

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

**To the bondholders in:**

**ISIN NO 001072202.8                      9.00 per cent Golden Close Maritime Corp. Ltd Senior Secured  
Callable Bond Issue 2014/2019**

Oslo, 27 February 2017

## **SUMMONS TO BONDHOLDERS' MEETING**

Nordic Trustee ASA (the “**Bond Trustee**”) acts as bond trustee for the senior secured bond issue “9.00 per cent Golden Close Maritime Corp. Ltd. Senior Secured Callable Bond Issue 2014/2019” (the “**Senior Secured Bond Issue**”) issued by Golden Close Maritime Corp Ltd (the “**Issuer**” or the “**Company**”) pursuant to the bond agreement dated 23 October 2014 (the “**Senior Secured Bond Agreement**”) between the Issuer and the Bond Trustee, pursuant to which the Issuer has issued bonds in the principal amount of USD 400 million (the “**Senior Secured Bonds**”).

All capitalised terms used herein shall have the meaning assigned to them in the Bond Agreement unless otherwise stated.

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

### **1            BACKGROUND**

#### **1.1        The Issuer’s financial situation**

The Issuer’s business has faced the same challenges as the oil and oil services industry in general, and the drilling segment in particular, due to the recent fall in oil prices with resulting reduction in business activity and rates. There is a reduced demand for drilling capacity from oil and gas companies and a substantial pipeline of newbuild UDW drillships coming from the yards. The Issuer expects the deep- and ultra-deep-water market to be oversupplied for a period going forward. As a result, securing new contracts has become increasingly difficult, and there is a continued downward pressure on day rates.

On 12 July 2016 the Issuer entered into a waiver agreement with the Bond Trustee (on behalf of the Bondholders), providing waivers of (i) interest payments and interest retention, (ii) amortisations, (iii) events of default related to the market downturn, such as financial covenants, and (iv) certain restrictions on the Issuer’s use of cash.

As stated in the Issuer’s unaudited financial statement for Q4 2016, the Issuer suffered an operating loss of USD 8.0 million and an overall net loss of USD 17.2 million in the fourth quarter of 2016. As of 31 December 2016 the Issuer held cash and cash equivalents in the amount of USD 22.2 million.

The Issuer’s main asset, the drillship Deepsea Metro I (the “**Drillship**”) is currently unemployed and in lay-up. The commercial and technical manager of the Drillship, Odfjell Drilling AS (the “**Drillship**”

**Manager**”), has negotiated a short charter contract with drilling expected to commence in early April. The Issuer is dependent on this and future contracts to secure operational cash flow or capital contribution to fulfil its operational and future obligations under the Bond Agreement.

The Issuer and the Drillship Manager focus on securing employment for the Drillship and thereby avoid cold-stacking. The Issuer is of the opinion that keeping the unit warm and occupied on short- to medium term contracts in today’s challenging drilling market is the best way of maintaining the value of the Drillship, even if prevailing market day rates may not fully cover operational costs, nor allow the Issuer to properly service its debt obligations in the short term.

## 1.2 Proposed restructuring

The Issuer is in need of improved liquidity in order to secure and fulfil new contracts for the Drillship.

In addition to cost saving measures and other measures to enhance its liquidity, the Issuer has entered into negotiations with the Drillship Manager and majority Bondholders about a restructuring proposal including *inter alia* the following measures:

- (i) Settlement of accrued but unpaid interest on the Senior Secured Bonds (estimated to be approximately USD 45 million) by way of issuance of new Senior Secured Bonds (“**PIK Bonds**”);
- (ii) Conversion of Senior Secured Bonds in an amount equal to the issued PIK Bonds (estimated to be approximately USD 45 million) to shares in the Issuer at conversion price USD 1, allocated pro rata between the Bondholders;
- (iii) A significant reduction of Drillship Manager’s fixed fee and allocation of administration cost until the end of 2020, in exchange for new Senior Secured Bonds in the amount of USD 40 million (the “**Manager Senior Secured Bonds**”) being issued to the Drillship Manager on a non-cash basis;
- (iv) In order to free liquidity for the Company, a requirement in the current management agreement for a USD 5 million reserve on the Drillship Manager’s operating accounts will be deleted. Instead, the Company will issue to the Drillship Manager additional bonds in the amount of USD 6 million (the “**Operating Cost Bonds**”) on a non-cash basis, to serve as security for operating costs in case of expiry or termination of the Management Agreement. The Operating Cost Bonds will rank ahead of the Super Senior Secured Bonds, the Senior Secured Bonds and the Subordinated Convertible Bonds (each as defined below) in the payment waterfall;
- (v) A settlement of USD 340 million of the Senior Secured Bonds through exchange to subordinated convertible bonds (the “**Subordinated Convertible Bonds**”). The key terms of the Subordinated Convertible Bonds are set out in the term sheet enclosed as Appendix 4;
- (vi) Certain amendments to the Bond Agreement, *inter alia* to allow for interest payment in the form of additional Bonds (payment in kind, PIK) interest payment and deletion of financial covenants;
- (vii) The Issuer may if needed obtain a performance guarantee facility in the amount of USD 20 million (the “**Guarantee**”), the recourse claim being secured and ranking ahead of the Senior Secured Bonds in the payment waterfall; and

- (viii) The Issuer will enter into a new super senior secured bond agreement for the issue of bonds in the amount of up to USD 50 million by way of tap issues (the “**Super Senior Secured Bonds**”), ranking ahead of the Senior Secured Bonds in the payment waterfall. The first initial tranche is expected to be in the amount of USD 10 million. The key terms of the Super Senior Secured Bonds are set out in the term sheet enclosed as Appendix 5.

The restructuring proposal will substantially strengthen the Company’s liquidity and balance sheet, however based on estimated cash flow forecast for 2017 reflecting the liquidity effect of the measures described in (i) to (vii) above (included as Appendix 3), additional funding will be required in the form of Super Senior Secured Bonds.

The restructuring proposal is set out in further detail in the enclosed term sheet (Appendix 1). As described therein, the refinancing proposal requires certain amendments to the Bond Agreement. The Issuer therefore proposes the entering into of an amendment and restatement agreement substantially on the terms set out in the term sheet specified in Appendix 1 (the “**Amendment and Restatement Agreement**”), which will implement the required amendments subject to the conditions precedent set out in the term sheet.

As set out in the enclosed term sheet (Appendix 1) the Guarantee, the Operating Cost Bonds and the Super Senior Secured Bonds will share the first priority securities currently held by and in favour of the Senior Secured Bonds. Certain of these securities relate to Dutch and Bermudan subsidiaries of the Issuer, which the Issuer intends to liquidate after the implementation of the restructuring, as they no longer fulfil their previous practical operational purposes. Any proceeds from the liquidation shall be transferred to the Issuer. In light of the planned liquidation it is proposed that the current securities relating to these subsidiaries remain as security for the Senior Secured Bonds until a liquidation plan is finalised (at which time the Bond Trustee may release all securities), but will not serve as security for the Guarantee, the Operating Cost Bonds and/or the Super Senior Secured Bonds.

The relationship between the Issuer, the Bondholders, the holders of Super Senior Secured Bonds and the guarantor providing the Guarantee will be set out in an inter-creditor agreement substantially on the key terms set out in Appendix 2 (the “**Inter-Creditor Agreement**”), to be entered into *inter alia* by the Bond Trustee on behalf of the Bondholders.

