

To the bondholders in the Det Norske Oljeselskap ASA 13/20 FRN (ISIN NO 001068414.5)

Oslo, 30 November, 2016

Information to Bondholders – Amended Senior Secured Financial Covenant and implementation into the Bond Agreement

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement dated 2 July 2013 and the respective amendment agreements dated 22 April 2015 and 7 June 2016, made between the Bond Trustee and the Issuer.

1. Background

The Issuer has agreed to amend the provisions for the leverage ratio and interest cover ratio calculation set out in its Senior Secured Financing Facilities, constituting an Amended Senior Secured Financial Covenant pursuant to Clause 13.5 (f) (*Adjustment of Leverage Ratio and Interest Cover Ratio Financial Covenant*), as incorporated into the Bond Agreement pursuant to an amendment agreement dated 7 June 2016.

More specifically, the Issuer has agreed that when calculating the leverage and interest cover ratios under its Senior Secured Financing Facilities, the EBITDA, EBITDAX and Interest Expenses attributable to Subsidiaries or business or assets acquired by members of the Group shall be taken into account on a pro forma basis for the preceding four quarters.

The amendment reads as follows:

“For the purpose of calculating EBITDA, EBITDAX, Total Net Debt and Interest Expenses, the EBITDA, EBITDAX, Total Net Debt (to the extent that such debt will continue after completion of the acquisition for such Subsidiary) and Interest Expenses (but only in respect of Interest Expenses in respect of external debt that will continue after completion of the acquisition for such Subsidiary) shall be calculated on a pro forma basis by including EBITDA, EBITDAX, Total Net Debt and Interest Expenses of any Subsidiary acquired by a member of the Group for the relevant twelve (12) month period set out in Clause [●] (or attributable to the business or assets acquired by a member of the Group during such period) prior to it becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets”.

The Issuer has provided notice to the Bond Trustee of the Amended Senior Secured Covenant in accordance with Clause 13.5 (f) of the Bond Agreement.

For the sake of good order the Issuer has informed that it is compliant with the financial covenants upon financial testing at the Quarter Date 30 September 2016 regardless of implementation of the Amended Senior Secured Financial Covenant.

2. Implementation of the amended senior secured financial covenant into the bond agreement

Pursuant to Clause 13.5 (f) of the Bond Agreement, the Amended Senior Secured Financial Covenant shall be deemed incorporated mutatis mutandis by reference into the Bond Agreement, effective as of the date when the Amended Senior Secured Financial Covenant became effective under the Senior Secured Financing Facilities.

Furthermore, the Issuer and the Bond Trustee shall enter into any additional amendment agreement to the Bond Agreement as reasonably requested by the Bond Trustee. Pursuant to the summons to a Bondholders' Meeting dated 30 September 2016 and the notice from the Bondholders' Meeting dated 14 October 2016, the Bond Trustee and the Issuer is in the process of preparing an amended and restated Bond Agreement. The Amended Senior Secured Financial Covenant will be formalised in this amended and restated Bond Agreement as follows:

Clause 13.5 (e) (*Financial Testing*) is amended to read as follows:

"(e) Financial Testing

(i) The financial covenants set out in Clause 13.5(a) (Leverage Ratio) or 13.5(c) (Interest Cover Ratio) shall be calculated on a rolling twelve months basis in accordance with GAAP on a consolidated basis for the Group.

(ii) For the purpose of calculating EBITDA, EBITDAX, Total Net Debt and Interest Expenses, the EBITDA, EBITDAX, Total Net Debt (to the extent that such debt will continue after completion of the acquisition for such Subsidiary) and Interest Expenses (but only in respect of Interest Expenses in respect of external debt that will continue after completion of the acquisition for such Subsidiary) shall be calculated on a pro forma basis by including EBITDA, EBITDAX, Total Net Debt and Interest Expenses of any Subsidiary acquired by a member of the Group for the relevant twelve (12) month period set out in Clause 13.5(e)(i) (or attributable to the business or assets acquired by a member of the Group during such period) prior to it becoming a member of the Group or (as the case may be) prior to the acquisition of the business or assets."

Yours sincerely

Nordic Trustee ASA



Jørgen Andersen