

Nordic Trustee ASA
Att.: Jørgen Andersen
Sent per email

Haugesund , 20.05.2016

ISIN: NO0010654841 – FRN CRUDECORP ASA SUBORDINATED UNSECURED CALLABLE BOND ISSUE 2012/2017 (THE "BOND LOAN")

1. INTRODUCTION

We refer to the summons to Bondholders' Meeting for FRN Crudecorp ASA Subordinated Unsecured Callable Bond Issue 2012/2017 (the "**Bond Loan**"), dated 4 May 2016, where it is proposed that the Bondholders' Meeting resolve to replace the current Bond Trustee for the Bond Loan, Nordic Trustee ASA ("**NT**"), with Crude Bond Trustee AS ("**CBT**").

Crudecorp does not agree that Clause 17.1.8 cf. 16.3.5 of the Bond Agreement between Crudecorp and NT (the "**Bond Agreement**") grants the Bond Meeting a right to replace NT with CBT as the Bond Trustee.

2. THE BONDHOLDERS MAY NOT REPLACE NT WITH CBT AS BOND TRUSTEE WITHOUT OBTAINING CRUDECORP'S PRIOR CONSENT

Pursuant to Clause 17.1.8 cf. 16.3.5 of the Bond Agreement, the Bond Holder Meeting may indeed resolve to change the Bond Trustee with another bond trustee. A majority of at least 2/3 of the aggregate principal amount of the Bonds represented on the Bondholders' Meeting is required. Quorum and summons requirements apply as well.

We do not agree that the Bond Holder Meeting's ability under the Bond Agreement to replace the bond trustee is unrestricted.

The text found in the bond agreement concerning these matters follows NT's bond loan agreement template its core is thus present in most bond loan agreements created by NT. The market implications of interpreting of this bond agreement are relevant and the generic nature of the Bond Agreement was known by both the issuer and the subscribers of the Bond Loan at the bond issue date.

The Bond Agreement is commercial contract where the Bond Trustee undertakes to provide certain services to both the issuer and the bond holders in exchange for combination of a fixed fee and variable fees paid by the Issuer. The fees are stipulated by the fee agreement and the new trustee will step into that agreement on the agreed terms. There is a selection of companies offering bond trustee services, which has a

qualified organization and market recognition similar to NT's. Certain jurisdictions also mandate an authorization for providing bond trustee services. The bond trustee arrangement further bestows fiduciary duties on the trustee and grants the trustee certain powers to act on behalf of the bond holders. Further, all know bond trustee arrangement creates a level of independence between the trustee on one side as the caretaker and the bond holders and the issuer on the other side as direct parties to the loan arrangement.

In that setting it would be extravagant to read the ability to change a bond trustee as unilateral right for the bondholder meeting to select any company or person regardless of affiliation, qualification and properties. No issuer and no market would have accepted such a mechanism and no bond holder would expect that bond holder meeting majority could assume direct control be changing the bond trustee to an affiliated company.

Identifying the exact restrictions applicable to the Bond Holder Meeting's authority to replace the bond trustee is beyond our scope. However, Crudecorp deems that the new bond trustee must be a reputable bond trustee, capable in all respects of carrying out the agreed duties under the Bond Agreement (and associated agreements).

As far as Crudecorp understands, CBT is a shelf company which has been acquired by some of the Bondholders, for the sole purpose of being the new Bond Trustee for the Bond Issue. To the knowledge of Crudecorp, no capital has been injected and CBT has no employees. Clearly, a single purpose company such as CBT cannot unilaterally be appointed as the bond trustee for the Bond Loan.

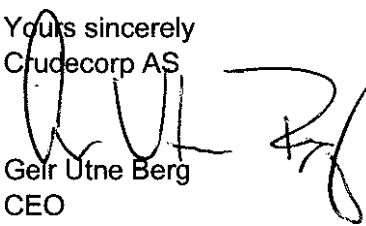
3. **IMPLICATIONS OF A BOND TRUSTEE REPLACEMENT**

On the basis of the above, Crudecorp hereby informs that it will not consider the Bond Holder meetings potential resolution to change the bond trustee to CBT as valid or as binding for Crudecorp. Consequently, Crudecorp will contest that CBT has any authority to act as trustee for the Bond Loan.

4. **THE INTERCREDITOR AGREEMENT**

For the sake of clarity Crudecorp points out that regardless of whether the Bondholders choses to replace the Bond Trustee or not, the purported trustee, the Bond Loan and the Bondholders will still be bound by the terms and conditions of the Intercreditor Agreement between Skrattaskjer AS, Crudecorp and NT.

Yours sincerely
Crudecorp AS


Geir Utne Berg
CEO