### **1.3 Timing and mechanics**

#### **1.3.1 Transactions under the Senior Secured Bonds**

The transactions under the Senior Secured Bonds outlined in Section 1.2 (i) – (iii) above will be carried out in the following order:

- (i) Allocation of PIK Bonds will be based on holding of Senior Secured Bonds on a record date expected to be on or about 21 March 2017 (the “**First Record Date**”). When allocating PIK Bonds, accrued interest will be (pre)calculated to include interest accruing to and including the date falling six business days after the First Record Date (the “**Effective Date**”).
- (ii) Allocated PIK Bonds will be issued on the date falling two business days after the First Record Date. The same day will be the record date for the purpose of the conversion of USD 45 million of the Senior Secured Bonds to shares (the “**Second Record Date**”).

- (iii) The conversion of Senior Secured Bonds in an amount equal to the Issued PIK Bonds (estimated to be approximately USD 45 million) to shares will be carried out on the date falling four business days after the First Record Date.
- (iv) After conversion of Senior Secured Bonds in an amount equal to the Issued PIK Bonds, the Manager Senior Secured Bonds will be issued on the date falling four business days after the First Record Date.
- (v) After issue of the Manager Senior Secured Bonds, the holdings of Senior Secured Bonds on the date falling four days after the First Record Date (the “**Third Record Date**”) will be used as basis for the settlement of USD 340 million of Senior Secured Bonds by issue of the Subordinated Convertible Bonds.
- (vi) The Subordinated Convertible Bonds will be issued on the Effective Date.

Following the steps above, the Senior Secured Bonds will remain with a principle amount of USD 100 million. From and including the day after the Effective Date, interest will accrue on the remaining USD 100 million of Senior Secured Bonds.

In order to facilitate registration of the beneficial interests in the shares in the Issuer (the “**Shares**”) with the VPS, including the conversion of Bonds and Subordinated Convertible Bonds into Shares, the Issuer will enter into a registrar agreement (the “**Registrar Agreement**”) with DNB Bank ASA (the “**VPS Registrar**”). Pursuant to the Registrar Agreement, the VPS Registrar is registered as holder of the Shares in the register of members in Bermuda that the Issuer is required to maintain pursuant to Bermuda law. The VPS Registrar registers the beneficial interests in the Shares in book-entry form with the VPS.

VPS Registrar is registered as holder of the Shares in the register of members in Bermuda that the Issuer is required to maintain pursuant to Bermuda law

### **1.3.2 Issue of Super Senior Secured Bonds**

The initial tranche under the Super Senior Secured Bonds is expected to be in the amount of USD 10 million. The Super Senior Secured Bonds will be formalised in a separate bond agreement.

The subscription period for initial tranche will be from 13 March 2017 to 21 March 2017 16:00 Oslo time. Settlement of the Super Senior Secured Bonds will take place approximately 6 business days after end of the subscription period.

Senior Secured Bondholders will have a pro rata preferential right to the initial tranche of the Super Senior Secured Bonds. Thereafter the holders of Super Senior Secured Bonds will have a pro rata preferential right to any subsequent tap issues.

For the purpose of a pro rata preferential right for the Senior Secured Bondholders to the initial tranche of the Super Senior Secured Bonds, subscriptions (including subscription through custodians or similar) must include proof of current holding in the Senior Secured Bond which must include the identity of the beneficial owner associated with the holding (including amount held per beneficial owner).

For further information about subscriptions for the Super Senior Secured Bonds, please contact:

Email: [bond.syndicate@dnb.no](mailto:bond.syndicate@dnb.no)

Hans-Christian Vatne: +47 97656353

Jørgen Engh: +47 91526853.

### **1.3.3 Issue of the Operating Cost Bonds**

The Operating Costs Bonds will be issued to the Drillship Manager according to a separate bond agreement as a condition precedent to the effectiveness of the new Management Agreement.

## **2 THE PROPOSAL**

The Issuer has resolved to propose to the Bondholders, and has requested the Bond Trustee to summon a Bondholders' Meeting to consider the approval of, the following proposal (the "Proposal"):

- (i) The Bondholders' Meeting approves the proposed restructuring as described in section 1.2 above and in accordance with Appendix 1 to the Summons, including the entering into of the Amendment and Restatement Agreement and the Inter-Creditor Agreement.
- (ii) The Bondholders' Meeting authorizes the Bond Trustee to negotiate, finalise and execute the Amendment and Restatement Agreement and the Inter-Creditor Agreement, and to do all things and take all steps necessary or desirable to implement the Proposal.

## **3 EVALUATION OF THE PROPOSAL**

### **3.1 The Issuer's evaluation**

In the Issuer's opinion, the Proposal constitutes a balanced and fair contribution from the different stakeholders. The Proposal will have a significant positive effect on the liquidity of the Issuer, and will enhance the Issuer's ability to secure new contracts for the Drillship. In turn the Proposal will improve the Issuer's ability to service its debt in the long term.

The Issuer has informed the Bond Trustee that Bondholders holding in excess of 2/3 of the Voting Bonds have irrevocably undertaken to vote in favour of the Proposal.

### **3.2 Non-reliance**

The Proposal is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

## **4 SUMMONS FOR BONDHOLDERS' MEETING**

Bondholders are hereby summoned to a Bondholders' Meeting:

**Time:** 17 March 2017 at 13:00 (Oslo time)

**Place:** The premises of Nordic Trustee ASA,  
Haakon VIIs gate 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 the Proposal.

**It is proposed that the Bondholders' Meeting resolves the following:****Agenda item 4:**

*"The Bondholder's Meeting approves the Proposal as described in section 2 of the summons for the Bondholders' Meeting."*

\*\*\*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 1/2 of the Voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

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). The Bondholder may also fill in the proxy form enclosed as Appendix 6 and provide evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

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@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Business Day before the meeting takes place.

Yours sincerely

**Nordic Trustee ASA**



Lars Erik Lærum

Enclosed: Appendix 1 – Restructuring Term Sheet  
Appendix 2 – Key ICA Principles  
Appendix 3 – Cash Flow forecast 2017  
Appendix 4 – Term Sheet for the Subordinated Convertible Bonds  
Appendix 5 – Term Sheet for the Super Senior Secured Bonds  
Appendix 6 – Proxy form

**Restructuring Term Sheet**  
**GOLDEN CLOSE MARITIME CORP LTD**  
**DEEPSEA METRO 1**

*This restructuring term sheet (the “Restructuring Term Sheet”) sets out the terms for the proposed restructuring of Golden Close Maritime Corp. Ltd. (the “Issuer” or the “Company” and together with any direct or indirect subsidiaries of the Issuer the “Group”), including proposed amendments to the USD 400 million 2014/2019 9,00% senior secured bonds (the “Senior Secured Bonds”) issued by the Company and proposed amendments to the management agreement between the Issuer and Odjell Drilling AS as Drillship Manager (the “Manager”) (the “Restructuring”).*

<b>1.</b>	<b>Senior Secured Bonds:</b>	<p>The bond agreement governing the Senior Secured Bonds (the “Senior Secured Bond Agreement”) and related documentation to be amended and/or restated in accordance with the below (and to reflect any additional logical or consequential changes):</p> <p><b>A: Settlement of accrued interest:</b>  Accrued but unpaid interest calculated as of the Effective Date of approximately USD 45 million will be settled by way of issuance of Senior Secured Bonds (the “PIK Bonds”).</p> <p><b>B: Conversion of Senior Secured Bonds to Shares:</b>  Following issuance of PIK Bonds, increasing the nominal outstanding amount of Senior Secured Bonds to approximately USD 445 million, an amount of the Senior Secured Bonds equal to the amount of the PIK Bonds will be converted to shares in the Company (“Shares”) at conversion price USD 1.00 per share and allocated pro rata between the holders of Senior Secured Bonds.</p> <p><b>C: Issue of additional Senior Secured Bonds to the Manager:</b>  Following the conversion in B above (reducing the outstanding amount to USD 400 million), the Company will issue additional Senior Secured Bonds in the amount of USD 40 million to the Manager in return for <i>inter alia</i> a reduction in the Manager’s fixed fee and allocation of administration cost (the “Manager Senior Secured Bonds”), increasing the nominal outstanding amount of Senior Secured Bonds to USD 440 million. The Manager Senior Secured Bonds will be settled on a non-cash basis against adjustments to the terms of the Management Agreement as described in section 8. After issuance, the Manager Senior Secured Bonds will form part of the Senior Secured Bonds on equal terms.</p> <p><b>D: Debt Swap:</b>  USD 340 million of the Senior Secured Bonds will be settled through exchange to a subordinated convertible bond (the “Subordinated Convertible Bonds” or “Subordinated Convertible Bond Issue”) at 100% of par value, and on terms as outlined below (after issue of the Manager Senior Secured Bonds, so that the Manager’s pro rata share of the Senior Secured Bonds shall be exchanged as provided for herein). The</p>
-----------	------------------------------	--

