lien Bonds is reduced to five years and six months, with a repayment of the outstanding Bonds on the amended Maturity Date at 102% of par value (however, with previous amortisation payments at par value (100%)).

The reduced tenor implies an amortization on the principal nominal amount of the Second Lien Bonds of NOK 100,000,000 in year 4, NOK 200,000,000 in year 5, and NOK 436,155,000 on the Maturity Date.

## 1.3 Further information

For further information on the Amendment Proposal, please refer to the Company's stock exchange announcements, available on [www.newsweb.no](http://www.newsweb.no), and for further information about the Company, please visit the Company's website [www.noreco.com](http://www.noreco.com).

## 2 AMENDMENT PROPOSAL – AMENDED AND RESTATED BOND AGREEMENT

### 2.1 Introduction

In accordance with Clause 16.2 of the Bond Agreement, the Company has approached the Bond Trustee to convene a Bondholders' Meeting for the Second Lien Bonds in order to consider the Company's request to amend and restate the Bond Agreement, pursuant to the authority given to the Bondholders' Meeting under Clause 16.1 of the Bond Agreement.

### 2.2 The Amendment Proposal

The Amendment Proposal implies the following amendments of substance to the Bond Agreement:

- (i) Clause 1.1 – Definitions
  - Maturity Date is changed to 9 June 2019.
  - Definition of "PIK" is deleted.
- (ii) Clause 9.2 – option to pay interest through PIK is deleted.
- (iii) Clause 9.5 – description of PIK interest payment mechanics is deleted.
- (iv) Clause 10.1 – Maturity and instalments
  - Amortisation payment in December 2019 is deleted.
  - Instalment payable on Maturity Date is increased to NOK 436,155,000 and reference to PIK is deleted.

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- A description is added to clarify that the amortisation payments to be made in 2017 and 2018 shall be made at 100% of par value (plus accrued interest) and the instalment to be made on the Maturity Date shall be made at a price equal to 102% of par value (plus accrued interest).

(v) Clause 10.2 – Call Option

- Amendment to correspond with the new Maturity Date, i.e. the last call option period runs from 9 December 2018 until the new Maturity Date at a price equal to 102% of par value (plus accrued interest on the redeemed Bonds).

All the above changes are reflected in the revised and redlined version of the Bond Agreement attached hereto as Schedule B, such revised version to become the amended and restated Bond Agreement.

## 3 EVALUATION OF THE AMENDMENT PROPOSAL

### 3.1 The Company's evaluation

The Amendment Proposal is put forward by the Company to formalise the contents of the Undertakings through changes to the terms of the Bond Agreement. It is the Issuer's opinion that the Amendment Proposal merely reflects certain aspects of the basis on which the comprehensive Group refinancing was made and thus is not changing any of the actual terms of the refinancing. In said perspective, the resolution of the Amendment Proposal should be more of a formality. However, the Issuer wishes to emphasise that an approval of the Amendment Proposal by the Bondholders' Meeting is in no way a condition for the implementation of the overall refinancing. If the Amendment Proposal is not approved by a necessary majority of the Bondholders, the Undertakings will continue to be in force.

### 3.2 Non-Reliance

The Amendment Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the proposed changes are acceptable.

## 4 SUMMONS FOR BONDHOLDERS' MEETINGS

Each of the Bondholders is hereby summoned to a Bondholders' Meeting in the Second Lien Bond Issue:

**Time:** 24 January 2014 at 13:00 hours (Oslo time)

**Place:** The premises of Norsk Tillitsmann ASA,  
Haakon VII's gt 1, 01061 Oslo - 5<sup>th</sup> floor

**Agenda:**

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

**It is proposed that the Bondholders' Meeting for the Second Lien Bond resolves the following:**

*"The Bondholders' Meeting approves the Amendment Proposal as described in section 2 and detailed in the attached amended and restated Bond Agreement."*

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*The Bond Trustee is hereby authorised to complete the negotiation of form, terms, conditions and timing in relation to the Amendment Proposal, without any obligation to notify the Bondholders as provided for in Clause 16.2 of the Bond Agreement. Further, the Bond Trustee is given power of attorney to prepare, finalise and enter into the necessary agreements in connection with documenting the decisions made by the Bondholders' Meeting as well as to carry out the necessary completion work, including entering into the amended and restated Bond Agreement and any other ancillary documents in relation thereto."*

To approve the above resolutions, Bondholders representing more than 2/3 of the Second Lien Bonds represented in person or by proxy at each of the Bondholders' Meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the voting Second Lien Bonds must be represented at the Bondholders' Meeting.

\* \* \* \* \*

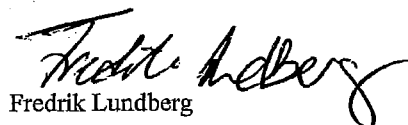
Please find attached a Bondholder's Form from the Securities Depository (VPS) as Schedule A hereto, indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Second Lien Bonds and of the voting rights at the Bondholders' Meeting. (If the Second Lien Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Second Lien Bonds, (ii) the aggregate nominal amount of said Second Lien Bonds and (iii) the account number in VPS on which the Second Lien Bonds are registered.)

The individual Bondholder may authorise the Norsk Tillitsmann to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Norsk Tillitsmann to vote, must then be returned to Norsk Tillitsmann in due time before the meeting is scheduled (by scanned e-mail, telefax or post to [post@trustee.no](mailto:post@trustee.no), +47 22 87 94 10, or Norsk Tillitsmann ASA, PO Box 1470 Vika, 0116 Oslo, Norway).

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

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Norsk Tillitsmann, to notify Norsk Tillitsmann by telephone or by e-mail (as set out at the first page of this letter) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
Norsk Tillitsmann ASA

  
Fredrik Lundberg

Enclosed:

- Schedule A – Bondholder's Form
- Schedule B – Amended and Restated Bond Agreement

ISIN NO 001 069704.8

**BOND AGREEMENT**

between

**Norwegian Energy Company ASA**  
("Issuer")

and

**Norsk Tillitsmann ASA**  
("Bond Trustee")

on behalf of

**the Bondholders**

in the bond issue

**6.75 per cent Norwegian Energy Company ASA Second Lien Callable  
Bond Issue 2013/2020**

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This agreement has been entered into on 6 December 2013 and subsequently amended and restated on January 2014 between

- (1) Norwegian Energy Company ASA, a public limited liability company existing under the laws of Norway with registration number 987 989 297, as issuer (the "**Issuer**"), and
- (2) Norsk Tillitsmann ASA, a public limited liability company existing under the laws of Norway with registration number 963 342 624, as bond trustee (the "**Bond Trustee**").

## 1 Interpretation

### 1.1 Definitions

In this Bond Agreement:

"**Account Bank**" means a first class international bank with minimum "A" credit rating by S&P or equivalent rating by Moody's.

"**Account Manager**" means a Bondholder's account manager in the Securities Depository.

"**Assignment of Intragroup Loan Agreements**" means an assignment (or such similar Security under the relevant jurisdiction) on second priority of all monetary claims and other rights of each of the Group Companies under any Intragroup Loan.

"**Attachment**" means the attachments to this Bond Agreement.

"**Bond Agreement**" means this bond agreement, including any Attachments to it, each as amended from time to time.

"**Bond Issue**" means the bond issue constituted by the Bonds.

"**Bondholder**" means a holder of Bond(s), as registered in the Securities Depository, from time to time.

"**Bondholders' Meeting**" means a meeting of Bondholders, as set out in Clause 15.145.1.

"**Bonds**" means the debt instruments issued by the Issuer pursuant to this Bond Agreement.

"**Business Day**" means any day on which Norwegian banks are open for general business and when Norwegian banks can settle foreign currency transactions in Oslo and the Norwegian Central Bank System is open.

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**"Business Day Convention"** means that no adjustment will be made, notwithstanding the Payment Date occurs on a day that is not a Business Day, and if such date is not a Business Day, payments of interest and/or principal (as the case may be) will be made on the first following day that is a Business Day (*No Adjustments of Business Day*).

**"Call Option"** shall have the meaning set out in Clause ~~10.210.2~~.

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**"Cash and Cash Equivalent"** means, on any date, the aggregate of the equivalent in NOK on such date of the then current market value of:

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

in each case, to which any Group Company is beneficially entitled at that time and to which any Group Company has free and unrestricted access and which is not subject to any Security other than the Earnings Account Pledges. An **"acceptable bank"** for this purpose means:

- (a) a commercial bank, savings bank or trust company which has a rating of "A-" or higher by Standard & Poor's or equivalent rating by Moody's or a comparable rating from a nationally recognised credit ranking agency for its long-term debt obligations; or
- (b) a bank or financial institution which is authorised to carry on banking business in Norway.

**"Change of Control Event"** means (i) if and when any person, or a group of persons acting under the same Decisive Influence, or two or more persons acting in concert, acquires Decisive Influence over the Issuer or (ii) a de-listing of the Issuer's shares from the Exchange.

**"Danish Abandonment Account"** means the account in the name of the Issuer into which the Danish Abandonment Amount shall be transferred as soon as practically possible after receipt of the Special Tax Refund but no later than 1 January 2014.

**"Danish Abandonment Amount"** means the amount of DKK 500 million to be set aside as security for the Danish Abandonment Costs.

**"Danish Abandonment Costs"** means the Group's part of abandonment costs in relation to the following Danish Licences: (i) licence number 4/95 (Nini field and Nini East field) and (ii) licence number 16/98 (Cecilie field).

**"Danish Disposal"** means a transaction following which all or part of any of the Danish Licences (directly or indirectly) are being sold or disposed of, other than through a swap into a new Licence.

**"Danish Earnings Accounts"** means the accounts in the name of each of the Danish Intermediate Subsidiary and the Danish Subsidiary charged in favour of the Bond Trustee pursuant to the Danish Earnings Account Pledges and into which all their respective Project Proceeds shall be paid and **"Danish Earnings Account"** means any one of them.

**"Danish Earnings Account Pledges"** means the Norwegian law second priority pledges over the Danish Intermediate Subsidiary's and the Danish Subsidiary's claims against the relevant Account Bank(s) for the amounts from time to time standing to the credit of the Danish Intermediate Subsidiary and the Danish Subsidiary in the Danish Earnings Accounts, in favour of the Bond Trustee (on behalf of the Bondholders), where the Account Bank operating the account has waived any set-off rights and **"Danish Earnings Account Pledge"** means any one of them.

**"Danish Intermediate Subsidiary"** means Noreco Oil Denmark A/S a limited liability company existing under the laws of Denmark with company registration number CVR 7834 2714 and the sole owner and title holder of all shares in the Danish Subsidiary and the Huntington Subsidiary.

**"Danish Licences"** means collectively the Danish Intermediate Subsidiary's and Danish Subsidiary's working interest in Licences on the Danish Continental Shelf as set out in the following:

*Danish Intermediate Subsidiary:*

- (i) 19.452% in Lulita field (through ownership licence number 1/90 and 7/86 Lulita part);
- (ii) 30.0% in Nini field (through ownership in licence number 4/95);
- (iii) 37.0% in Cecilie field (through ownership in licence number 16/98); and
- (iv) 30.0% in Nini East field (through ownership in licence number 4/95); and

*Danish Subsidiary:*

- (i) 8.751% in Lulita field (through ownership in licence number 1/90 and 7/86 Lulita part); and
- (ii) 24.0% in Cecilie field (through ownership in licence number 16/98).

and, in the event that any Danish Licence is swapped for a new Licence, including any such new Licence.

**"Danish Parent"** means Noreco Denmark A/S, a limited liability company existing under the laws of Denmark with company registration number 29520852.

