

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA

To the bondholders in:

ISIN: NO 001 035463.2 - FRN Sea Production Ltd Callable Senior Secured Bond Issue 2007/2012

Oslo, 10 July 2015

Summons to Bondholders' Meeting

INTRODUCTION

Nordic Trustee ASA (formerly known as Norsk Tillitsmann ASA) (the "**Bond Trustee**" or "**Nordic Trustee**") acts as bond trustee for the holders (the "**Bondholders**") of the Senior Secured Callable Bond Issue 2007/2012 (the "**Bonds**") issued by Sea Production Ltd (the "**Company**") and guaranteed by Puffin Ltd and Wisdom Shipping (S) Pte. Ltd.

All capitalised terms used but not otherwise defined herein shall have the meanings assigned to them in the bond agreement for the Bonds (the "**Bond Agreement**") between the Company and the Bond Trustee originally dated 9 February 2007 (as amended and restated from time to time).

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

Bondholders are encouraged to carefully read this summons in its entirety.

BACKGROUND

The Maturity Date of the Bonds is currently 14 July 2015. In order to facilitate repayment and/or refinancing of the Bonds, the Company believes that it would be helpful to have clarity on the future deployment of the Group's two vessels.

In the case of Crystal Ocean, an extension to the period of her contract for deployment in the Gulf of Mexico has now been agreed with the charterers of the vessel for a period of three years at a day rate of US\$40,000/day, subject to satisfaction of certain conditions precedent. The charterers of the vessel are currently in discussions with Pemex regarding an extension of their own existing arrangements for the vessel, which will affect the satisfaction of the aforementioned conditions precedent.

In the case of Front Puffin, the vessel is currently in the yard in Singapore undergoing works in preparation for being deployed to Nigeria, with an estimated arrival date by year-end.

In light of the above, and in order to allow the Company to have certainty on the deployment of Crystal Ocean before determining a solution for repayment of the Bonds, the

Company proposes a further short-term extension of the Maturity Date of the Bonds to the Bondholders such that the definition of the Maturity Date of the Bonds be amended in the Bond Agreement from 14 July 2015 to 14 September 2015 (the "**New Maturity Date**") (the "**Maturity Extension**").

In consideration for the Bond Trustee entering into an amendment agreement to the Bond Agreement amending and restating the Bond Agreement to document the Maturity Extension (the "**Amendment Agreement**"), the Company agrees to increase the rate of interest payable to the Bondholders (the "**Interest Increase**") as follows:

- a. The applicable Margin to payments of interest from (and excluding) the Interest Payment Date falling on:
 - i. 14 May 2015 to (and including) the Interest Payment Date on 14 August 2015 shall be 17.5 percentage points per annum, and
 - ii. 14 August 2015 to (and including) the New Maturity Date shall be 18.5 percentage points per annum, and
- b. If the Company is unable to satisfy its payment obligations with respect to the accrued interest due to insufficient Available Cash, it may pay PIK Interest in accordance with Clause 9 of the Bond Agreement, whereby the PIK Margin from (and excluding) the Interest Payment Date falling on:
 - i. 14 May 2015 to (and including) the Interest Payment Date on 14 August 2015 shall be 30 percentage points per annum; and
 - ii. 14 August 2015 to (and including) the New Maturity Date shall be 32 percentage points per annum.

Also in consideration for the approval of the Maturity Extension by the Bondholders and entry into the Amendment Agreement by the Bond Trustee, during the period of the Maturity Extension, the Company:

- a. shall continue to provide cost cover to the Bond Trustee for its and its legal advisers' fees, costs and disbursements; and
- b. shall continue to co-operate with the Bond Trustee and its legal advisers in providing ongoing consultation and reasonable access to information and documentation.

(together, the "**Continuing Maturity Conditions**"). Should the Continuing Maturity Conditions not be satisfied at any time, the Maturity Extension shall be capable of termination.

In order to incentivise the Bondholders to approve the Maturity Extension, the Company shall, subject to the requisite majority of Bondholders voting in favour of the Proposal (as defined below), upon the Amendment Agreement having been entered into, pay a consent fee (the "**Consent Fee**") pro rata to all Bondholders, in an amount equal to 1.5% of the face value of the respective Bondholders' holdings of Bonds on the date of the Bondholders' Meeting approving the Proposal. The record date for the payment of the Consent Fee shall be end-of-business on the date of such Bondholders' Meeting. The Consent Fee will be

payable to the Bondholders on the date falling 10 Business Days after the date of the Bondholders' Meeting. The Consent Fee shall be paid to the Bondholders by the issue of additional Bonds.

EVALUATION OF THE PROPOSAL

To enable the Company to implement the Proposal, the Company has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the Proposal.

The request 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.

Bondholders' meeting:

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 17 July 2015 at 13:00 hours (Oslo time),
Place: The premises of Nordic Trustee ASA,
Haakon VII's gt 1, 0161 Oslo – 6th 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 proposal:

It is proposed that the Bondholders' meeting resolve the following:

"The Bond Trustee is hereby authorised and instructed to:

1. *Enter into an Amendment Agreement to the Bond Agreement documenting the Maturity Extension, the Interest Increase and the Continuing Maturity Conditions; and*
2. *Enter into and execute any such agreements, letters, powers of attorney, deeds and/or notices necessary or advisable (in the absolute discretion of the Bond Trustee) in order to implement the Maturity Extension.*

Nordic Trustee is given a power of attorney to enter into all necessary agreements, letters, deeds and notices necessary or advisable (in the absolute discretion of Nordic Trustee) in connection with decisions made at the bondholders' meeting as well as to carry out all necessary completion work.

To approve the above resolution, Bondholders representing at least (i) 2/3 of the Bonds represented in person or by proxy at the duly convened meeting must vote in favour of the resolution. In order for the meeting to be quorate, (i) at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged and the Proposal will not be implemented.

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

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

In the event that 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 the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (www.mail@trustee.no) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee ASA



Enclosed: Bondholder's Form