	<p>Subordinated Convertible Bonds will be issued by the Company on the Effective Date and allocated pro rata between the holders of Senior Secured Bonds after issue of the Manager Senior Secured Bonds (the "Senior Secured Bondholders").</p> <p><b>E: Remaining Senior Secured Bonds:</b> USD 100 million of the Senior Secured Bonds will remain senior secured, essentially on the same term as under the existing Senior Secured Bond Agreement with the following adjustments:</p> <ul style="list-style-type: none"> <li>• Amount: USD 100 million</li> <li>• Tenor: Five (5) years from the Effective Date</li> <li>• Amortization: Bullet at maturity</li> <li>• Status: Senior secured debt obligation to rank below the Guarantee, the Operating Cost Bonds and the Super Senior Secured Bonds and in a 'waterfall' structure</li> <li>• The Company may elect cash or non-cash payment of the interest (any interest payment form is to be identical to the preceding period unless the Company notifies the paying agent and the Bond Trustee of the opposite, not later than five business days before the relevant interest payment falls due) with a quarterly coupon of 8% p.a. if paid in cash and 12% p.a. if payment in kind ("PIK") through the issuance of additional bonds</li> <li>• Clause 13.4.17 (<i>Negative pledge</i>) and Clause 13.4.18 (<i>No Financial Indebtedness</i>) to be amended to allow for the new Super Senior Secured Bonds, the Guarantee and the Operating Cost Bonds</li> <li>• Financial covenants (Minimum Liquidity and Asset Coverage Ratio) to be deleted</li> <li>• Pledge by Parent of subordinated loans to the Issuer and pledge of shares in the Issuer to be excluded from the security package</li> <li>• Other logical amendments, including new term structure</li> </ul> <p><b>F: Issue of Super Senior Secured Bonds and Operating Cost Bonds and carve out for Guarantee:</b></p> <p>The Issuer will (i) issue up to USD 50 million in Super Senior Secured Bonds to secure required funding (ii) issue the USD 6 million Operating Cost Bonds to the Manager as security for Operating Costs and (iii) be entitled to obtain the Guarantee (up to USD 20 million) to facilitate bid bonds for new contract opportunities and performance bonds for contracts if required. The Super Senior Secured Bonds, the Operating Cost Bonds and the Guarantee and any relevant accrued interest/PIK bonds, will share the 1<sup>st</sup> priority mortgage with the Senior Secured Bonds, but with a 'waterfall' mechanism, whereby any proceeds will first go to satisfy the Guarantee and the Operating Cost Bonds, thereafter to satisfy the Super Senior Secured Bond Issue, thirdly to satisfy the Senior Secured Bonds and fourthly to satisfy the Subordinated Convertible Bonds (see further description below).</p> <p><b>G: Post restructuring liquidation of subsidiaries:</b> The Guarantee, the Operating Cost Bonds and the Super Senior Secured Bonds will share the first priority securities currently held by and in favour of the Senior Secured Bonds. Certain of these securities relate to Dutch and Bermudan subsidiaries of the Issuer, which the Issuer intends to liquidate</p>
--	--

Appendix 1

		<p>after the implementation of the restructuring, as they no longer fulfil their previous practical operational purposes. Any proceeds from the liquidation shall be transferred to the Issuer. The current securities relating to these subsidiaries shall therefore remain as security for the Senior Secured Bonds until a liquidation plan is finalised (at which time the Bond Trustee may release all securities), but will not be extended to / serve as security for the Guarantee, the Operating Cost Bonds and/or the Super Senior Secured Bonds.</p>
<p>2.</p>	<p><b>Subordinated Convertible Bonds:</b></p>	<p>The main terms of the Subordinated Convertible Bonds are:</p> <ul style="list-style-type: none"> <li>• Amount: USD 340 million</li> <li>• Tenor: Five (5) years from the Effective Date</li> <li>• Status: Subordinated debt obligations of the Company</li> <li>• Coupon: Zero</li> <li>• Conversion: Convertible to Shares at any time throughout the tenor</li> <li>• Conversion Price: USD 1.0 per share</li> <li>• Issuer's call options: None</li> <li>• Repayment: The Issuer may repay the Subordinated Convertible Bonds by conversion to shares at the final maturity date at the Conversion Price (share settlement option)</li> <li>• Anti-dilution mechanic: Bond agreement will contain limited provisions for adjustment of the conversion price. Conversion price shall be adjusted in the event any new convertible loans are issued with conversion price less than USD 1.0, but not, in any event, below the par value per Share. Holders of the Subordinated Convertible Bonds will in the event of issuance of shares, a merger, split or consolidation of shares in the Issuer, de-merger or issuance of convertible loans etc. have the same rights as a shareholder.</li> </ul>
<p>3.</p>	<p><b>Super Senior Secured Bond Issue:</b></p>	<p>The Issuer will be able to issue a new super senior liquidity facility (the “Super Senior Secured Bonds” and the “Super Senior Secured Bond Issue”) in an amount of up to USD 50 million if required to provide working capital for the Company. Senior Secured Bondholders will have a pro rata preferential right to the first tap issue of the Super Senior Secured Bonds, and thereafter the holders of Super Senior Secured Bonds will have a pro rata preferential right to any subsequent tap issues.</p> <ul style="list-style-type: none"> <li>• Amount: Up to USD 50 million in one or more tranches</li> <li>• Minimum subscription amount: Amount equivalent to EUR 100,000</li> <li>• Tenor: Five (5) years from the issue date (expected to be on the Effective Date).</li> <li>• Status: Senior Secured debt obligation with shared first priority security with the Guarantee and the Operating Cost Bonds (effectively ranking ahead of the Senior Secured Bonds and below the Guarantee and the the Operating Cost Bonds in an enforcement waterfall)</li> <li>• Amortization: Bullet at maturity</li> <li>• The Company can elect cash or non-cash payment of the interest (any interest payment form is to be identical to the preceding period unless the Company notifies the paying agent and the Bond</li> </ul>