**"Danish Redemption Amount"** means an amount equal to the net proceeds (e.g. net of transaction costs) received by the relevant Group Company following a Danish Disposal.

**"Danish Security"** means a second priority:

- (a) Danish law pledge over a duly registered owner's mortgage deed over the Danish Licences (or the relevant working interest therein) based on the same terms and principles as the registered mortgage currently in place over said Danish Licences under the RBL Facility, on the date of this Bond Agreement the maximum mortgaged amount being (i) USD 100 million with respect to the Danish Intermediate Subsidiary and (ii) USD 10 million with respect to the Danish Subsidiary;; and
- (b) assignment of all rights to and title and interest, whether present or future, of the Danish Intermediate Subsidiary or Danish Subsidiary (as the case may be) in, to or arising under or in relation to any Project Documents (other than the Danish Licences) entered into by it relating to the Danish Licences;

and the **"Danish Security Documents"** means the agreements to be entered into in relation to the establishment and perfection of the Danish Security.

**"Danish Share Pledges"** means a second priority pledge (i) by Noreco Denmark A/S over all outstanding shares and related rights in the Danish Intermediate Subsidiary and (ii) by the Danish Intermediate Subsidiary over all outstanding shares and related rights in the Danish Subsidiary, in each case from time to time and **"Danish Share Pledge"** means any one of them.

**"Danish Subsidiary"** means Noreco Petroleum Denmark A/S a limited liability company existing under the laws of Denmark with company registration number 11729894.

**"Debenture"** means a second priority English law debenture granted by the Huntington Subsidiary in favour of the Bond Trustee comprising the following second priority assignments and fixed and floating charges over the Huntington Subsidiary's assets:

- (a) assignment of all of the rights to and title and interest, whether present or future, of the Huntington Subsidiary in, to or arising under or in relation to the Huntington Project Documents (other than the Huntington Licence);
- (b) a fixed charge with full title guarantee over:
  - (i) the Huntington Licence;
  - (ii) to the extent that the rights under the Huntington Project Documents cannot be effectively assigned as set out in (a) above, the Huntington Project Documents, and all of the rights to and title and interest whether present or future, of the Huntington Subsidiary in, to or arising under or in relation to the Huntington Project Documents (other than the Huntington Licence); and
  - (iii) all goodwill and uncalled capital; and
- (c) a floating charge over all of the Huntington Subsidiary's property, assets, rights and revenues, present and future, to the extent that such property, assets, rights and revenues cannot effectively be charged by way of fixed security or assignment as set out in (a) and (b) above.

**"Decisive Influence"** means a person having, as a result of an agreement, understanding and/or other arrangement and/or through the direct and/or indirect ownership of shares and/or other ownership interests in another person:

- (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.

When determining the relevant person's number of voting rights in the other person or the right to elect and remove members of the board of directors, rights held by the parent company of the relevant person and the parent company's Subsidiaries shall be included.

**"Defeasance Pledge"** shall have the meaning given to it in Clause 18.218.2.

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**"EBITDAX"** means the Group's aggregate earnings before financial items (incl. interest), taxes, depreciation, amortization and exploration costs on the Norwegian Continental Shelf (used as calculation base for the Existing Exploration Facilities and Future Exploration Facilities) (to be calculated on a 12-month rolling basis).

**"Earnings Accounts"** means the Danish Earnings Accounts and the Huntington Earnings Accounts and **"Earnings Account"** means any one of them.

**"Earnings Account Pledges"** means the Danish Earnings Account Pledges and the Huntington Earnings Account Pledges.

**"Event of Default"** means the occurrence of an event or circumstance specified in Clause 15.115.1.

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**"Exchange"** means the Oslo Stock Exchange.

**"Existing Bonds"** mean the following bonds outstanding immediately prior to the issuance of the Bonds: (a) 12.90% Senior Secured Callable Bond Issue 2009/14 with ISIN NO 001054844.9 (**"NOR04"**); (b) the FRN Senior Unsecured Bond Issue 2010/13 with ISIN NO 001059230.6 (**"NOR05"**); (c) the 10.25% Senior Secured Callable Bond Issue 2011/16 with ISIN NO 001060632.0 (**"NOR06"**); (d) the FRN Senior Secured Callable Bond Issue 2011/16 with ISIN NO 001060633.8 (**"NOR07"**); (e) the 12.90% Senior Unsecured Callable Bond Issue 2012/13 with ISIN NO 001066139.0 (**"NOR08"**); and (f) the 10.50% Senior Unsecured Callable Bond Issue 2013/16 with ISIN NO 001067231.4 (**"NOR09"**).

**"Existing Exploration Facility"** means the NOK 1,240 million guaranteed exploration financing facility dated 19 March 2013 as amended thereafter with the Oselvar Subsidiary (as defined below) as the borrower and Sparebank 1 SR-Bank as main agent for the lenders.

**"Exploration Licence"** means any Licence held by the Group at any time relating to prospective, non-discovered hydrocarbon resources.

**"Face Value"** means the denomination of each of the Bonds, as set out in Clause 2.22.2.

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**"Finance Documents"** means:

- (a) this Bond Agreement,
- (b) the agreement between the Bond Trustee and the Issuer referred to in Clause 14.2;
- (c) the Security Documents (including any notice, acknowledgement and other ancillary documentation relating thereto);
- (d) any document executed in relation to the granting of any Security to the Bond Trustee under the Finance Documents;
- (e) the Intercreditor Agreement;
- (f) any document (whether creating a Security or not) which is executed at any time by the Issuer or any other person in relation to any amount payable under this Bond Agreement; and
- (g) any other document which the Issuer and the Trustee designate as a Finance Document.

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

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS applicable on the Issue Date, be treated as finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

**"Financial Statements"** means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, drawn up according to IFRS,

such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary or report from the Board of Directors.

**"Financial Support"** means any loans, guarantees or other financial assistance (including, but not limited to granting of Security) granted by a Group Company.

**"Future Exploration Facilities"** means any exploration financing facilities obtained by any Group Company for financing of exploration activity on the Norwegian continental shelf based on the Norwegian tax refund regime.

**"Gearing Ratio"** means the ratio of consolidated Net Interest-Bearing Debt to EBITDAX for the Group.

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

**"Guarantees"** means unconditional and irrevocable Norwegian law on-demand guarantees from each of the Guarantors securing the Obligor's obligations when they have become due under this Bond Agreement and any other Finance Document, including interest, costs and expenses, with payment by the Guarantor to be made within 10 Business Days of any demand, such Guarantees to be qualified as required by Danish law with respect to any Danish Guarantor, (e.g. with respect to limitations to provide guarantee for any amount exceeding its equity), in each case such Guarantees only to become valid and enforceable with respect to the Bond Issue and the Oselvar Bond Issue upon completed unconditional and irrevocable discharge, release or reassignment of the first priority Security provided under the Huntington and Denmark Bond Issue, and **"Guarantee"** means any one of them.

**"Guarantors"** means the Huntington Subsidiary, the Danish Intermediate Subsidiary and the Danish Subsidiary.

**"Huntington Disposal"** means a transaction following which all or any part of the Huntington Licence (directly or indirectly) is being sold or disposed of.

**"Huntington Earnings Accounts"** means the accounts in the name of the Huntington Subsidiary charged in favour of the Bond Trustee pursuant to the second priority fixed charge as set out in the Debenture and into which all Project Proceeds relating to the Huntington Licence shall be paid.

**"Huntington Earnings Account Pledges"** means the Norwegian law second priority pledges over the Huntington Subsidiary's claims against the relevant Account Bank(s) for the amounts from time to time standing to the credit of the Huntington Subsidiary in the Huntington Earnings Accounts, in favour of the Bond Trustee (on behalf of the Bondholders), where the Account Bank operating the account has waived any set-off rights and **"Huntington Earnings Account Pledge"** means any one of them.

**"Huntington Licence"** means the Huntington Subsidiary's 20% working interest in the Huntington oil field located in the Central North Sea offshore UK with licence number P.1114 and block number 22/14b and 22/19b.

**"Huntington Project Documents"** means the Project Documents relating to the Huntington Licence.

**"Huntington Redemption Amount"** means an amount in NOK equalling the amount of the Outstanding Bonds multiplied with a fraction calculated as follows:

- (a) the numerator shall be the difference between the Huntington Subsidiary's ownership interest in the Huntington Licence (i) immediately prior to a Huntington Disposal and (ii) immediately following such Huntington Disposal; and
- (b) the denominator shall be the Huntington Subsidiary's ownership interest in the Huntington Licence (i) immediately prior to a Huntington Disposal,

provided however, that if the quotient of the above division (aggregate if there has been more than one Huntington Disposal) exceeds 0.5 (50%), the Huntington Redemption Amount shall equal the aggregate amount of Outstanding Bonds, including accrued but unpaid interest.

**"Huntington Share Pledge"** means a second priority English law share pledge granted by the Danish Intermediate Subsidiary over all outstanding shares and related rights in the Huntington Subsidiary from time to time, together with, inter alia, executed stock transfer forms (blank as to the transferee) and the existing share certificates.

**"Huntington Subsidiary"** means Noreco Oil (UK) Limited, a limited liability company existing under the laws of England with company registration number 03629582.

**"IFRS"** means International Financial Reporting Standards, and guidelines and interpretations issued thereto by the International Accounting Standards Board, in force from time to time.

**"Incurrence Test"** shall have the meaning set forth in Clause 13.5 (*Incurrence Test*).

**"Insurance Claim"** means the insurance claim in the amount of approximately USD 400 million in relation to losses suffered by the Group due to the structural integrity issues with the caisson support structure of the Siri platform on the Danish Continental Shelf, such Insurance Claim being disputed and entered with book value of USD 59 million in the Group's accounts as of 30 June 2013.

**"Instalments"** means the repayment of instalments made in accordance with the provisions of Clause ~~10.140.4~~ below, and **"Instalment"** means any of them.

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**"Intragroup Loan"** means any loan or credit that (i) any of the Guarantors directly or indirectly may provide to the Issuer from time to time, or (ii) the Issuer or another Group Company directly or indirectly may provide to any of the Guarantors from time to time.

**"Intercreditor Agreement"** means the intercreditor agreement dated on or about the date of this Bond Agreement and made between, among others, the Issuer, Noreco Denmark A/S, the Danish Intermediate Subsidiary, the Huntington Subsidiary, the



Danish Subsidiary and the Trustee on behalf of the bondholders in each of the New Secured Bonds.

**"Interest Payment Date"** means 9 June and 9 December each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.

**"Interim Accounts"** means the unaudited unconsolidated and consolidated quarterly financial statements of the Issuer for any quarter ending on a Quarter Date, drawn up according to IFRS, such accounts to include a profit and loss account, balance sheet, cash flow statement and management commentary or report from the Board of Directors.

**"ISIN"** means International Securities Identification Number – the identification number of the Bond Issue.

**"Issue Date"** means 9 December 2013.

**"Issuer's Bonds"** means any Bonds owned by the Issuer, any person or persons who has Decisive Influence over the Issuer, or any person or persons over whom the Issuer has Decisive Influence.

**"Joint Operating Agreement"** means any agreement between the participants holding an equity interest in a production licence, governing inter alia the conduct of operations on a licence and the rights and obligations of the participants.

**"Licence Values"** means the aggregate book value of the Mortgaged Licences (i.e. the net value of all Mortgaged Licences taking into account any Mortgaged Licences that may have negative value) at any time, as determined by the latest Financial Statements or Interim Accounts.

**"Licences"** means all hydrocarbon licences owned by the Group at any time and each of them being referred to as a **"Licence"**.

