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To the bondholders in:

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

Oslo, 8 September 2016

### Summons to Bondholders' meeting – extension of maturity of Bonds

#### 1. 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 "**Issuer**") 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 Issuer and the Bond Trustee originally dated 9 February 2007 (as amended and restated from time to time).

The purpose of this summons is to convene a Bondholders' meeting to consider a request by the Issuer for approval in respect of an extension of the Maturity Date of the Bonds. The Bondholders' meeting is requested by the Issuer in accordance with clause 17 of the Bond Agreement. Bondholders are encouraged to carefully read this summons in its entirety.

#### 2. BACKGROUND

The Maturity Date of the Bonds is 14 September 2016. Given the current difficult trading environment in the offshore sector, in order to facilitate repayment and/or refinancing of the Bonds, the Issuer believes that it is important to have its two vessels, Front Puffin and Crystal Ocean, remaining on-hire and in operations as it would allow for a more certain review of the Issuer's financial position and a determination of an appropriate solution for the Bonds in the medium to long term.

In light of the above, the Issuer proposes to the Bondholders a further extension of the Maturity Date of the Bonds, such that the definition of the Maturity Date of the Bonds be amended in the Bond Agreement from 14 September 2016 to 14 December 2016 (the "**Maturity Extension**").

In consideration for, and as a condition to, the Maturity Extension being approved by the requisite majority of the Bondholders, the Issuer:

- a. shall agree to provide cost cover to the Bond Trustee for its and its legal advisers' fees, costs and disbursements; and

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- b. shall agree to co-operate with the Bond Trustee and its legal advisers in providing ongoing consultation and reasonable access to information and documentation,

during the period of the Maturity Extension (together, the “**Maturity Conditions**”). Should the Maturity Conditions not be satisfied at any time, the Bond Trustee shall be entitled to terminate the Maturity Extension by giving written notice of the same to the Issuer.

### 3. PROPOSAL

Based on the foregoing, the Issuer has requested that the Bond Trustee put forward the following proposal (the “**Proposal**”):

*“The Bond Trustee is hereby authorised and instructed:*

1. *subject to the satisfaction of the Maturity Conditions, to enter into an amendment agreement to the Bond Agreement documenting the decision made by this Bondholders’ meeting to approve the Maturity Extension;*
2. *to waive any Event of Default in respect of failure to repay the Bonds on the Maturity Date of the Bonds that may have occurred prior to the date on which the amendment agreement (referred to in paragraph 1 immediately above) is entered into; and*
3. *to 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.”*

### 4. EVALUATION OF THE PROPOSAL

The Issuer has requested the Bond Trustee to summon a Bondholders’ meeting to consider 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:** 15 September 2016 at 13.00 hours (Oslo time),  
**Place:** The premises of Nordic Trustee ASA,  
Haakon VII's gt 1, 0161 Oslo – 6<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 proposal:

**It is proposed that the Bondholders’ meeting resolve the following:**

*“The Bond Trustee is hereby authorised and instructed:*

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1. *subject to the satisfaction of the Maturity Conditions, to enter into an amendment agreement to the Bond Agreement documenting the decision made by this Bondholders' Meeting to approve the Maturity Extension;*
  2. *to waive any Event of Default in respect of failure to repay the Bonds on the Maturity Date of the Bonds that may have occurred prior to the date on which the amendment agreement (referred to in paragraph 1 immediately above) is entered into; and*
  3. *to 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 that may be deemed 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 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, 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 against which the Bonds are registered.)

The individual Bondholder may authorise 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 (mail@trustee.no) by 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely  
**Nordic Trustee ASA**



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Enclosed: Bondholder's Form