Appendix 1

		Trustee of the opposite, not later than five business days before the relevant interest payment falls due), with a quarterly coupon of 10% p.a. if paid in cash and 15% p.a. if payment in kind ("PIK") through the issuance of additional notes. If the Company pays cash interest on the Senior Secured Bonds, interest on the Super Senior Secured Bonds must be paid in cash.
4.	<b>Guarantee:</b>	<p>The Issuer will, if required, obtain a guarantee facility in the amount of up to USD 20 million to facilitate bid bonds for new contract opportunities and performance bonds for contracts. The main terms of the Guarantee to be as follows (or better, if obtained by the Issuer):</p> <ul style="list-style-type: none"> <li>• Amount: Up to USD 20 million</li> <li>• Status: Senior Secured debt obligation with first priority security (effectively ranking pari passu with the Operating Cost Bonds and ahead of the the Super Senior Secured Bonds and the Senior Secured Bonds in an enforcement waterfall)</li> <li>• Availability period: Up to Five (5) years</li> <li>• Availability: The Issuer may request one or several guarantees during the availability period, provided that the maximum outstanding guarantees at no time in aggregate exceeds USD 20 million, including fees/expenses</li> <li>• Guarantor's fee: up to 5% p.a. for guarantees issued and up to 10% p.a. if a cash collateral is required, plus up to \$50,000 per guarantee issuance. May be payable quarterly as advance payment.</li> </ul>
5.	<b>Operating Cost Bonds:</b>	<p>The USD 5 million minimum reserve amount held by the Manager as security for operating costs in accordance with the existing Management Agreement shall be replaced by bonds in the principal amount of USD 6 million (the "Operating Cost Bonds") issued by the Company to the Manager and settled on a non-cash basis as security for Operating Costs (as defined below) in case of expiry or termination of the Management Agreement. The main terms of the Operating Cost Bonds will be:</p> <ul style="list-style-type: none"> <li>• Amount: USD 6 million</li> <li>• Tenor: Six months after expiry or termination of the Management Agreement</li> <li>• Status: Senior secured debt with shared first priority security with the Super Senior Secured Bonds, Senior Secured Bonds and Guarantee (effectively ranking pari passu with the Guarantee and ahead of the Super Senior Secured Bonds and the Senior Secured Bonds in an enforcement waterfall)</li> <li>• Coupon: Zero</li> <li>• Purpose: Serve as security, following expiry or termination of the Management Agreement, for payment of any sums due or owing to the Manager or its affiliates under the Management Agreement (including any sums payable as compensation or damages) (the "Operating Costs")</li> </ul>

		<ul style="list-style-type: none"> <li>• Payment: Two weeks after the Manager has provided the Company with written notice to pay Operating Costs following expiry of the Management Agreement or notice and termination by the Manager. Any Operating Costs paid by the Company shall be deducted from the amount payable under the Operating Cost Bonds.</li> <li>• Event of default: If and to the extent Operating Costs remain unpaid by the Company two weeks after the Manager’s written payment notice.</li> </ul>												
6.	<b>Intercreditor Agreement</b>	An intercreditor agreement (the “ <b>Intercreditor Agreement</b> ”) shall be entered into by the Issuer, [the Guarantor] and Nordic Trustee ASA (on behalf of [the Guarantor,] the bondholders in the Super Senior Secured Bonds, the bondholders in the Senior Secured Bonds and the Manager as bondholder in the Operating Cost Bonds), on customary terms and conditions acceptable to the parties, which shall <i>inter alia</i> provide for a waterfall in accordance with items 1 through 5 above in case of sale of the Drillship (voluntary or forced) or enforcement of any security and turn-over provisions reflecting the foregoing, as set out in further detail in the Key Intercreditor Principles enclosed hereto.												
7.	<b>Shareholders:</b>	<p>The Company will call a special general meeting (and/or distribute written member resolutions) to approve the Restructuring, the reduction of the paid up share capital through reduction of par value to USD 0.1 per share, the issuance of the new shares, the issuance of the PIK Bonds, the Manager Senior Secured Bonds, the Subordinated Convertible Bonds, the Super Senior Secured Bonds, the Operating Cost Bonds, the Guarantee, amendments to the Company’s bye-laws desirable for registration of the Company’s shares in VPS and to provide for rights of holders of Subordinated Convertible Bonds to participate in distributions and rights issues (the “<b>Required Shareholder Resolutions</b>”).</p> <p>Following the completion of conversion of an amount equal to the PIK Bonds to shares the pro-forma fully diluted equity interest in the Company will be as follows (note: for illustration purposes only based on issued shares outstanding post reduction of par value per share):</p> <table border="1"> <thead> <tr> <th>Stakeholder</th> <th>Shares (#)</th> <th>Shares (%)</th> </tr> </thead> <tbody> <tr> <td>Existing shareholders</td> <td>1000</td> <td>~0.01%</td> </tr> <tr> <td>Existing bondholders</td> <td>~45,000,000</td> <td>~99.99%</td> </tr> <tr> <td>Total</td> <td>~45,001,000</td> <td>100.00%</td> </tr> </tbody> </table>	Stakeholder	Shares (#)	Shares (%)	Existing shareholders	1000	~0.01%	Existing bondholders	~45,000,000	~99.99%	Total	~45,001,000	100.00%
Stakeholder	Shares (#)	Shares (%)												
Existing shareholders	1000	~0.01%												
Existing bondholders	~45,000,000	~99.99%												
Total	~45,001,000	100.00%												
8.	<b>Management Agreement:</b>	<p>The Company will enter into a revised and amended Management Agreement with the Manager. The amended Management Agreement will become effective upon the Issuer issuing to the Manager a total of USD 40 million in Manager Senior Secured Bonds as described in section 1 above, and Operating Cost Bonds in the amount of USD 6 million as described in section 5 above, and in accordance with the following conditions:</p> <ul style="list-style-type: none"> <li>a) The Management fixed fee is reduced by 50% from USD 5,900/day (the “<b>Existing Fixed Fee</b>”) to USD 2,950/day (the “<b>Reduced Fixed Fee</b>”) until end 2020</li> <li>b) Allocation of Manager’s Administration Cost (including Dedicated Core Rig Team cost, Allocated Technical Support cost, Allocated</li> </ul>												

Appendix 1

		<p>Asset Management cost, Allocated MODU Management cost, Allocated HSE Support cost and Allocated GBS Support cost) per drilling rig (as per current practise) is set to USD 10,000/day for each day the drilling rig is deployed and earning hire under a charter contract, and USD 7,000 for each day the drilling rig is not deployed on a charter contract, until end 2020</p> <p>c) If the Company terminates the Management Agreement for cause as per Clause 18.2 of the Management Agreement, the Manager will be obliged to pay the Issuer an amount corresponding to the present value of the difference between the Existing Fixed Fee and the Reduced Fixed Fee from the date of termination until end 2020 except that the Manager may withhold and set-off any amount payable by the Issuer to the Manager under the Management Agreement</p> <p>d) Manager will use all endeavours to minimize costs and preserve liquidity in the Company while operating the rig in a safe and efficient manner</p> <p>e) Requirement for minimum USD 5 million minimum reserve amount to be deleted and replaced by the Operating Cost Bonds in the principal amount of USD 6 million</p>
9.	<b>Security Documents:</b>	The Parent/the Company will enter into amendments to the Bermuda law share charge, a Bermuda law floating charge and other Bermuda law security documents to reflect the addition of the Guarantee, the Super Senior Secured Bonds and the Operating Cost Bonds under the existing security. Consent of the Bond Trustee will be required/obtained for the change to the Company's share capital.
10.	<b>Sale of the Drillship:</b>	<p>Any sale of Deepsea Metro I (the "Drillship") shall take place by way of competitive bid process in accordance with the following main principles:</p> <p>a) The Manager shall be provided a notice no later than 15 calendar days prior to initiation of a competitive bid process and shall be given the right to participate in the competitive bid process</p> <p>b) Invitation to attend the competitive bid process shall inter alia include:</p> <p>i. The time period during which offers to purchase the Drillship must be submitted, which shall at least be 25 calendar days from the date of the Invitation</p> <p>ii. That any offer to purchase must be firm, irrevocable and made by a purchaser which is acting in good faith, independent (save for the Manager), creditworthy and solvent</p> <p>c) The Manager shall be given a right of first refusal for any bids on the Drillship exceeding USD 400 million</p>
11.	<b>Implementation:</b>	Amendments to Senior Secured Bond Agreement and Management Agreement to be implemented as quickly as practically possible after the date on which all the conditions precedent have been fulfilled (the "Effective Date").