**"Liquidity"** means the aggregate book value of the Group's Cash and Cash Equivalents, including any funds standing to the credit of the Group in the Earnings Accounts and the earnings account established for earnings in relation to the Oselvar Licence, but excluding any funds in the Danish Abandonment Account.

**"Managers"** means the managers for the Bond Issue, being Arctic Securities ASA, Haakon VII's gate 5, NO-0161 Oslo, Norway, and Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway.

**"Mandatory Prepayment Event"** means the occurrence of a Huntington Disposal or a Danish Disposal.

**"Mandatory Prepayment"** means any payment to be made by the Issuer in accordance with Clause ~~10.410-4~~.

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**"Mandatory Prepayment Amount"** means (a) the Huntington Redemption Amount in case of redemption of Outstanding Bonds following a Huntington Disposal, or (b) the Danish Redemption Amount in case of redemption of Outstanding Bonds following a Danish Disposal.

**"Material Adverse Effect"** means a material adverse effect on: (a) the business, financial condition or operations of the Group (taken as a whole), (b) the Issuer's or any of the Guarantor's ability to perform and comply with its obligations under any of the Finance Documents; or (c) the validity or enforceability of any of the Finance Documents.

**"Maturity Date"** means ~~9 December 2020~~ June 2020<sup>19</sup>. Any adjustment will be made according to the Business Day Convention.

**"Mortgaged Licences"** means the Huntington Licence and the Danish Licences together, and each of them being referred to as a **"Mortgaged Licence"**.

**"Net Interest-Bearing Debt"** means the book value of the Group's interest-bearing Financial Indebtedness less the Group's Cash and Cash Equivalents.

**"New Bond Agreements"** mean the bond agreements entered into by the Issuer and the Bond Trustee in respect of the New Bond Issues.

**"New Bond Issues"** means all new bond issues of the Issuer as of the Issue Date together, i.e. (i) the Bond Issue, (ii) the 6.00 per cent Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2016 (the **"Huntington and Denmark Bond Issue"**), (iii) the 6.50 per cent Norwegian Energy Company ASA Senior Secured Callable Bond Issue 2013/2017 (the **"Osellar Bond Issue"**) and (iv) the 4.00 per cent Norwegian Energy Company ASA Senior Unsecured Convertible Bond Issue 2013/2018 (the **"Convertible Bond Issue"**).

**"New Secured Bonds"** means all the bonds issued in the Bond Issue, the Huntington and Denmark Bond Issue and the Osellar Bond Issue together.

**"Obligors"** means the Issuer and the Guarantors (to the extent the Guarantees have become valid and enforceable with respect to the Bond Issue).

**"Osellar Subsidiary"** means Noreco Norway AS, a limited liability company existing under the laws of Norway with company registration number 987 008 644.

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

**"Participation Interest"** means the participation of each of the Existing Bonds in the New Bond Issues, as set out in Attachment 2.

**"Party"** means a party to this Bond Agreement (including its successors and permitted transferees).

**"Paying Agent"** means DNB Bank ASA or such other legal entity appointed by the Issuer to act as its paying agent in the Securities Registry with respect to the Bonds.

**"Payment Date"** means a date for payment of principal or interest under this Bond Agreement.

**"Permitted Restructuring"** means a sale, liquidation, intra-group merger or other disposal of any of the shares in Altinex ASA, Noreco Petroleum (UK) Ltd and/or Norwegian Energy Company (UK) Ltd, or the assets therein, subject to being in

compliance with the conditions set out under Clause 15.4 *"Issuer's Special Covenants b) Disposal of assets/business"*.

**"PIK"** means payment of interest through the issuance of additional Bonds (based on the Face Value of each Bond), as set out in Clause 9.5.

**"Prepayment Offer Event"** means if:

- (i) any proceeds are received from the Insurance Claim;
- (ii) any proceeds are received from a sale or disposal of working interest (directly or indirectly) in any of the Unpledged Licences, other than
  - A. a sale or disposal of Exploration Licences or
  - B. a swap of Unpledged Licences;
- (iii) any excess funds in the Danish Abandonment Account is transferred to the Issuer after settlement of the Danish Abandonment Amount and/or termination of the Danish Abandonment Account.

**"Prepayment Offer"** means an offer by the Issuer to use all proceeds, net of transaction costs and any applicable taxes obtained by a Group Company upon a Prepayment Offer Event occurring, to redeem the New Secured Bonds at 100% of par value on a pro-rata basis, such Prepayment Offer to last for 60 Business Days, after which the Issuer is free to use the (remaining) proceeds for general corporate purposes.

**"Private Placement"** means the private placement of shares in the Issuer providing the Issuer with an equity amount of NOK 430 million, as resolved by the Issuer's general meeting on 15 November 2013 and with the new shares duly registered prior to the date hereof.

**"Projects"** means the development and operation of the Mortgaged Licences as well as the related petroleum fields, and any drilling, export and reception facilities associated therewith, including but not limited to the infrastructure required for gaining access to the hydrocarbon reserves, shipment of hydrocarbons and any onshore processing.

**"Project Documents"** means in relation to each relevant Project:

- (a) the Mortgaged Licence(s);
- (b) each present and future contract or policy of insurance in respect of which any Group Company has or may from time to time have an interest;
- (c) each Joint Operating Agreement and/or unitisation and unit operating agreement, each agreement relating to the transportation, processing and/or storage of production from the Project, each agreement for the sale or marketing of production from the Project, each royalty agreement related to the Project and each other material agreement relating to the Project and/or hydrocarbons produced from the Project; and

(d) any other document designated as such by the Issuer and the Bond Trustee.

where each of the documents referred to in items (a) through (d) above are referred to as a **"Project Document"**.

**"Project Proceeds"** means any income, payments, earnings or receivables of any kind (including insurance proceeds in respect of physical losses) directly or indirectly deriving from the ownership of any of the Guarantors in any of the Mortgaged Licences (including proceeds from sale or disposal of ownership interest in any such Mortgaged Licence).

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

**"RBL Facility"** means the USD 350 million reserve based lending facility entered into on 21 December 2006 (as later amended) between certain subsidiaries of the Issuer as borrowers and a syndicate of lenders with BNP Paribas as agent, such RBL Facility having been secured by similar assets as the Bonds, such RBL Facility to be repaid and all securities thereunder to be released prior to the Issue Date.

**"RBL Security Discharge"** means the completed unconditional and irrevocable discharge, release or reassignment of the security granted under the RBL Facility.

**"Securities Depository"** means the securities depository in which the Bond Issue is registered, being Verdipapirsentralen ASA (VPS) in Norway.

**"Security Agent"** means the Bond Trustee in its capacity as security agent and/or security trustee pursuant to Clause 17.417.4.

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

**"Security and Covenant Defeasance"** shall have the meaning given to it in Clause 18.218.2.

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**"Security Documents"** means:

- (a) the Earnings Account Pledges;
- (b) the Share Pledges;
- (c) the Assignment of Intragroup Loan Agreements;
- (d) the Debenture;
- (e) the Guarantees, and
- (f) the Danish Security Documents,

each such document being referred to as a **"Security Document"**.

**"Semi-annual Date"** means each 30 June and 31 December.

**"Share Pledges"** means the Danish Share Pledges and the Huntington Share Pledge.

**"Special Tax Refund"** means the tax refund expected received by the Issuer from the Norwegian tax authorities in an amount of approximately NOK 722.78million, on or around 20 December 2013.

**"Stamdata"** means the web site [www.stamdata.no](http://www.stamdata.no), maintained by the Bond Trustee.

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

**"Total Assets"** means the aggregate book value of the Group's total assets treated as assets in accordance with IFRS.

**"Unpledged Licences"** means all existing Licences other than the Huntington Licence, the Danish Licences and the Licences pledged as security in the Oselvar Bond Issue.

**"US Securities Act"** means the U.S. Securities Act of 1933, as amended.

**"USD"** means US Dollars, being the legal currency of the United States of America.

**"Voting Bonds"** means the Outstanding Bonds less the Issuer's Bonds.

## 1.2 *Construction*

In this Bond Agreement, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number shall include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of this Bond Agreement;
- (d) references to a time is a reference to Oslo time unless otherwise stated herein;
- (e) references to a provision of law is a reference to that provision as it may be amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law, including any determinations, rulings, judgments and other binding decisions relating to such provision or regulation;
- (f) an Event of Default is **"continuing"** if it has not been remedied or waived; and
- (g) references to a **"person"** shall include any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

## 2 The Bonds

### 2.1 *Binding nature of this Bond Agreement*

- 2.1.1 By virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of this Bond Agreement and any other Finance Document (as amended from time to time), without any further action required to be taken or formalities to be complied with, see also Clause ~~18.118.1~~.

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- 2.1.2 This Bond Agreement is available to anyone and may be obtained from the Bond Trustee or the Issuer. The Issuer shall ensure that this Bond Agreement is available to the general public throughout the entire term of the Bonds. This Bond Agreement may be published on Stamdata or such other venues as decided by the Bond Trustee.

### 2.2 *The Bonds*

- 2.2.1 The Issuer has resolved to issue a series of Bonds in the maximum amount of NOK 736,155,000 (*Norwegian kroner seven hundred and thirty six million, one hundred and fifty five thousand*).
- 2.2.2 The Face Value is NOK 1. The Bonds shall rank *pari passu* between themselves.
- 2.2.3 The Bond Issue will be described as "6.75 per cent Norwegian Energy Company ASA Second Lien Callable Bond Issue 2013/2020".
- 2.2.4 The ISIN of the Bond Issue will be NO 001 069704.8.
- 2.2.5 The tenor of the Bonds is from and including the Issue Date to the Maturity Date.

### 2.3 *Purpose and utilization*

The purpose of the Bonds is to refinance the Existing Bonds in combination with the other New Bonds in accordance with the Participation Interest.

## 3 Listing

- 3.1 The Issuer shall apply for listing of the Bonds on the Exchange.
- 3.2 If the Bonds are listed, the Issuer shall ensure that the Bonds remain listed until they have been discharged in full.

## 4 Registration in the Securities Depository

- 4.1 The Bond Issue and the Bonds shall prior to being disbursed to the initial Bondholders be registered in the Securities Depository according to the Norwegian Securities Depository Act (Act 2002/64) and the terms and conditions of the Securities Depository.
- 4.2 The Issuer shall ensure that correct registration in the Securities Depository is made and shall notify the Securities Depository of any changes in the terms and conditions

of this Bond Agreement. The Bond Trustee shall receive a copy of the notification. The registration may be executed by the Paying Agent.

- 4.3 The Bonds have not been registered under the US Securities Act, and the Issuer is under no obligation to arrange for registration of the Bonds under the US Securities Act.

## **5 Purchase and transfer of Bonds**

- 5.1 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 applicable local laws and regulations at its own cost and expense.

- 5.2 Notwithstanding the above, a Bondholder which has purchased the Bonds in breach of applicable mandatory restrictions may nevertheless utilize its rights (including, but not limited to, voting rights) under this Bond Agreement.

