

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

To the bondholders in:

ISIN: NO 001068432.7 – 7.5 per cent BassDrill Alpha Ltd. Senior Secured Callable Bond Issue 2013/2018

Oslo, 4 May 2016

NOTICE OF A WRITTEN BONDHOLDERS' RESOLUTION: PROPOSAL TO GRANT ISSUER ACCESS TO RESTRICTED CASH IN THE RESERVE ACCOUNT

Nordic Trustee ASA (the “**Bond Trustee**”) acts as bond trustee for the bondholders (the “**Bondholders**”) in the “7.5 per cent BassDrill Alpha Ltd. Senior Secured Callable Bond Issue 2013/2018” - ISIN: NO 001068432.7 (the “**Bond Issue**”), issued by BassDrill Alpha Ltd, Bermuda (the “**Issuer**”).

All capitalised terms used herein and not otherwise defined in this summons (the “**Summons**”) shall have the meanings assigned thereto in the bond loan agreement for the Bond Issue dated 3 July 2013 (the “**Bond Agreement**”).

The Issuer has requested the Bond Trustee to issue this request for a written Bondholders’ resolution pursuant to clause 16.5 (*Written Resolution*) of the Bond Agreement to consider the approval of the Proposed Resolution, as further set out below.

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

1. THE PROPOSAL

1.1 Access to Restricted Cash

We refer to the summons to the Bondholders’ Meeting dated 29 March 2016 and the Bondholders’ Meeting held on 12 April 2016, in which, inter alia, payment of the interest and principal instalment payments due on the Interest Payment Date of 5 April 2016 were temporarily waived until 20 May 2016 and certain other waivers of the Issuer’s obligations under the Bond Agreement were granted.

Over the past few weeks, the Issuer’s holdings of free cash have been severely depleted and the Issuer has informed the Bond Trustee that it now has an urgent short term liquidity

requirement. The Issuer's current unrestricted cash reserves amount to only USD 19,000, although the Issuer currently has restricted cash reserves of approximately USD 7,800,000.

In particular, the Issuer has provided to the Bond Trustee and an ad hoc committee of Bondholders holding more than 58% of the outstanding Bonds (the "**Committee**") a six week cash-flow indicating aggregate payments of up to USD 1,480,787 that are required to be made up to and including 12 June 2016 to meet certain upcoming operational expenses of the Company (the "**Cash Flow Forecast**", and the payments contemplated therein being the "**Permitted Payments**"). Payment of the Permitted Payments will secure the ongoing warm-stacking of the BassDrill Alpha tender drilling barge while the Issuer and the Bondholders seek to agree on a longer term financial restructuring proposal. Subject to Bondholders providing the Trustee with satisfactory proof of their holdings of Bonds, the Cash Flow Forecast will be made available for inspection by any Bondholder upon request to the Bond Trustee.

The Issuer is requesting that the Bondholders therefore grant the Issuer authority to withdraw up to USD 1,480,787 of restricted cash from the Reserve Account, for the sole purpose of funding the Permitted Payments as further detailed in the Cash Flow Forecast.

The Committee have already indicated their support for the proposal as outlined below (the "**Proposal**").

1.2 The Proposed Resolution

The Issuer requests that the Bondholders adopt the following resolution (the "**Proposed Resolution**"):

- (a) Bondholders agree to waive on the terms set out below, the requirements set forth in clauses 13.4(e) (*Reserve Account*) and 13.6(b) (*Liquidity*) of the Bond Agreement, which require the Issuer to ensure that the amount standing on the Reserve Account less any Initial Dividend still standing on the Reserve Account at all times equals a minimum of USD 5 million, such that this amount may be reduced to USD 3,519,213 for the purpose of making the Permitted Payments (the "**Reserve Account Waiver**").
- (b) After giving effect to the Reserve Account Waiver, Bondholders agree to permit the Issuer access to funds in the Reserve Account in an aggregate amount of up to USD 1,480,787 for the sole purpose of funding the Permitted Payments as further detailed in the Issuer's Cash Flow Forecast (the "**Waiver Condition**").
- (c) The Reserve Account Waiver shall (if applicable) be terminated on the date that is the earlier of the date on which (i) the Bond Trustee gives written notice of the same to the Issuer with the approval of Bondholders holding a simple majority of the Voting

Bonds (whether through written instructions or at a Bondholders' Meeting); or (ii) the Waiver Condition is breached. In either such event, the Reserve Account Waiver shall immediately cease to be effective with respect to any further payments from the Reserve Account.

The Bond Trustee shall be instructed to do all things and take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the Proposal, including, without limitation, negotiating and approving the final terms of, and entering into, any and all documentation and agreements deemed necessary or desirable by the Bond Trustee.

Other than any waivers and amendments prompted by the Proposal, the terms and conditions of the Bond Agreement will remain unchanged and will continue to apply in their existing form.

2. FURTHER INFORMATION

The Issuer has retained Pareto Securities AS as financial advisor. Accordingly, Bondholders may contact Pareto Securities AS as follows for further information: Pareto Securities AS, +47 22 87 87 70.

For further questions to the Bond Trustee, please contact: Vivian Trøsch at mail@nordictrustee.com or +47 22 87 94 00.

3. NON-RELIANCE

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee and nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate the Proposal and vote accordingly. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

4. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Bondholders' written resolution pursuant to clause 16.5 of the Bond Agreement. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by mail, courier or e-mail to the address indicated in the enclosed form ("**Voting Form**") no later than Tuesday 10 May 2016 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of clause 16.5 of the Bond Agreement, the Proposed Resolution will become effective automatically upon receipt of affirmative votes by or on behalf of the Bondholders who at the date of this notice represent such majority of

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votes as would be required if the Proposed Resolution was voted on at a Bondholders' Meeting (which, for the avoidance of doubt is 2/3 of the Voting Bonds pursuant to clause 16.3.5 of the Bond Agreement) at which all Bondholders entitled to attend and vote thereat were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that the Bonds have been transferred to a new owner after voting is conducted, the new Bondholders shall accordingly not be entitled to vote.

If the Proposed Resolution is not adopted, the Bond Agreement (as amended by the amendments and waivers approved by the Bondholders' Meeting held on 12 April 2016) will remain unchanged.

Yours sincerely,

Nordic Trustee ASA

A handwritten signature in blue ink, appearing to be 'Vivian Trøsch', written over a horizontal line.

Vivian Trøsch

Enclosed:

Schedule 1: Voting Form

**Schedule 1
Voting Form**

ISIN NO: 001068432.7 – 7.5 per cent BassDrill Alpha Ltd. Senior Secured Callable Bond Issue 2013/2018

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposed Resolution as defined in the notice for written resolution dated 04 May 2016

In favour of the Proposed Resolution

Against the Proposed Resolution

ISIN ISIN NO 001068432.7	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS,¹ verifying our bondholding in the bond issue as of _____

We acknowledge that Nordic Trustee ASA in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....
Place, date

.....
Authorised signature

Return:

Nordic Trustee ASA
P.O.Box 1470 Vika
N-0116 Oslo

Telefax: +47 22 87 94 10
Tel: +47 22 87 94 00
mailto: mail@nordictrustee.no

¹ If the bonds are held in custody other than in the VPS, an evidence provided from the custodian – confirming that (i) you are the owner of the bonds, (ii) in which account number the bonds are hold, and (iii) the amount of bonds owned.