<p>12.</p>	<p><b>Conditions for Effective Date:</b></p>	<p>The occurrence of the Effective Date will be subject to the following conditions precedent being fulfilled (subject to agreed closing mechanics):</p> <ul style="list-style-type: none"> <li>a) Pre-commitment to the terms of the Restructuring from Deep Sea Metro Ltd (the “Parent” and 100% shareholder of the Issuer) prior to issuance of the Manager Senior Secured Bonds, the Subordinated Convertible Bonds, the Operating Cost Bonds and, if applicable, the Super Senior Secured Bonds</li> <li>b) Necessary waivers with respect to change of control, default/cross default provisions under applicable agreements (commercial contracts, other loan agreements, and shareholder agreements).</li> <li>c) Confirmation from the Issuer that there are no loan or debt obligations, other than claims arising out of the ordinary course of business (including tax claims and similar), owed by the Issuer or any company controlled by the issuer, and that no security, guarantees or undertaking has been granted by such companies, to other companies than the Issuer and any company controlled by the Issuer.</li> <li>d) Approval of the Restructuring in a Bondholders’ Meeting by Bondholders with a 2/3 majority requirement of the voting Bonds in a meeting with quorum of 50% of the outstanding Bonds.</li> <li>e) The passing of each of the Required Shareholder Resolutions at a duly convened shareholders’ meeting of the Company and the passing of all board resolutions to approve the matters envisaged by the restructuring.</li> <li>f) Signing of amendments to the security documents and the Intercreditor Agreement</li> <li>g) Termination of any existing shareholder agreement related to the shares in any member of the Group</li> <li>h) Confirmation from the Issuer that no member of the Group having entered into any bankruptcy, liquidation, administration, receivership or any other insolvency procedure (or any analogous proceeding in any other jurisdiction), whether voluntary or involuntary</li> <li>i) Confirmation from the Issuer that no enforcement or acceleration or debt recovery action having been taken by or on behalf of any of the other creditors and/or suppliers of the Company or any member of the Group under or in connection with any other indebtedness or due amounts of the Company or any member of the Group in an aggregate amount in excess of USD 1 million</li> <li>j) Other customary condition precedent as reasonably requested by the Bond Trustee</li> </ul>
------------	--	--

## Appendix 2

### KEY INTERCREDITOR PRINCIPLES

#### 1. PARTIES

- (1) Golden Close Maritime Corp. Ltd. (the “**Issuer**”); and
- (2) Nordic Trustee ASA in its capacity as bond trustee and security agent on behalf of the bondholders in Golden Close Maritime Corp. Ltd. Senior Secured Bonds (ISIN: NO 001 072 202.8) (the “**Senior Secured Bond Trustee**”);
- (3) Nordic Trustee ASA in its capacity as bond trustee and security agent on behalf of the bondholders in the new Super Senior Secured Bond Issue (ISIN NO: [●]) (the “**Super Senior Secured Bond Trustee**”);
- (4) Nordic Trustee ASA in its capacity as bond trustee and security agent on behalf of the Manager as bondholder in the Operating Cost Bonds (ISIN: NO [●]) (the “**Operating Cost Bond Trustee**”);
- (5) [●] as guarantor under the Guarantee (the “**Guarantor**”).
- (6) [Nordic Trustee ASA (the “**Guarantee Security Agent**”) in its capacity as security agent on behalf of the Guarantor].

#### 2. DEFINITIONS

“**Guarantee**” means a guarantee facility in the amount of up to USD 20 million made available to the Issuer by the Guarantor pursuant to the Guarantee Agreement

“**Guarantee Agreement**” means the guarantee agreement dated [●] (as amended from time to time), entered into between the Guarantor and the Issuer.

“**Guarantee Obligations**” means the Issuer’s obligations towards the Guarantor in accordance with the Guarantee, including (but not limited to) the payment of fees and any recourse claim against the Issuer by the Guarantor.

“**Guarantee Security Documents**” means the security documents securing the Guarantee Obligations.

“**Manager**” means the manager of the Drillship, Odfjell Drilling AS.

“**Operating Cost Bond Agreement**” means the bond agreement dated [●] (as amended from time to time), entered into between the Operating Cost Bond Trustee and the Issuer.

“**Operating Cost Bond Obligations**” means the Issuer’s obligations and liabilities under the Operating Cost Bond Agreement to pay principal and default interest in respect of the Operating Cost Bonds.

## Appendix 2

**“Operating Cost Bond Security Documents”** means the security documents securing the Operating Cost Bond Obligations.

**“Operating Cost Bonds”** means the USD 6 million Golden Close Maritime Corp. Ltd. [●] bonds issued by the Issuer pursuant to the Operating Cost Bond Agreement.

**“Secured Parties”** means the Operating Cost Bond Trustee (on behalf of the Manager), the Guarantor, the Super Senior Secured Bond Trustee (on behalf of the Super Senior Secured Bondholders) and the Senior Secured Bond Trustee (on behalf of the Senior Secured Bondholders).

**“Senior Secured Bonds”** means the USD 100 million Golden Close Maritime Corp. Ltd. Senior Secured Bond Issue (ISIN: NO 001072202.8), issued by the Issuer pursuant to the Senior Secured Bond Agreement.

**“Senior Secured Bondholders”** means the holders of the Senior Secured Bonds from time to time.

**“Senior Secured Bond Agreement”** means the senior secured bond agreement originally dated 23 October 2014 (as amended from time to time), entered into between the Senior Secured Bond Trustee and the Issuer.

**“Senior Secured Bond Obligations”** means the Issuer’s obligations under the Senior Secured Agreement and finance documents to pay principal, interest, default interest and premium in respect of the Senior Secured Bonds.

**“Senior Secured Security Documents”** means the security documents securing the Senior Secured Obligations.

**“Subordinated Convertible Bond Trustee”** means the bond trustee for the Subordinated Convertible Bonds.

**“Subordinated Convertible Bonds”** means the subordinated convertible bonds which the Issuer is permitted to issue under the Senior Secured Bond Agreement.

**“Super Senior Secured Bonds”** means the USD 50 million Golden Close Maritime Corp. Ltd. [●] issued by the Issuer pursuant to the Super Senior Secured Bonds Agreement.

**“Super Senior Secured Bondholders”** means the holders of the Super Senior Secured Bonds from time to time.

**“Super Senior Secured Bond Agreement”** means the bond agreement dated [●] (as amended from time to time), entered into between the Super Senior Secured Bond Trustee and the Issuer.

**“Super Senior Secured Bond Obligations”** means the Issuer’s obligations and liabilities under the Super Senior Secured Bond Agreement to pay principal, interest, default interest and premium in respect of the Super Senior Secured Bonds.

## Appendix 2

“**Super Senior Secured Security Documents**” means the security documents securing the Super Senior Secured Obligations.

### 3. CONSENT OF GRANTING SECURITY

- 3.1 The Senior Secured Bond Trustee will consent to granting by the Issuer of the security to the Operating Cost Bond Obligations, the Guarantee Obligations and the Super Senior Secured Obligations in accordance with the ranking of security as set out in clause 4.

### 4. RANKING OF SECURITY

- 4.1 The Operating Cost Bond Obligations, the Guarantee Obligations, the Super Senior Secured Bond Obligations and the Senior Secured Bond Obligations will be secured by the existing security package established in connection with the Senior Secured Bond Agreement.