## **6 Conditions Precedent**

- 6.1 Issue of the Bonds to the Bondholders on the Issue Date will be subject to customary closing mechanisms to be agreed between the Bond Trustee and the Issuer and the Bond Trustee having received the following, in form and substance satisfactory to it, at least two Business Days prior to the Issue Date:

- (a) this Bond Agreement and the other New Bond Agreements duly executed by all parties thereto;
- (b) confirmation from the Issuer that no potential or actual Event of Default has occurred or is likely to occur as a result of the issuance of the Bonds;
- (c) the Bond Trustee fee agreement set out in Clause 14.2, duly executed;
- (d) the Intercreditor Agreement duly executed by all parties thereto;
- (e) certified copies of necessary corporate resolutions of the Obligors to execute the Finance Documents;
- (f) a power of attorney from the Obligors to relevant individuals for their execution of the relevant Finance Documents, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute the Finance Documents on behalf of the Issuer;
- (g) certified copies of (i) the Certificate of Incorporation or other similar official document for each of the Obligors, evidencing that it is validly registered and existing and (ii) the Articles of Association or the equivalent document in the relevant jurisdiction of each of the Obligors;

- (h) confirmation from the Managers that the requirements set out in Chapter 7 of the Norwegian Securities Trading Act (implementing the EU prospectus directive (2003/71 EC) concerning prospectuses have been fulfilled;
- (i) shareholder resolutions made by the general meeting of the Issuer as required to perform the Equity Issue and to issue the convertible bonds in relation to the Convertible Bond Issue;
- (j) necessary bondholder approval in bondholder meetings of the Existing Bonds;
- (k) to the extent necessary, any public authorisations required for the Bond Issue;
- (l) confirmation from the Paying Agent that the Bonds have been registered in the Securities Depository;
- (m) the Issuer's most recent Financial Statements and Interim Accounts;
- (n) satisfactory documentation evidencing that the Danish Abandonment Account is opened and that such account is blocked for withdrawals other than (i) withdrawals to pay for the Abandonment Costs, (ii) withdrawals with the purpose of establishing security for the anticipated Danish Abandonment Costs or (iii) withdrawals in accordance with Clause 10.5 following a Prepayment Offer;
- (o) copy of the tax refund statement (Nw: ligning) from the Norwegian tax authorities indicating that the Special Tax Refund will be transferred to the Group on or about 20 December 2013;
- (p) confirmation from the Issuer that no Financial Indebtedness, Security or Financial Support exist within the Group (other than as permitted pursuant to the New Bond Agreements);
- (q) copies of any written documentation used in the marketing of the Bonds or made public by the Issuer or the Managers in connection with the Bond Issue;
- (r) satisfactory documentation evidencing that the Earnings Accounts are opened and pledged as set out herein;
- (s) satisfactory evidence of the RBL Security Discharge having occurred;
- (t) certified copies of necessary corporate resolutions of each of the relevant Group Companies to execute the respective Security Documents to which it is a party;
- (u) the Security Documents duly executed and perfected and satisfactory evidence of such perfection;



- (v) satisfactory evidence of consent or approval from the Danish Energy Agency for the relevant Group Companies to execute and perfect the Danish Share Pledges and the Security over the Danish Licences as set out herein;
  - (w) any statements or legal opinions reasonably required by the Bond Trustee (including any capacity corporate opinions for the Obligors and opinions related to the validity, perfection and enforceability of the Finance Documents);
  - (x) the Private Placement being completed and fully paid in;
  - (y) any accrued and unpaid interest on the Existing Bonds up to but not including the Issue Date being paid to the existing bondholders; and
  - (z) all conditions precedent set out in the other New Bond Agreements satisfied or duly waived.
- 6.2 The Bond Trustee may, in its reasonable opinion, waive the deadline or requirements for documentation as set out in Clause 6.1.
- 6.3 Settlement and issuance of the Bonds is subject to the Bond Trustee's written notice to the Issuer, the Managers and the Paying Agent that the documents have been controlled and that the required conditions precedent are fulfilled.
- 6.4 On the Issue Date, subject to receipt of confirmation from the Bond Trustee pursuant to Clause 6.36-3, the Existing Bonds will be cancelled.

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## **7 Representations and Warranties**

### **7.1 The Issuer represents and warrants to the Bond Trustee that:**

#### **7.1.1 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.

#### **7.1.2 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, this Bond Agreement and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

#### **7.1.3 Valid, binding and enforceable obligations**

This Bond Agreement 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.

#### 7.1.4 Non-conflict with other obligations

The entry into and performance by it of this Bond Agreement 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.

#### 7.1.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the issue of the Bonds under this Bond Agreement or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes (or with the expiry of a 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.

#### 7.1.6 Authorizations and consents

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

- (a) to enable it to enter into, exercise its rights and comply with its obligations under this Bond Agreement 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 this Bond Agreement,

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

#### 7.1.7 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.

#### 7.1.8 Financial Statements

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

#### 7.1.9 No Material Adverse Effect

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

**7.1.10 No misleading information**

Any factual information provided by it to the subscribers or the Bond Trustee for the purposes of this Bond Issue 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.

**7.1.11 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 this Bond Agreement.

**7.1.12 Project Documents**

Each of the Project Documents (to the extent applicable) is in full force and effect and no default or event of default has occurred with respect to such Project Documents which could reasonably be expected to have a Material Adverse Effect.

**7.1.13 Pari passu ranking**

Its payment obligations under this Bond Agreement or any other Finance Document to which it is a party rank at least *pari passu* as set out in Clause 8.1.

**7.1.14 Security**

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

**7.2 The representations and warranties set out in Clause 7.1 are made on the execution date of this Bond Agreement, and shall be deemed to be repeated on the Issue Date.**

**8 Status of the Bonds and Security**

**8.1 Status of the Bonds**

The Bonds (including any interest accrued thereon) shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least *pari passu* with all other obligations of the Issuer, save for such claims which are mandatorily preferred by bankruptcy, insolvency, liquidation or other similar laws of general application. The Bonds shall rank ahead of any subordinated capital (equity or debt).

**8.2 Security**

The Bonds and any other amounts outstanding under the Finance Documents to the Bond Trustee and/or the Bondholders, including but not limited to accrued but unpaid interest, costs and expenses, shall be secured on a second priority basis by the Security created from time to time by or pursuant to the Security Documents and shall rank in priority and secure any outstanding liabilities and obligations relating to the Bonds behind the first-ranking Security granted in favour of the bondholders in

respect of the Huntington and Denmark Bond Issue and *pari passu* with the second-ranking Security granted in favour of the bondholders in respect of the Oselvar Bond Issue, as further described in the Intercreditor Agreement.

The Issuer shall ensure that the Security Documents are duly executed by the Issuer and any other security provider in favour of the Bond Trustee (on behalf of the Bondholders) and that the Security Documents are legally valid, perfected, enforceable and in full force and effect from the Issue Date and throughout the tenor of the Bonds. The Issuer shall execute and procure the execution of such further documentation as the Bond Trustee may require in order for the Bondholders to at all times maintain the security position envisaged hereunder.

The Issuer shall ensure that the Guarantees are issued by each of the Guarantors immediately upon the completed unconditional and irrevocable discharge, release and reassignment of the first priority Security provided in favour of the Bond Trustee (on behalf of the Bondholders) under the Huntington and Denmark Bond Issue.

In accordance with Clause 13.4.8, the Issuer shall ensure (i) that all monetary claims and other rights of each of the Danish Parent, Danish Intermediate Parent and/or Huntington Subsidiary under any future Intragroup Loans granted to any Group Company and all monetary claims and other rights of each of the Issuer and/or Altinex ASA under any future Intragroup Loans granted to the Danish Parent, Danish Intermediate Parent and/or Huntington Subsidiary shall be assigned on first priority to the Trustee (on behalf of the Bondholders) under the Huntington and Denmark Bond Issue and on second priority to the Trustee (on behalf of the Bondholders) under this Bond Issue and the Oselvar Bond Issue and (ii) that any other loans granted by Altinex ASA to the Issuer shall be subordinated to the rights of the Bondholders under this Bond Issue and each of the other New Bond Issues.

### 8.3 *Disposal of Licences*

In the event of a sale or other disposal reducing the interest of the relevant Group Company in any of the Mortgaged Licences in accordance with the terms of this Bond Agreement, the Bond Trustee shall release and discharge any Security over and relating to such working interest.

### 8.4 *Pledge over Danish Licences – increase of mortgaged amount*

If, at any time, (i) the Licence Values of the Danish Licences exceeds the maximum mortgaged amount as registered in the Danish mortgage register (*Da: personbog*), the Trustee may, acting reasonably taking into account e.g. the total outstanding amount under the New Secured Bonds and the total Licence Values and values for other applicable Security therefor, require the Issuer to ensure that arrangements are reasonably promptly made for the maximum registered mortgaged amount in respect of the Danish Licences to be increased to an amount that is not lower than the Licence Values of the Danish Licences, at the Issuer's cost.

## 9 Interest

- 9.1 The Issuer shall pay interest on the par value of the Bonds from, and including, the Issue Date at a fixed rate of six point seventy five per cent (6.75%) per annum (the "Fixed Rate").
- 9.2 Interest payments shall be made semi-annually in arrears on the Interest Payment Dates each year, the first Interest Payment Date being 9 June 2014. ~~The interest payments to be made in June and December 2014 may, at the Issuer's discretion, be made in cash or up to 50% as PIK in the form of additional Bonds (based on the Face Value), calculated based on the total number of Bonds at each Interest Payment Date, rounded down to the nearest NOK.~~
- 9.3 The relevant interest payable amount shall be calculated based on a period from, and including, one Interest Payment Date to, but excluding, the next following applicable Interest Payment Date.
- 9.4 The day count fraction ("Fixed Rate Day Count Fraction") in respect of the calculation of the payable interest amount shall be "30/360", which means that the number of days in the calculation period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-days months (unless (a) the last day of the calculation period is the 31st day of a month but the first day of the calculation period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the calculation period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).
- 9.5 ~~In the event that the Issuer opts to pay any interest in kind (i.e. as PIK) pursuant to Clause 9.2, the Issuer shall inform the Bond Trustee and the Bondholders (via the Securities Depository and the Paying Agent) at latest at 16:00 hours Oslo time on the Business Day immediately prior to the Interest Payment Date for the relevant interest calculation period for which the Issuer will pay as PIK. The Paying Agent shall carry the PIK into effect at the relevant Interest Payment Date. The additional Bonds issued as PIK give the same rights as the other issued Bonds (including without limitation with respect to conversion) as of the registration of the increased outstanding amount of the Bonds in the Securities Depository, and shall be deemed to constitute part of the Bonds.~~

- 9.6 ~~9.5~~ The payable interest amount per Bond for a relevant calculation period shall be calculated as follows:

$$\text{Interest Amount} = \text{Face Value} \times \text{Fixed Rate} \times \text{Fixed Rate Day Count Fraction}$$

## 10 Maturity of the Bonds and Redemption

- 10.1 *Maturity and instalments*

The Bonds shall be repaid by the Issuer in instalments as follows ~~(at par value (100%),~~ plus interest on the redeemed bonds in accordance with Clause 9 above):

Payment Date	Nominal Instalment Amount
Interest Payment Date in December 2017	NOK 100,000,000
Interest Payment Date in December 2018	NOK 200,000,000
<del>Interest Payment Date in December 2019</del>	<del>NOK 200,000,000</del>
Maturity Date	NOK 4236,155,000 plus any outstanding PIK interest
Sum	NOK 736,155,000 plus any PIK interest

The instalments payable in 2017 and 2018 shall be made at par value (100%) and the instalment payable on the Maturity Date shall be made at equal to 102% of par value. Payment of instalments must be carried out *pro rata* in accordance with the procedures of the Securities Depository). Upon any partial early redemption of Bonds, the remaining instalments shall be adjusted accordingly (i.e. if Bonds of NOK 50 million are redeemed prior to year 2017, the first instalment shall be reduced with a corresponding amount and become NOK 50 million).