The Guarantee Obligations, the Operating Cost Bond Obligations, the Super Senior Secured Bond Obligations and the Senior Secured Bond Obligations will share first priority security.

### 5. UNDERTAKINGS AND ACCELERATION

- 5.1 The Operating Cost Bond Trustee, the Guarantor and the Super Senior Secured Bond Trustee shall each at the same time as giving any formal notice to the Issuer that an event of default has occurred under the Operating Cost Bonds, the Guarantee or the Super Senior Secured Bond, or that the Operating Cost Bond Obligations, Guarantee Obligations or Super Senior Secured Bond Obligations are declared due and payable in full, notify the other Secured Parties.

- 5.2 The Operating Cost Bond Trustee, the Guarantor or the Super Senior Secured Bond Trustee shall in the event it intends to enforce its rights or powers under the Operating Cost Bond Agreement, the Guarantee or the Super Senior Secured Bond Agreement notify the other Secured Parties.

- 5.3 Following a receipt of notice in accordance with 5.2, the other Secured Parties except the Operating Cost Bond Trustee shall have a buy-out option to acquire the outstanding obligations under the Operating Cost Bonds, the Guarantee or the Super Senior Secured Bonds (as applicable). The buy-out option must be exercised within 30 calendar days from the notice, during which the Operating Cost Bond Trustee, the Guarantor and the Super Senior Secured Bond Trustee shall not complete a sale of the Drillship or of shares in the entity owning the Drillship. The buyout must be completed within 15 business days of the buy-out option being exercised.

- 5.4 The buy-out option will be exercised as follows:

- (a) In case of a notice in accordance with 5.2 by the Guarantor, each of the Super Senior Secured Bondholders and each of the Senior Secured Bondholders shall be given the offer to acquire a portion of the Guarantee Obligations pro rata to their amount of bonds, with preferential right for the Super Senior Secured Bondholders. The buy-out option will only be exercised if the Super Senior Secured Bondholders or the Senior Secured Bondholders (as applicable) in aggregate accept to acquire the Guarantee Obligations in their entirety. If the buy-out option is exercised, acceleration or enforcement of the acquired Guarantee

## Appendix 2

Obligations will be subject to decision by holders of a majority of the Guarantee Obligations.

- (b) In case of a notice in accordance with 5.2 by the Super Senior Secured Bond Trustee, the Guarantor and each of the Senior Secured Bondholders (pro rata to their amount of bonds) shall be given the offer to acquire the Super Senior Secured Bonds, with preferential right for the Guarantor. The buy-out option will only be exercised by the Senior Secured Bondholders if the Senior Secured Bondholders in aggregate accept to acquire all Super Senior Secured Bonds.
- (c) In case of a notice in accordance with 5.2 by the Operating Cost Bond Trustee, the Guarantor, each of the Super Senior Secured Bondholders and each of the Senior Secured Bondholders (pro rata to their amount of bonds) shall be given the offer to acquire the Operating Cost Bonds, with preferential right for the Guarantor and the Super Senior Secured Bondholders (and, if preferential right invoked by both groups, a distribution pro rata to the amount of their outstanding claims/bonds). The buy-out option will only be exercised by the Super Senior Secured Bondholders or the Senior Secured Bondholders if either the Super Senior Secured Bondholders or the Senior Secured Bondholders (as applicable) in aggregate accept to acquire all Operating Cost Bonds.

The buy-out option is completed by the acquiring party/parties paying an amount of USD 6 million to the Manager in exchange for acquiring the Operating Cost Bonds. The Manager may only use the proceeds to cover any sums due or owing to the Manager or its affiliates under or in connection with the management agreement for the Drillship (including any sums payable as compensation or damages), and will be obliged to distribute any part of the amount exceeding such amount to an account in the Issuer's name pledged in favour of the Secured Parties within 180 calendar days after completion of the buy-out.

- (d) The Issuer undertakes to use its best endeavours, and its rights and discretions under the relevant agreements, to facilitate the exercise of the buy-out option as set out above, including to act as an intermediary if necessary.
- 5.5 The Issuer shall not grant, and the Secured Parties shall not accept the granting of, any security interests by the Issuer other than the Operating Cost Bond Security Documents, the Guarantee Security Documents, the Super Senior Secured Security Documents and the Senior Secured Security Documents.
- 5.6 The Senior Secured Bond Trustee undertakes that it will not, following an event of default under the Senior Secured Bond Agreement, take any action to enforce any claim or seek to exercise any of its rights and powers of enforcement under the Senior Secured Security Documents and/or the Senior Secured Bond Agreement, except where (i) both the Guarantor and the Super Senior Secured Bond Trustee gives prior written consent or (ii) the Senior Secured Bond Trustee has paid the outstanding amount under the Guarantee Obligations and the Super Senior Secured Obligations against transfer and assignment of the rights of the Super Senior Secured Bond Trustee under the Super Senior Secured Security Documents and of the Guarantor under the Guarantee Security Documents (following an event where the Super Senior Secured Bond Trustee and the Guarantor intended to enforce their rights).

## Appendix 2

5.7 If the Guarantor and the Super Senior Secured Bond Trustee have not taken enforcement actions after receiving a notice of default under the Senior Secured Bond Agreement, the Senior Secured Bond Trustee may exercise any of its rights and powers of enforcement under the Senior Secured Security Documents and/or the Senior Secured Bond Agreement on a date falling 180 calendar days after it has served the Guarantor and the Super Senior Secured Bond Trustee with notice of default under the Senior Secured Bond Agreement.

### 6. SALE OF DRILLSHIP

6.1 Any sale of Deepsea Metro I (the “Drillship”) shall take place by way of competitive bid process in accordance with the following main principles:

- (a) The Manager shall be provided a notice no later than 15 calendar days prior to initiation of a competitive bid process and shall be given the right to participate in the competitive bid process.
- (b) Invitation to attend the competitive bid process shall, in addition to the Manager, be sent the Guarantor, the Super Senior Secured Bond Trustee, the Senior Secured Bond Trustee (as applicable) and to at least two independent third parties, and shall *inter alia* include:
  - (i) The time period during which offers to purchase the Drillship must be submitted, which shall at least be 25 calendar days from the date of the Invitation.
  - (ii) That any offer to purchase must be firm, irrevocable and made by a purchaser which is acting in good faith, independent, creditworthy and solvent.

6.2 The Manager shall be given a right of first refusal for any bids on the Drillship exceeding USD 400 million.

### 7. APPLICATION OF MONIES

7.1 Any proceeds from enforcement of the Operating Cost Bond Obligations, the Guarantee Obligations, the Super Senior Secured Bond Obligations or the Senior Secured Bond Obligations, realisation of security thereof or proceeds received from sale of the Drillship shall be distributed as follows:

- (a) firstly, pro rata in payment or distribution to each of (i) the Operating Cost Bond Trustee for application towards payment (in accordance with the terms of the Operating Cost Bond Agreement) of the Operating Cost Bond Obligations and fees and expenses incurred by or on behalf of the Manager in connection with enforcement of the Operating Cost Bond Obligations; and (ii) the Guarantor for application (in accordance with the terms of the Guarantee) towards payment of the Guarantee Obligations and fees and expenses incurred by or on behalf of the Guarantor in connection with enforcement of the Guarantee Obligations (for the avoidance of doubt, the distributions in no. (i) and (ii) above shall be of equal ranking and be made pro rata to the payments referred to therein);

## Appendix 2

- (b) secondly, in or towards payment of all costs and expenses incurred by the Super Senior Secured Bond Trustee and its advisers under or in connection with the Super Senior Secured Bonds;
  - (c) thirdly, in payment or distribution to the Super Senior Secured Bond Trustee on its own behalf and on behalf of the Senior Secured Bondholders for application towards the interest payment and discharge of the Super Senior Secured Bond Obligations;
  - (d) fourthly, in or towards payment of all costs and expenses incurred by the Senior Secured Bond Trustee and its advisers under or in connection with the Senior Secured Bonds;
  - (e) fifthly, in payment or distribution to the Senior Secured Bond Trustee on its own behalf and on behalf of the Senior Secured Bondholders for application (in accordance with the terms of the Senior Secured Bonds Finance Documents) towards the interest payment and discharge of the Senior Secured Bond Obligations;
  - (f) sixthly, in or towards payment of all costs and expenses incurred by the Subordinated Convertible Bond Trustee and its advisers under or in connection with the Subordinated Convertible Bonds;
  - (g) seventhly, if the holders of the Subordinated Convertible Bonds are entitled to settlement in cash, in payment to the Subordinated Convertible Bond Trustee on behalf of the holders of Subordinated Convertible Bonds for application (in accordance with the terms of the Subordinated Convertible Bonds) towards the interest payment and discharge of the Issuer's obligations under the Subordinated Convertible Bonds; and
  - (h) eighthly, the balance, if any, to the Issuer.
- 7.2 Any proceeds to the Manager in accordance with Clause 7.1 (a) shall be distributed to the Manager even if an amount payable by the Company in accordance with the Operating Cost Bond Agreement has not been claimed or has not yet materialized.
- 7.3 The proceeds received by the Manager in accordance with Clause 7.1 may only be used by the Manager to cover sums payable under the Operating Cost Bond Agreement and the Manager will be obliged to distribute any part of the amount exceeding such amount payable under the Operating Cost Bond Agreement to an account in the Issuer's name pledged in favour of the Secured Parties within 180 calendar days after receipt of proceeds in accordance with Clause 7.1.
- 7.4 If any party receives any monies contrary to the above waterfall, such party shall turn over such monies to the other parties as required to achieve the intended waterfall.
- 8. OTHER PROVISIONS**
- The Intercreditor Agreement will contain other applicable provisions in accordance with market practice.

## Appendix 2

### 9. GOVERNING LAW, JURISDICTION

The Intercreditor Agreement shall be governed by Norwegian law, and the legal venue for any dispute shall be Oslo City Court (Oslo tingrett).

## Appendix 3

	Idle	Mob	Ops	Demob Galoc	Idle	Idle	Mob Ops	Ops Tender 1/	Idle/mob	Ops Tender 2	Idle	
		Galoc/Nido	Galoc/Nido				Tender 1	de mob				
CASH FLOW ANALYSIS (USDk)	31	28	31	30	31	30	31	31	30	31	30	
	<b>Jan'17</b>	<b>Feb'17</b>	<b>Mar'17</b>	<b>Apr'17</b>	<b>May'17</b>	<b>Jun'17</b>	<b>Jul'17</b>	<b>Aug'17</b>	<b>Sept'17</b>	<b>Oct'17</b>	<b>Nov'17</b>	<b>Dec'17</b>
Revenues					646	2 746				2 423	2 423	-
Opex incl mng.fee		-2 015	-3 131	-4 815	-3 255	-1 705	-1 705	-2 635	-4 815	-2 635	-4 815	-2 635
Fuel mob/demob			-990		-630			-990		-990		
Payment PIT (Vietnam/Malaysia)			-5 000									
Capex		-420				-600						
<b>Net cash flow</b>		<b>-2 435</b>	<b>-9 121</b>	<b>-4 815</b>	<b>-3 239</b>	<b>441</b>	<b>-1 705</b>	<b>-3 625</b>	<b>-4 815</b>	<b>-1 203</b>	<b>-2 393</b>	<b>-2 635</b>
TOTAL CASH Beginning Of Period		29 250	26 815	17 694	12 879	9 640	10 080	8 375	4 750	-65	-1 267	-3 660
<b>CASH End Of Period</b>	<b>29 250</b>	<b>26 815</b>	<b>17 694</b>	<b>12 879</b>	<b>9 640</b>	<b>10 080</b>	<b>8 375</b>	<b>4 750</b>	<b>-65</b>	<b>-1 267</b>	<b>-3 660</b>	<b>-6 295</b>

### Assumptions cash flow forecast 2017:

NIDO project in Phillipines - 21 days (contract secured - dayrate USD 170k and budgeted OPEX/day 165k)

Idle period from NIDO to "Tender 1" (April to September) - OPEX/day 85k in May and August, OPEX/day 55k in June and July

"Tender 1" project - 30 days (prospect - estimated dayrate USD 170k and OPEX/day 165k)

"Tender 2" project - 30 days (prospect - estimated dayrate USD 170k and OPEX/day 165k - revenue cashflow in 2018)

Updated 22 February 2017

## Term Sheet

### Golden Close Maritime Corp. Ltd Subordinated Convertible Bond Issue 2017/2022 (the “Subordinated Convertible Bonds” or the “Subordinated Convertible Bond Issue”)

**Conversion Settlement Date: [●] 2017**

1.	<b>Definitions:</b>	Capitalised terms used in this term sheet, but not defined herein, shall have the meaning given to them in Schedule 1 ( <i>Definitions</i> ) hereto.
2.	<b>Issuer:</b>	Golden Close Maritime Corp. Ltd a corporation formed under the laws of Bermuda and having its registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda
3.	<b>Parent:</b>	Deep Sea Metro Ltd., a corporation formed under the laws of Bermuda and owner of 100% of the shares in the Issuer prior to the conversion of debt to shares contemplated by the Restructuring.
4.	<b>Issue Amount:</b>	USD 340 million
5.	<b>Currency:</b>	USD
6.	<b>Group:</b>	Means the Issuer and all its (directly or indirectly owned) Subsidiaries from time to time, and a “ <b>Group Company</b> ” means the Issuer or any of its Subsidiaries.
7.	<b>Interest:</b>	Zero coupon
8.	<b>Conversion Settlement Date:</b>	Expected to be the same date as the Restructuring Effective Date.
9.	<b>Final Maturity Date:</b>	Five years after the Conversion Settlement Date.
10.	<b>Shareholder Approvals:</b>	Means any required approval of the shareholders of the Issuer at special general meeting(s) in relation to the issue of the Manager Senior Secured Bonds, the Subordinated Convertible Bonds, the Super Senior Secured Bonds and the Operating Cost Bonds.
11.	<b>Issue Price:</b>	100% of Nominal Value.
12.	<b>Nominal Value:</b>	The Subordinated Convertible Bonds will have a nominal value of USD 1.00 each.
13.	<b>Amortization:</b>	The Subordinated Convertible Bonds shall be repaid through conversion pursuant to the Share Settlement (see below) in full at the Final Maturity Date at 100% of par value, if not previously redeemed or converted into shares.
14.	<b>Purpose of the Subordinated Convertible Bond Issue:</b>	The net proceeds from the Subordinated Convertible Bond Issue will be used to refinance USD 340 million of the Issuer’s Senior Secured Bonds on the terms and conditions as set out in the Restructuring Term Sheet.