## 10.2 Call Option

10.2.1 The Issuer may redeem the Bonds in whole or in parts as follows (Call Option):

- (a) any time from and including the Issue Date to, but not including, the Interest Payment Date in December 2016, at a price equal to 105.00% of par value (plus accrued interest on the redeemed Bonds);
- (b) any time from, and including, the Interest Payment Date in December 2016 to, but not including, the Interest Payment Date in December 2017, at a price equal to 104.00% of par value (plus accrued interest on the redeemed Bonds);
- (c) any time from, and including, the Interest Payment Date in December 2017 to, but not including, the Interest Payment Date in December 2018, at a price equal to 103.00% of par value (plus accrued interest on the redeemed Bonds);
- ~~(d) any time from, and including, the Interest Payment Date in December 2018 to, but not including, the Interest Payment Date in December 2019, at a price equal to 102.00% of par value (plus accrued interest on the redeemed Bonds);~~
- ~~(e)(d)~~ any time from, and including, the Interest Payment Date in December 2019, to, but not including, Maturity Date at 104.2.00% of par value (plus accrued interest on the redeemed Bonds).

10.2.2 Exercise of the Call Option shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least thirty Business Days prior to the settlement date of the Call Option.

10.2.3 Partial redemption must be carried out *pro rata* (in accordance with the procedures of the Securities Depository).

10.2.4 On the settlement date of the Call Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

10.2.5 Bonds redeemed by the Issuer in accordance with this Clause 10.2 shall be discharged against the Outstanding Bonds.

### 10.3 *Change of control*

10.3.1 Upon the occurrence of a Change of Control Event, each Bondholder shall have the right to require that the Issuer redeems its Bonds (a "Put Option") at a price of 101% of par value plus accrued interest.

10.3.2 The Put Option must be exercised within sixty (60) calendar days after the Issuer has given notification to the Bond Trustee of a Change of Control Event. Such notification shall be given as soon as possible after a Change of Control Event has taken place.

10.3.3 The Put Option may be exercised by each Bondholder by giving written notice of the request to its Account Manager. The Account Manager shall notify the Paying Agent of the redemption request. The settlement date of the Put Option shall be the third Business Day after the end of the two month exercise period of the Put Option.

10.3.4 On the settlement date of the Put Option, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, the principal amount of each such Bond (including any premium pursuant to Clause 10.3.1) and any unpaid interest accrued up to (but not including) the settlement date.

### 10.4 *Mandatory Prepayment*

10.4.1 Upon a Mandatory Prepayment Event occurring, the Issuer shall, on or about the day the proceeds are received following the relevant Mandatory Prepayment Event, redeem the bonds issued in the Huntington and Denmark Bond Issue in accordance with the terms of the New Bond Agreement thereof. Any remaining net proceeds from such Mandatory Prepayment Event shall be used to redeem (i) bonds issued in the Oselvar Bond Issue in accordance with the terms of the New Bond Agreement thereof and (ii) Outstanding Bonds on a *pro rata* basis (such redemption of Outstanding Bonds referred to as a "Mandatory Prepayment") at par value (100%) *pro rata* (in accordance with the procedures of the Securities Depository).

If a Huntington Disposal or a Danish Disposal takes place after the Huntington and Denmark Bond Issue has been repaid in full, any net proceeds from such Mandatory Prepayment Event shall be used to redeem (i) the bonds issued in the Oselvar Bond Issue in accordance with the terms of the New Bond Agreement thereof and (ii) the

Outstanding Bonds on a pro rata basis at par value (100%) *pro rata* (in accordance with the procedures of the Securities Depository).

- 10.4.2 On the settlement date of the Mandatory Prepayment, the Issuer shall pay to each of the Bondholders holding Bonds to be redeemed, in respect of each such Bond, the principal amount of such Bond (including any premium as stated above) and any unpaid interest accrued up to the settlement date.

- 10.4.3 Bonds redeemed by the Issuer in accordance with this Clause ~~10.410.4~~ shall be discharged against the Outstanding Bonds.

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#### 10.5 *Prepayment Offer*

The provisions of Clause 10.4 shall apply *mutatis mutandis* to the extent applicable upon a Prepayment Offer being duly exercised by Bondholder(s), provided however, that the proceeds from the Prepayment Offer Event shall be applied with respect to a redemption on a pro-rata and pari passu basis of all then outstanding New Secured Bonds (including the Outstanding Bonds) at 100% of par value, such Prepayment Offer to last for 60 Business Days, after which the Issuer is free to use the (remaining) proceeds for general corporate purposes.

### 11 **Payments**

#### 11.1 *Covenant to pay*

- 11.1.1 The Issuer will on any Payment Date (or any other due date pursuant to any Finance Document) unconditionally pay to or to the order of the Bond Trustee all amounts due under this Bond Agreement or any other Finance Document.

- 11.1.2 The covenant contained in Clause ~~11.1.111.1.1~~ shall be for the benefit of the Bond Trustee and the Bondholders.

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#### 11.2 *Payment mechanics*

- 11.2.1 If no specific order is made by the Bond Trustee under Clause ~~11.1.111.1.1~~, the Issuer shall pay all amounts due to the Bondholders under this Bond Agreement or any other Finance Document by crediting the bank account nominated by each Bondholder in connection with its securities account in the Securities Depository.

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- 11.2.2 Payment shall be deemed to have been made once the amount has been credited to the bank which holds the bank account nominated by the Bondholder in question, but 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, see however Clause ~~11.311.3~~.

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- 11.2.3 In case of irregular payments, the Bond Trustee may instruct the Issuer or Bondholders of other payment mechanisms than described in Clause ~~11.2.111.2.1~~ or ~~11.2.211.2.2~~ above. The Bond Trustee may also obtain payment information regarding Bondholders' accounts from the Securities Depository or Account Managers.

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- 11.2.4 Subject to Clause ~~11.311.3~~, payment by the Issuer in accordance with this Clause ~~11.211.2~~ shall constitute good discharge of its obligations under Clause ~~11.1.111.1.1~~.

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### 11.3 *Currency*

- 11.3.1 If the Bonds are denominated in other currencies than NOK, each Bondholder has to provide the Paying Agent (either directly or through its Account Manager) with specific payment instructions, including foreign exchange bank account details. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, cash settlement may be delayed, and payment shall be deemed to have been made at the date of the cash settlement, provided however, that no default interest or other penalty shall accrue for the account of the Issuer.

- 11.3.2 Except as otherwise expressly provided, all amounts payable under this Bond Agreement and any other Finance Document shall be payable in the same currency as the Bonds are denominated in. If, however, the Bondholder has not given instruction as set out in Clause ~~11.311.3~~ within five Business Days prior to a Payment Date, the cash settlement will be exchanged into NOK and credited to the NOK bank account registered with the Bondholder's account in the Securities Depository.

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- 11.3.3 Amounts payable in respect of costs, expenses, taxes and other liabilities of a similar nature shall be payable in the currency in which they are incurred.

### 11.4 *Set-off and counterclaims*

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to this Bond Agreement or any other Finance Document.

### 11.5 *Interest in the event of late payment*

- 11.5.1 In the event that any amount due under this Bond Agreement or any Finance Document is not made on the relevant due date, the unpaid amount shall bear interest from the due date at an interest rate equivalent to the interest rate according to Clause ~~29~~ plus five per cent (5.00%) per annum.

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- 11.5.2 The interest charged under this Clause ~~11.511.5~~ shall be added to the defaulted amount on each respective Interest Payment Date relating thereto until the defaulted amount has been repaid in full.

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- 11.5.3 The unpaid amounts shall bear interest as stated above until payment is made, whether or not the Bonds are declared to be in default pursuant to Clause ~~15.1.115.1.1~~, cf. Clauses ~~15.215.2~~ - ~~15.415.4~~.

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### 11.6 *Partial payments*

If the Bond Trustee or the Paying Agent receives a payment that is insufficient to discharge all the amounts then due and payable under the Finance Documents, that payment shall be applied in the following order:

- (a) first, in or towards payment of any unpaid fees, costs and expenses of the Bond Trustee under the Finance Documents;
- (b) secondly, in or towards payment of any accrued interest due but unpaid under the Bond Agreement, *pro rata* and without any preference or priority of any kind; and
- (c) thirdly, in or towards payment of any principal due but unpaid under the Bond Agreement, *pro rata* and without any preference or priority of any kind.

## 12 Issuer's acquisition of Bonds

The Issuer has the right to acquire and own Bonds (Issuer's Bonds). The Issuer's holding of Bonds may at the Issuer's discretion be retained by the Issuer, sold or discharged.

## 13 Covenants

### 13.1 General

- 13.1.1 The Issuer undertakes under this Bond Agreement and shall procure that each of the other Obligors undertakes under the Guarantees, from the date of this Bond Agreement and until such time that no amounts are outstanding under this Bond Agreement or any other Finance Document, to the Bond Trustee, as further set out in this Clause 13.

### 13.2 Information Covenants

#### 13.2.1 The Issuer shall:

- (a) without being requested to do so, promptly inform the Bond Trustee in writing of any Event of Default, any event or circumstance which the Issuer understands or ought to understand may lead to an Event of Default and any other event which may have a Material Adverse Effect;
- (b) without being requested to do so, inform the Bond Trustee in writing if the Issuer agrees to sell or dispose of all or a substantial part of its assets or operations, or change the nature of its business;
- (c) without being requested to do so, prepare Financial Statements and make them available on its website in the English language (alternatively by arranging for publication at Stamdata) as soon as they become available, and not later than 120 days after the end of the financial year;
- (d) without being requested to do so, prepare Interim Accounts and make them available on its website in the English language (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 60 days after the end of the relevant quarter;
- (e) at the request of the Bond Trustee, report the balance of the Issuer's Bonds;

- (f) without being requested to do so, send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (g) without being requested to do so, inform the Bond Trustee and send the Bond Trustee the relevant reports documenting the same, if the aggregated Licence Values of the Danish Licences exceeds USD 110 million;
- (h) if the Bonds are listed on the Exchange, without being requested to do so, send a copy to the Bond Trustee of its notices to the Exchange;
- (i) if the Issuer and/or the Bonds are rated, without being requested to do so, inform the Bond Trustee of its and/or the rating of the Bond Issue, and any changes to such rating;
- (j) without being requested to do so, inform the Bond Trustee of changes in the registration of the Bonds in the Securities Depository; and
- (k) within a reasonable time, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request.

13.2.2 The Issuer shall in connection with the publication of its financial reports under Clause 13.2.1(c) and (d), confirm to the Bond Trustee in writing the Obligors' compliance with the covenants in this Clause 13, unless the Bond Trustee explicitly waives such requirement. Such confirmation shall be undertaken in a certificate, substantially in the form set out in Attachment 1 hereto, signed by the Chief Executive Officer or Chief Financial Officer of the Issuer (a "Compliance Certificate"). In the event of non-compliance, the Compliance Certificate shall describe the non-compliance, the reasons therefore as well as the steps which the relevant Obligor has taken and will take in order to rectify the non-compliance.

### 13.3 General Covenants

#### 13.3.1 Pari passu ranking

The Issuer shall ensure that its obligations under this Bond Agreement and any other Finance Document, and each of the other Obligors shall ensure that its obligations under any other Finance Document, shall at all time rank at least *pari passu* as set out in Clause 8.1.

#### 13.3.2 Mergers

No Obligor shall, and the Issuer shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganization involving a consolidation of the assets and obligations of any of the Obligors or any other Group Company with any other companies or entities if such transaction would have a Material Adverse Effect.

#### 13.3.3 De-mergers

No Obligor shall, and the Issuer shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving a split of any of the Obligors or any other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.

#### 13.3.4 Continuation of business

The Issuer shall not cease to carry on its business. Furthermore, no Obligor shall and the Issuer shall ensure that no other Group Company shall cease to carry on its business if such cessation would have a Material Adverse Effect. The Issuer shall procure that no material change is made to the general nature or scope of the business of the Group and/or the Issuer from that carried on at the date of the Bond Agreement, save for Permitted Restructuring.

#### 13.3.5 Disposal of assets/business

No Obligor shall, and the Issuer 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 (a) the transaction is carried out at fair market value, on terms and conditions customary for such transactions; (b) such transaction does not have or could not reasonably be expected to have a Material Adverse Effect; (c) the Issuer is in compliance with the Incurrence Test; and (d) the Bonds are redeemed in accordance with the provisions of Clause 10.4 Mandatory Prepayment (if applicable).

#### 13.3.6 Arm's length transactions

No Obligor shall engage in, and the Issuer shall not permit any other Group Company to engage in, directly or indirectly, any transaction with any related third party (excluding, for the avoidance of doubt, other Group Companies) (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except in the ordinary course of business and pursuant to the reasonable requirement of the Obligor's or such other Group Company's business and upon fair and reasonable arm's length terms.

#### 13.3.7 Corporate status

No Obligor shall change its type of organization or jurisdiction of incorporation.

#### 13.3.8 Compliance with laws

The Obligors shall, and the Issuer shall ensure that all other Group Companies shall, carry on its business in accordance with acknowledged, careful and sound practices in all material aspects and comply in all material respects with all laws and regulations it or they may be subject to from time to time.

### 13.4 *Special covenants*

#### 13.4.1 Dividends and other distributions

The Issuer shall not declare or make any dividend payment, repurchase of shares or make any loans or other distributions or payments to its shareholders (including servicing of shareholder loans) of any kind.

#### 13.4.2 Issuer debt limitations

The Issuer shall not incur, create or permit to subsist any Financial Indebtedness (including guarantees) from any third party not being a Group Company, other than: (a) Financial Indebtedness arising under the New Bond Issues (plus interest, premium and expenses); (b) any other Financial Indebtedness, provided that the Issuer is in compliance with the Incurrence Test; (c) the Existing Exploration Facility; and (d) any Financial Indebtedness arising in the ordinary course of business.

#### 13.4.3 Subsidiary debt limitations

The Issuer shall ensure that no other Subsidiary of the Issuer shall incur, create or permit to subsist any Financial Indebtedness (including guarantees) from any third party not being a Group Company, other than (i) the Existing Exploration Facility and Future Exploration Facilities, and (ii) any Financial Indebtedness arising in the ordinary course of business.

#### 13.4.4 Insurances

No Obligor shall, and the Issuer shall ensure that each other Group Company will, 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.

#### 13.4.5 Subsidiaries' distributions

No Obligor shall, and the Issuer shall ensure that no other Subsidiary creates or permits to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders.

#### 13.4.6 Negative pledge

No Obligor shall, and the Issuer shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance or security interest over any of its present or future respective assets (including shares in Subsidiaries) or revenues or enter into arrangements having similar effect, other than: (a) the Security granted in relation to the New Bond Issues; (b) any Security granted in connection with Financial Indebtedness allowed under item (b) of Clause 13.4.2 (*Issuer debt limitations*) above; (c) any Security granted in connection with the Existing Exploration Facility and Future Exploration Facilities; (d) any Security arising by operation of law; and (e) any Security arising under any group account system (*No: konsernkontosystem*) of the Group.

#### 13.4.7 No additional security

Notwithstanding the other provisions in this Clause 13, no Obligor shall, and the Issuer shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance or security interest over any of its present or future assets or its revenues which are subject to the

Security created by the security documents relating to the New Secured Bonds from time to time. Further, the Issuer shall not, and shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any mortgage, pledge, lien or any other encumbrance or security interest over the Danish Abandonment Account, other than any security granted in relation to the Abandonment Costs in favour of the operator of the relevant Danish Licences, the relevant operating committee upon binding resolution, Danish authorities or in accordance with applicable law.

#### 13.4.8 Accounts and payments

Each of the relevant Obligor shall maintain the Earnings Accounts with Account Bank(s) and shall procure that all Project Proceeds are paid directly into the relevant Earnings Account from the relevant contract party, provided however, that each such Obligor shall be entitled to change the Account Bank (and thus the relevant Earnings Account(s)) provided that adequate Security (Earnings Account Pledge) may be established over the new Earnings Account.

#### 13.4.9 Financial support restrictions

No Obligor shall, and the Issuer shall ensure that no other Group Company shall, grant any Financial Support to or for the benefit of any third party or other Group Company, other than: (a) the Security granted in relation to the New Bond Issues; (b) intra-group loans from a Group Company to another Group Company, provided that such intra-group loans are assigned as Security for the relevant Bond Issues if applicable; (c) any guarantees issued in the ordinary course of business; and (d) any such Financial Support arising under any group account system of the Group.

#### 13.4.10 Danish Abandonment Amount

The Issuer shall ensure that the Danish Abandonment Amount is transferred to the Danish Abandonment Account as soon as practically possible after receipt of the Special Tax Refund and in no event later than on 1 January 2014.

#### 13.4.11 Project Documents

The Issuer shall, and shall ensure that each Group Company shall with respect to the Project Documents (other than Project Documents relating to Mortgaged Licences sold or disposed of in compliance with this Bond Agreement), (i) in due time obtain and maintain all required authorizations, consents, approvals, resolutions, licences, permits, exemptions, filings or registrations in order to lawfully enter into and exercise and enforce any ownership or other material rights under any Project Documents, (ii) take all reasonably necessary action that is available to it to ensure that all Project Documents remain in full force and effect and to prevent the termination of any such Project Documents in accordance with the terms thereof or otherwise, and duly perform, in all material respects, its obligations and exercise its rights thereunder, except to the extent, if any, they are inconsistent with the obligations of the relevant Group Company hereunder, (iii) exercise such voting rights or other rights it may have to ensure that the Mortgaged Licences are developed and operated in what it deems a reasonable and prudent manner, and that is not in a way that is materially prejudicial to the interest of the Group and (iv) not

enter into any agreement relating to any Project resulting in a Material Adverse Effect.

#### 13.4.12 Liquidity

The Issuer shall ensure that the Group maintains a Liquidity of minimum NOK 100 million. The Issuer undertakes to comply with the above Financial Covenant at all times, such compliance to be measured on each Quarter Date and certified by the Issuer with each Financial Statements and Interim Accounts on the respective Reporting Date. The Financial Covenant shall be calculated on a consolidated basis for the Group during the term of the Bonds.

#### 13.5 Incurrence Test

The Issuer is in compliance with the Incurrence Test if the Gearing Ratio is below 3.5x pro forma for any asset disposal to be made or any additional Financial Indebtedness to be incurred. The Incurrence Test shall be tested (i) with effect immediately after such asset sale, and (ii) with effect both prior to and immediately after such incurrence of Financial Indebtedness.

#### 14 Fees and expenses

- 14.1 The Issuer shall cover all costs and expenses incurred by it or the Bond Trustee (and/or the Security Agent) in connection with this Bond Agreement and the fulfilment of its obligations under this Bond Agreement or any other Finance Document, including in connection with the negotiation, preparation, execution and enforcement of this Bond Agreement and the other Finance Documents and any registration or notifications relating thereto (including any stamp duty), the listing of the Bonds on an Exchange (if applicable), and the registration and administration of the Bonds in the Securities Depository. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from any Obligor or any other person, irrespective of such funds being subject to Security under a Finance Documents, to set-off and cover any such costs and expenses.
- 14.2 The fees, costs and expenses payable to the Bond Trustee (and/or the Security Agent) shall be paid by the Issuer and are set out in a separate agreement between the Issuer and the Bond Trustee (and/or the Security Agent).
- 14.3 Fees, costs and expenses payable to the Bond Trustee (or the Security Agent) which, due to the Issuer's insolvency or similar circumstances, are not reimbursed in any other way may be covered by making an equivalent reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee (or the Security Agent) in connection with the restructuring or default of the Bond Issue and the enforcement of any Security.
- 14.4 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 is not responsible for reimbursing any such fees.
- 14.5 The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to the Bondholders.

14.6 If the Issuer is required by law to withhold any withholding tax from any payment under any Finance Document:

- (a) the amount of the payment due from the Issuer shall be increased to such amount which is necessary to ensure that the Bondholders receive a net amount which is (after making the required withholding) equal to the payment which would have been due if no withholding had been required; and
- (b) the Issuer shall at the request of the Bond Trustee deliver to the Bond Trustee evidence that the required tax reduction or withholding has been made.

14.7 If any withholding tax is imposed due to subsequent changes in applicable law after the date of this Bond Agreement, the Issuer shall have the right to call all but not some of the Bonds at par value plus accrued interest. Such call shall be notified by the Issuer in writing to the Bond Trustee and the Bondholders at least thirty - 30 - Business Days prior to the settlement date of the call.

## 15 Events of Default

15.1 The Bond Trustee may declare the Bonds to be in default upon occurrence of any of the following events:

### 15.1.1 Non-payment

The Issuer fails to fulfil any payment obligation due under this Bond Agreement or any Finance Document when due, unless, in the opinion of the Bond Trustee, it is likely that such payment will be made in full within five (5) Business Days following the original due date.

### 15.1.2 Breach of other obligations

The Issuer does not comply with any provision pursuant to this Bond Agreement or any Group Company not complying with any provision pursuant to any other Finance Document, unless, in the opinion of the Bond Trustee, such failure is capable of being remedied and is remedied within ten (10) Business Days after notice thereof is given to the Issuer by the Bond Trustee.

### 15.1.3 Cross default

If for any Group Company:

- (a) any Financial Indebtedness is not paid when due nor within any originally applicable grace period;
- (b) 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);



- (c) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (d) 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),

always provided that a threshold in the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iv) above of a total of NOK 10 million, or the equivalent thereof in other currencies, shall apply.

#### 15.1.4 Misrepresentations

Any representation, warranty or statement (including statements in compliance certificates) made under this Bond Agreement or any other Finance Document or in connection therewith is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made.

#### 15.1.5 Insolvency

- (a) A Group Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities)
- (c) A moratorium is declared in respect of any indebtedness of any member of the Group.

#### 15.1.6 Insolvency proceedings and dissolution

If for any Group Company, any corporate action, legal proceedings or other procedure step 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 solvent liquidation or reorganization;
- (b) a composition, compromise, assignment or arrangement with any creditor, having an adverse effect on the Issuer's ability to perform its payment obligations hereunder;
- (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) its dissolution,

or any analogous procedure or step is taken in any jurisdiction.

15.1.7 Creditors' process

Any Group Company has a substantial proportion of the assets impounded, confiscated, attached or subject to distraint, or is subject to enforcement of any Security over any of its assets.

15.1.8 Impossibility or illegality

It is or becomes impossible or unlawful for any Group Company to fulfil or perform any of the terms of any Finance Document to which it is a party.

15.1.9 Material Adverse Change

Any other event or circumstance occurs which, in the reasonable opinion of the Bond Trustee, after consultations with the Issuer, would have a Material Adverse Effect.

15.2 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Bond Trustee can, in order to protect the interests of the Bondholders, declare the Outstanding Bonds including accrued interest, costs and expenses to be in default and due for immediate payment.

The Bond Trustee may at its discretion, take every measure necessary to recover the amounts due under the Outstanding Bonds, and all other amounts outstanding under this Bond Agreement and any other Finance Document.

15.3 In the event that one or more of the circumstances mentioned in Clause 15.1 occurs and is continuing, the Bond Trustee shall declare the Outstanding Bonds including accrued interest, costs and expenses to be in default and due for immediate payment if:

- (a) the Bond Trustee receives a demand in writing that a default shall be declared from Bondholders representing at least 1/5 of the Voting Bonds, and the Bondholders' Meeting has not decided on other solutions, or
- (b) the Bondholders' Meeting has with simple majority decided to declare the Outstanding Bonds in default and due for payment.

In either case the Bond Trustee shall take every measure necessary to recover the amounts due under the Outstanding Bonds.

- 15.4 In the event that the Bond Trustee pursuant to the terms of Clauses 15.2 or 15.3 declares the Outstanding Bonds to be in default and due for payment, the Bond Trustee shall immediately deliver to the Issuer a notice demanding payment of interest and principal due to the Bondholders under the Outstanding Bonds including accrued interest and interest on overdue amounts and expenses. The claim derived from the Outstanding Bonds due for payment as a result of an Event of Default shall be calculated at the prices set out in Clause 10.2.

## **16 Bondholders' Meeting**

### **16.1 *Authority of the Bondholders' Meeting***

- 16.1.1 The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds, and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- 16.1.2 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.
- 16.1.3 If a resolution by or an approval of the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting, see however Clause 17.1. Resolutions passed at Bondholders' Meetings shall be binding upon all Bondholders and prevail for all the Bonds.

### **16.2 *Procedural rules for Bondholders' meetings***

- 16.2.1 A Bondholders' Meeting shall be held at the written request of:
- (a) the Issuer;
  - (b) Bondholders representing at least 1/10 of the Voting Bonds;
  - (c) the Exchange, if the Bonds are listed; or
  - (d) the Bond Trustee.
- 16.2.2 The Bondholders' Meeting shall be summoned by the Bond Trustee. A request for a Bondholders' Meeting shall be made in writing to the Bond Trustee, and shall clearly state the matters to be discussed.
- 16.2.3 If the Bond Trustee has not summoned a Bondholders' Meeting within ten Business Days after having received a valid request, then the requesting party may summons the Bondholders' Meeting itself.
- 16.2.4 The summons to a Bondholders' Meeting shall be dispatched no later than ten Business Days prior to the date of the Bondholders' Meeting. The summons and a confirmation of each Bondholder's holdings of Bonds shall be sent to all

Bondholders registered in the Securities Depository at the time of distribution. The Exchange shall also be informed if the Bonds are listed.

- 16.2.5 The summons shall specify the agenda of the Bondholders' Meeting. The Bond Trustee may in the summons also set out other matters on the agenda than those requested. If amendments to this Bond Agreement have been proposed, the main content of the proposal shall be stated in the summons.
- 16.2.6 The Bond Trustee may restrict the Issuer from making any changes in the number of Voting Bonds in the period from distribution of the summons until the Bondholders' Meeting, by serving notice to it to such effect.
- 16.2.7 Matters that have not been reported to the Bondholders in accordance with the procedural rules for summoning of a Bondholders' Meeting may only be adopted with the approval of all Voting Bonds.
- 16.2.8 The Bondholders' Meeting shall be held on premises designated by the Bond Trustee. The Bondholders' Meeting shall be opened and shall, unless otherwise decided by the Bondholders' Meeting, be chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting shall be opened by a Bondholder, and be chaired by a representative elected by the Bondholders' Meeting.
- 16.2.9 Minutes of the Bondholders' Meeting shall be kept. The minutes shall state the numbers of Bondholders and Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the result of the voting. The minutes shall be signed by the chairman and at least one other person elected by the Bondholders' Meeting. The minutes shall be deposited with the Bond Trustee and shall be available to the Bondholders.
- 16.2.10 The Bondholders, the Bond Trustee and – provided the Bonds are listed – representatives of the Exchange, have the right to attend the Bondholders' Meeting. The chairman may grant access to the meeting to other parties, unless the Bondholders' Meeting decides otherwise. Bondholders may attend by a representative holding proxy. Bondholders have the right to be assisted by an advisor. In case of dispute the chairman shall decide who may attend the Bondholders' Meeting and vote for the Bonds.
- 16.2.11 Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders' Meeting may resolve that the Issuer's representatives may not participate in particular matters. The Issuer has the right to be present under the voting.
- 16.3 *Resolutions passed at Bondholders' Meetings*
- 16.3.1 At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned at close of business on the day prior to the date of the Bondholders' Meeting in accordance with the records registered in the Securities Depository. The Bond Trustee may, at its sole discretion, accept other evidence of ownership. Whoever opens the Bondholders' Meeting shall adjudicate any question concerning which Bonds shall count as the Issuer's Bonds. The Issuer's Bonds shall not have any voting rights.

For this purpose, a Bondholder that has a Bond that is nominee registered shall be deemed as the Bondholder of such Bond (instead of the nominee) provided that the Bondholder presents relevant evidence stating that the relevant Bondholder is the Bondholder of the Bond and the amount of Bonds held by such Bondholder.

- 16.3.2 In all matters, the Issuer, the Bond Trustee and any Bondholder have the right to demand vote by ballot. In case of parity of votes, the chairman shall have the deciding vote, regardless of the chairman being a Bondholder or not.
- 16.3.3 In order to form a quorum, at least half (1/2) of the Voting Bonds must be represented at the meeting, see however Clause 16.4. Even if less than half (1/2) of the Voting Bonds are represented, the Bondholders' Meeting shall be held and voting completed.
- 16.3.4 Resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in Clause 16.3.5.
- 16.3.5 A majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of this Bond Agreement.
- 16.3.6 The Bondholders' Meeting may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 16.3.7 The Bond Trustee shall ensure that resolutions passed at the Bondholders' Meeting are properly implemented, however, the Bond Trustee may refuse to carry out resolutions being in conflict with this Bond Agreement (or any other Finance Document) or any applicable law.
- 16.3.8 The Issuer, the Bondholders and the Exchange shall be notified of resolutions passed at the Bondholders' Meeting.
- 16.4 *Repeated Bondholders' meeting*
- 16.4.1 If the Bondholders' Meeting does not form a quorum pursuant to Clause 16.3.3, a repeated Bondholders' Meeting may be summoned to vote on the same matters. The attendance and the voting result of the first Bondholders' Meeting shall be specified in the summons for the repeated Bondholders' Meeting.
- 16.4.2 A valid resolution may be passed at a repeated Bondholders' meeting even though less than half (1/2) of the Voting Bonds are represented.

## **17 The Bond Trustee**

### **17.1 *The role and authority of the Bond Trustee***

- 17.1.1 The Bond Trustee shall monitor the compliance by the Issuer of its obligations under this Bond Agreement and applicable laws and regulations which are relevant to the terms of this Bond Agreement, including supervision of timely and correct payment of principal or interest, (however, this shall not restrict the Bond Trustee from discussing matters of confidentiality with the Issuer), arrange Bondholders'

Meetings, and make the decisions and implement the measures resolved pursuant to this Bond Agreement. The Bond Trustee is not obligated to assess the Issuer's financial situation beyond what is directly set out in this Bond Agreement.

- 17.1.2 The Bond Trustee may take any step it in its sole discretion considers necessary or advisable to ensure the rights of the Bondholders in all matters pursuant to the terms of this Bond Agreement and is entitled to rely on advice from professional advisors. The Bond Trustee may in its sole discretion postpone taking action until such matter has been put forward to the Bondholders' Meeting. The Bond Trustee is not obliged to take any steps to ascertain whether any Event of Default has occurred and until it has actual knowledge or express notice to the contrary the Bond Trustee is entitled to assume that no Event of Default has occurred.
- 17.1.3 The Bond Trustee may make decisions binding for all Bondholders concerning this Bond Agreement, including amendments to this Bond Agreement and waivers or modifications of certain provisions, which in the opinion of the Bond Trustee, do not materially and adversely affect the rights or interests of the Bondholders pursuant to this Bond Agreement.
- 17.1.4 The Bond Trustee may reach decisions binding for all Bondholders in circumstances other than those mentioned in Clause 17.1.3 provided that prior notification has been made to the Bondholders. Such notice shall contain a proposal of the amendment and the Bond Trustee's evaluation. Further, such notification shall state that the Bond Trustee may not reach a decision binding for all Bondholders in the event that any Bondholder submits a written protest against the proposal within a deadline set by the Bond Trustee. Such deadline may not be less than five Business Days following the dispatch of such notification.
- 17.1.5 The Bond Trustee may reach other decisions than set out in Clauses 17.1.3 or 17.1.4 to amend or rectify decisions which due to spelling errors, calculation mistakes, misunderstandings or other obvious errors do not have the intended meaning.
- 17.1.6 The Bond Trustee may not adopt resolutions which may give certain Bondholders or others an unreasonable advantage at the expense of other Bondholders.
- 17.1.7 The Issuer, the Bondholders and the Exchange shall be notified of decisions made by the Bond Trustee pursuant to Clause 17.1 unless such notice obviously is unnecessary.
- 17.1.8 The Bondholders' Meeting can decide to replace the Bond Trustee without the Issuer's approval, as provided for in Clause 16.3.5.
- 17.1.9 The Bond Trustee may act as bond trustee and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee may delegate exercise of its powers to other professional parties.
- 17.1.10 The Bond Trustee may instruct the Paying Agent to split the Bonds to a lower denomination in order to facilitate partial redemptions or restructuring of the Bonds or other situations.
- 17.2 *Liability and indemnity*

17.2.1 The Bond Trustee is liable only for direct losses incurred by Bondholders or the Issuer as a result of gross negligence or wilful misconduct by the Bond Trustee in performing its functions and duties as set out in this Bond Agreement. Such liability is limited to the maximum amount set out in Clause 2.2. The Bond Trustee is not liable for the content of information provided to the Bondholders on behalf of the Issuer.

17.2.2 The Issuer is liable for, and shall 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, agents and representatives) to fulfil its obligations under the terms of this Bond Agreement and any other Finance Document, 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 establishment and performance of this Bond Agreement and any other Finance Document.

The Bond Trustee can as a condition for carrying out an instruction from the Bondholders (including, but not limited to, instructions set out in Clause (a) or ~~16.2.146.2.1~~ (b), require satisfactory security and indemnities for any possible liability and anticipated costs and expenses, from those Bondholders who requested that instruction and/or those who voted in favour of the decision to instruct the Bond Trustee. Any instructions from the Bondholders may be put forward to the Bondholders' Meeting by the Bond Trustee before the Bond Trustee takes any action.

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### 17.3 *Change of Bond Trustee*

17.3.1 Change of Bond Trustee shall be carried out pursuant to the procedures set out in Clause 15.1. The Bond Trustee shall continue to carry out its duties as bond trustee until such time that a new Bond Trustee is elected.

17.3.2 The fees and expenses of a new bond trustee shall be covered by the Issuer pursuant to the terms set out in Clause 13, but may be recovered wholly or partially from the Bond Trustee if the change is due to a breach by the Bond Trustee of its duties pursuant to the terms of this Bond Agreement or other circumstances for which the Bond Trustee is liable.

17.3.3 The Bond Trustee undertakes to co-operate so that the new bond trustee receives without undue delay following the Bondholders' Meeting the documentation and information necessary to perform the functions as set out under the terms of this Bond Agreement.

### 17.4 *Appointment of Security Agent*

17.4.1 The Bond Trustee is appointed to act as Security Agent for the Bond Issue.

The main functions of the Security Agent may include holding Security on behalf of the Bondholders and monitoring compliance by the Issuer and other relevant parties of their respective obligations under this Bond Agreement and/or the Security Documents with respect to the Security.

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.

- 17.4.2 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 the Issuer and any other party to any Security 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.

Any changes to this Bond Agreement necessary or appropriate in connection with the appointment of a Security Agent shall be documented in an amendment to this Bond Agreement, signed by the Bond Trustee.

- 17.4.3 If so desired by the Bond Trustee, any or all of the 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.

## 18 Miscellaneous

### 18.1 *The community of Bondholders*

By virtue of holding Bonds, which are governed by this Bond Agreement (which pursuant to Clause 2.1.1 is binding upon all Bondholders), a community exists between the Bondholders, implying, inter alia, that:

- (a) the Bondholders are bound by the terms of this Bond Agreement;
- (b) the Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders, in all matters, included but not limited to taking any legal or other action, including enforcement of the Bond Issue and/or any Security, opening of bankruptcy or other insolvency proceedings;
- (c) the Bond Trustee has, in order to manage the terms of this Bond Agreement, access to the Securities Depository to review ownership of Bonds registered in the Securities Depository; and
- (d) this Bond Agreement establishes a community between Bondholders meaning that:
  - (i) the Bonds rank *pari passu* between each other;
  - (ii) the Bondholders may not, based on this Bond Agreement, act directly towards the Issuer and may not themselves institute legal proceedings against the Issuer, however not restricting the Bondholders to exercise their individual rights derived from this Bond Agreement;
  - (iii) the Issuer may not, based on this Bond Agreement, act directly towards the Bondholders;
  - (iv) the Bondholders may not cancel the Bondholders' community; and



- (v) the individual Bondholder may not resign from the Bondholders' community.

## 18.2 *Defeasance*

18.2.1 The Issuer may, at its option and at any time, elect to have certain obligations discharged (see Clause 18.2.2) upon complying with the following conditions ("Security and Covenant Defeasance"):

- (a) the Issuer shall have irrevocably pledged to the Bond Trustee for the benefit of the Bondholders cash or government bonds accepted by the Bond Trustee (the "Defeasance Pledge") in such amounts as will be sufficient for the payment of principal (including if applicable premium payable upon exercise of a Call Option) and interest on the Outstanding Bonds to Maturity Date (or redemption upon an exercise of a notified Call Option) or any other amount agreed between the Parties;
- (b) no Event of Default shall have occurred and be continuing on the date of establishment of the Defeasance Pledge, or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time during any hardening period applicable to the Defeasance Pledge (or the relevant period for non-Norwegian companies) or any other date agreed between the Parties;
- (c) if the Bonds are secured, the Defeasance Pledge shall be considered as a replacement of the Security established prior to the Defeasance Pledge;
- (d) the Issuer shall have delivered to the Bond Trustee a certificate signed by its Chief Executive Officer that the Defeasance Pledge was not made by the Issuer with the intent of preferring the Bondholders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others; and
- (e) the Issuer shall have delivered to the Bond Trustee any certificate or legal opinion reasonably required by the Bond Trustee regarding the Security and Covenant Defeasance or Defeasance Pledge, including any certificate or legal opinion on (i) the compliance of the conditions of the Security and Covenant Defeasance, (ii) that the Defeasance Pledge constitutes a valid, perfected and enforceable Security in favour of the Bond Trustee for the benefit of the Bondholders which will not be subject to any rights of creditors of any Obligor or any bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally under the laws of the jurisdiction where the Defeasance Pledge was established and the corporate domicile of the Issuer, (iii) any relevant tax issues concerning the Bondholders, (iv) any valuation of any assets or (vii) any other certificate or opinion regarding the Security and Covenant Defeasance or the Defeasance Pledge.

18.2.2 Upon the exercise by the Issuer of its option under Clause 18.2.1:

- (a) the Issuer shall be released from their obligations under all provisions in Clause ~~Error! Reference source not found.~~~~Feil! Fant ikke referanseskilden.~~, except Clauses 13.2.1(a), (e), (i), (j) and (k), or as otherwise agreed;
- (b) the Issuer shall not (and shall ensure that all Group Companies shall not) take any actions that may cause the value of the Security created by this Security and Covenant Defeasance to be reduced, and shall at the request of the Bond Trustee execute, or cause to be executed, such further documentation and perform such other acts as the Bond Trustee may reasonably require in order for the Security to remain valid, enforceable and perfected by the Bond Trustee for the account of the Bondholders;
- (c) any Guarantor(s) shall be discharged from their obligations under the Guarantee(s), and the Guarantee(s) shall cease to have any legal effect, or as otherwise agreed;
- (d) any Security other than the Defeasance Pledge shall be discharged, and the Bond Trustee shall take all steps reasonably possible for it to cause such discharge to be effected, by way of deletion of the relevant Security Document from the relevant register, notice to third parties or as otherwise required, or as otherwise agreed; and
- (e) all other provisions of this Bond Agreement (except (a) – (c) above) shall remain fully in force without any modifications, or as otherwise agreed.

18.2.3 All amounts owed by the Issuer hereunder covered by the Defeasance Pledge shall be ~~applied by the Bond Trustee~~ in accordance with the provisions of this Bond Agreement, against payment to the Bondholders of all sums due to them under this Bond Agreement on the due date thereof.

Any excess funds not required for the payment of principal, premium and interest to the Bondholders (including any expenses, fees etc. due to the Bond Trustee hereunder) shall be returned to the Issuer.

### 18.3 *Limitation of claims*

All claims under the Bonds and this Bond Agreement for payment, including interest and principal, shall be subject to the time-bar provisions of the Norwegian Limitation Act of May 18, 1979 No. 18.

### 18.4 *Access to information*

18.4.1 This Bond Agreement is available to anyone and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee shall not have any obligation to distribute any other information to the Bondholders or others than explicitly stated in this Bond Agreement. The Issuer shall ensure that a copy of this Bond Agreement is available to the general public until all the Bonds have been fully discharged.

18.4.2 The Bond Trustee shall, in order to carry out its functions and obligations under this Bond Agreement, have access to the Securities Depository for the purposes of reviewing ownership of the Bonds registered in the Securities Depository.

## 18.5 *Amendments*

All amendments of this Bond Agreement shall be made in writing, and shall unless otherwise provided for by this Bond Agreement, only be made with the approval of all parties hereto.

## 18.6 *Notices, contact information*

18.6.1 Written notices, warnings, summons etc to the Bondholders made by the Bond Trustee shall be sent via the Securities Depository with a copy to the Issuer and the Exchange. Information to the Bondholders may also be published at Stamdata only. Any such notice or communication shall be deemed to be given or made as follows:

- (a) if by letter via the Securities Depository, when sent from the Securities Depository; and
- (b) if by publication on Stamdata, when publicly available.

18.6.2 The Issuer's written notifications to the Bondholders shall be sent via the Bond Trustee, alternatively through the Securities Depository with a copy to the Bond Trustee and the Exchange.

18.6.3 Unless otherwise specifically provided, all notices or other communications under or in connection with this Bond Agreement between the Bond Trustee and the Issuer shall be given or made in writing, by letter, e-mail or fax. Any such notice or communication shall be deemed to be given or made as follows:

- (a) if by letter, when delivered at the address of the relevant Party;
- (b) if by e-mail, when received; and
- (c) if by fax, when received.

18.6.4 The Issuer and the Bond Trustee shall ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.

18.6.5 When determining deadlines set out in this Bond Agreement, the following shall apply (unless otherwise stated):

- (a) If the deadline is set out in days, the first day when the deadline is in force shall not be inclusive, however, the meeting day or the occurrence the deadline relates to, shall be included.
- (b) If the deadline is set out in weeks, months or years, the deadline shall 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 shall be the last day of such month.

- (c) If a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Date.

18.7 *Dispute resolution and legal venue*

- 18.7.1 This Bond Agreement and all disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and the Issuer, shall be governed by Norwegian law.
- 18.7.2 All disputes arising out of, or in connection with this Bond Agreement between the Bond Trustee, the Bondholders and the Issuer, shall, subject to paragraph c) below, be exclusively resolved by the courts of Norway, with the District Court of Oslo as sole legal venue.
- 18.7.3 Clause 18.7.2 is for the benefit of the Bond Trustee only. As a result, the Bond Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts with jurisdiction. To the extent allowed by law, the Bond Trustee may take concurrent proceedings in any number of jurisdictions.
- 18.7.4 The Issuer hereby accepts to act as an agent for service of process in Norway on behalf of the Guarantors for the purpose of serving a writ of summons and/or any other act of process in respect of courts in Norway, including but not limited to receipt of notices (in Norwegian: motta varsler) and acceptance of service of process (in Norwegian: vedta forkynnelser) or any notice as set out in this Bond Agreement or under or in connection with any other Finance Documents.

\* \* \* \* \*

This Bond Agreement has been executed in two originals, of which the Issuer and the Bond Trustee retain one each.

*[signatures to follow on the next page]*

**SIGNATURE PAGE**

**6.75 PER CENT NORWEGIAN ENERGY COMPANY ASA SECOND LIEN  
CALLABLE BOND ISSUE 2013/2020**

**Issuer**

.....

**By:**

**Position:**

**Bond Trustee**

.....

**By:**

**Position**

**Attachment 1**

**COMPLIANCE CERTIFICATE**

Norsk Tillitsmann ASA  
P.O. Box 1470 Vika  
N-0116 Oslo  
Norway

Fax: + 47 22 87 94 10  
E-mail: mail@trustee.no

[date]

Dear Sirs,

**6.75 per cent Norwegian Energy Company ASA Second Lien Callable Bond Issue  
2013/2020 - ISIN 001 069704.8**

We refer to the Bond Agreement for the abovementioned Bond Issue made between Norsk Tillitsmann ASA as Bond Trustee on behalf of the Bondholders, and the undersigned as Issuer under which a Compliance Certificate shall be issued. This letter constitutes the Compliance Certificate for the period [PERIOD].

Capitalised terms used herein shall have the same meaning as in the Bond Agreement.

With reference to Clause 13.2.2 we hereby certify that:

1. all information contained herein is true and accurate and there has been no change which would have a Material Adverse Effect on the financial condition of any Obligor since [[the date of the last accounts or the last Compliance Certificate submitted to you]/[the date of the Bond Agreement]];
2. the covenants set out in Clause 13 are satisfied;
3. all relevant Security created from time to time by or pursuant to the Security Documents is established in accordance with the Bond Agreement; and
4. in accordance with Clause 13.4.14 the Liquidity of the Issuer as of [date] is XX

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

Yours faithfully,

Norwegian Energy Company ASA

Name of authorized person

Enclosure: [copy of any written documentation.]

**Attachment 2: Participation Interest**

<b>Huntington and Denmark Bond</b>	<b>Nominal NOK</b>	<b>% of Nominal</b>	<b>NOK</b>
NOR04	1,219,500,000	100,00 %	1,219,500,000
NOR05	698,500,000	14,00 %	97,790,000
NOR08	284,000,000	14,00 %	39,760,000
NOR09	300,000,000	14,00 %	42,000,000
<b>Total</b>			<b>1,399,050,000</b>

<b>Oselvar bond</b>	<b>Nominal NOK</b>	<b>% of Nominal</b>	<b>NOK</b>
NOR06/07	600,000,000	100,00 %	600,000,000

<b>Second Lien Bond</b>	<b>Nominal NOK</b>	<b>% of Nom</b>	<b>NOK</b>
NOR05	698,500,000	57,40 %	400,939,000
NOR08	284,000,000	57,40 %	163,016,000
NOR09	300,000,000	57,40 %	172,200,000
<b>Total</b>			<b>736,155,000</b>

<b>Convertible bond</b>	<b>Nominal NOK</b>	<b>% of Nom</b>	<b>NOK</b>
NOR05	698,500,000	28,60000 %	199,771,000
NOR08	284,000,000	28,60000 %	81,224,000
NOR09	300,000,000	28,60000 %	85,800,000
<b>Total</b>			<b>366,795,000</b>

**Total all New Bonds** **NOK 3,102,000,000**