15.	<b>Subscribers of the Subordinated Convertible Bonds:</b>	<p>The subscribers (recipients) of the Subordinated Convertible Bond will be the bondholders in the Senior Secured Bonds.</p> <p>The bondholders in the Subordinated Convertible Bonds are referred to below as the “<b>Subordinated Convertible Bondholders</b>”.</p>
16.	<b>Status of the Subordinated Convertible Bonds:</b>	<p>The Subordinated Convertible Bonds shall rank as subordinated unsecured obligations of the Issuer. The Subordinated Convertible Bonds shall be subordinated to the financial liabilities of the Group, however the Subordinated Convertible Bonds shall rank pari passu with any other subordinated debt of the Issuer, and shall rank ahead of all amounts payable in respect of the share capital of the Issuer.</p>
17.	<b>Conversion Price:</b>	USD 1.00 per share.
18.	<b>Dividends:</b>	<p>To the extent the Issuer resolves any distributions in respect of the shares, then the Subordinated Convertible Bondholders shall receive a distribution as if it had been a shareholder after conversion.</p>
19.	<b>Adjustment to the Conversion Price:</b>	<p>The Bond Agreement will contain limited provisions for adjustment of the Conversion Price, and the Subordinated Convertible Bondholders will in the event of a merger, split or consolidation of shares, de-merger or issuance of convertible loans etc. be treated as a shareholder.</p> <p>There will be no adjustment of the Conversion Price for new share issues during the tenor of the Subordinated Convertible Bonds, however Subordinated Convertible Bondholders shall be given subscription rights to have the right to participate in rights issues (i.e. share issues with preferential rights for existing shareholders) by way of providing such subscription rights to the Subordinated Convertible Bondholders account ahead of such share issue, early enough for the Subordinated Convertible Bondholders to be able to either sell such subscription rights or to purchase shares in such share issues.</p> <p>The Conversion Price shall be adjusted in the event any new convertible loans are issued with conversion price less than USD 1.00 (but not below the par value per share), so that it upon completion of the new convertible loan the Conversion Price is equal to the conversion price of such convertible loan (to the extent the conversion price is lower).</p> <p>Each Subordinated Convertible Bondholders shall have equal rights as if it had been a shareholder in terms of any dividend payment and other distributions to the shareholders. For any portion of the Subordinated Convertible Bonds being converted at a point in time which implies that the Subordinated Convertible Bondholder neither receives such dividend or other distribution as a bondholder or on the shares being issued upon the conversion, the Conversion Price shall be adjusted (but not below the par value per share) so that the economic value is compensated for.</p>
20.	<b>Bondholder’s Conversion Rights:</b>	<p>Each Subordinated Convertible Bondholder shall be entitled to convert (the “<b>Conversion Right</b>”) any or all of their Subordinated Convertible Bonds into</p>

		<p>ordinary shares of the Issuer at the Conversion Price at any time during the Conversion Period by sending a notice to the Issuer (a “<b>Conversion Notice</b>”).</p> <p>If an exercise of the Conversion Right gives rise to fractional shares, the number of shares resulting from the conversion shall be rounded down to the nearest whole share (fractional shares will not be issued).</p> <p>The Conversion Right cannot be separated from the Subordinated Convertible Bonds.</p>
21.	<b>Conversion Period:</b>	Means the period commencing on the Conversion Settlement Date and ending on the twentieth (20 <sup>th</sup> ) business day prior to the Final Maturity Date, in no event more than 5 (five) years from the date of issuance of the Subordinated Convertible Bonds.
22.	<b>Conversion Date:</b>	<p>The Conversion Date will be the twentieth (20<sup>th</sup>) business day after the date on which the Conversion Agent has received the Conversion Notice from a Subordinated Convertible Bondholder notifying the Conversion Agent that it is exercising its Conversion Right.</p> <p>The Issuer can postpone effectuation of conversions to the next Quarter Date, provided that the applicable conversion amount is less than USD 2 (two) million face value, except to the extent the conversion is necessary to exercise any rights under the Subordinated Convertible Bonds.</p>
23.	<b>Share Settlement:</b>	The Issuer will redeem the Subordinated Convertible Bonds on the Final Maturity Date (instead of repaying in cash), by converting the Subordinated Convertible Bonds into shares at the Conversion Price.
24.	<b>Conditions Precedent:</b>	<p>The issue of the Subordinated Convertible Bonds will be subject to the fulfilment of certain conditions precedent, to the satisfaction of the Bond Trustee, as customary for these types of transactions, including but not limited to:</p> <ul style="list-style-type: none"> <li>• The Bond Agreement duly executed;</li> <li>• Confirmation from the Issuer that the Restructuring Effective Date has occurred or will occur as a result of the issuance of the Subordinated Convertible Bonds;</li> <li>• Bermuda Monetary Authority consent to the issuance of the Subordinated Convertible Bonds; and</li> <li>• Other customary Conditions Precedent.</li> </ul>
25.	<b>Issuer’s Undertakings:</b>	<p>During the term of the Subordinated Convertible Bonds, the Issuer shall at all times (unless the Trustee or the Bondholders’ meeting (as the case may be) in writing has agreed otherwise) comply with the following undertakings:</p> <ul style="list-style-type: none"> <li>• <b>Corporate resolutions:</b> The Issuer shall inform the Bond Trustee in writing as soon as the Issuer becomes aware of a proposed resolution authorising the issuance of new shares or an increase of the capital in the Issuer or to make dividend payments or other distributions to the shareholders in the Issuer.</li> </ul>

Appendix 4

		<ul style="list-style-type: none"> <li>• <b>Reporting:</b> The Issuer shall of its own accord make management and financial reports (quarterly, written in English) available to the Bond Trustee and on the Drillship Managers' website or a website relating to the Issuer as soon as they become available and not later than 60 calendar days after the end of the relevant quarter.</li> </ul>
26.	<b>Event of Default:</b>	<p>The Bond Agreement shall include standard event of default provisions, but adjusted to take into consideration all transactions contemplated by the Subordinated Convertible Bonds and the Restructuring Term Sheet, and the on-going restructuring in the Group and that an acceleration of the Subordinated Convertible Bonds shall be settled through conversion to shares at the Conversion Price.</p> <p>No Event of Default to occur by the Issuer negotiating with its creditors and the deteriorating market conditions for the Issuer to the Conversion Settlement Date not to constitute a Material Adverse Effect.</p>
27.	<b>Issuer's Ownership of Subordinated Convertible Bonds:</b>	The Issuer has the right to acquire Subordinated Convertible Bonds, subject to such Subordinated Convertible Bonds being immediately discharged.
28.	<b>Trustee:</b>	Nordic Trustee ASA, Postboks 1470 Vika, 0116 Oslo, Norway
29.	<b>Registration:</b>	The Norwegian Central Securities Depository (VPS).
30.	<b>Paying and Conversion Agent:</b>	DNB Bank ASA
31.	<b>Listing of Subordinated Convertible Bonds:</b>	No listing will take place for the Subordinated Convertible Bonds
32.	<b>Market Making:</b>	No market-maker agreement has been made for this Subordinated Convertible Bond Issue.
33.	<b>Taxation:</b>	The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Subordinated Convertible Bonds, but not in respect of trading of the Subordinated Convertible Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the Subordinated Convertible Bondholders at source any applicable withholding tax payable pursuant to law.
34.	<b>Bond Agreement:</b>	<p>The Bond Agreement will be entered into by the Issuer and the Bond Trustee acting as the Subordinated Convertible Bondholders' representative, and it shall be based on the Bond Trustee's Norwegian law standard. If any term in the Bond Agreement is deemed invalid, then this shall not have any bearing on the other provisions of the Bond Agreement or other aspects of the Refinancing.</p> <p>The Bond Agreement shall regulate the Subordinated Convertible Bondholders' rights and obligations with respect to the Subordinated Convertible Bonds. If any discrepancy should occur between this Term Sheet and the Bond Agreement, then the Bond Agreement shall prevail. The Bond Agreement shall provide for a register of holders of the Subordinated Convertible Bond in the VPS, and that such register shall be available to the</p>

Appendix 4

		<p>Issuer.</p> <p>The subscriber is deemed to have granted authority to the Trustee to finalize the Bond Agreement. Although minor adjustments to the structure described in this Term Sheet may occur, the provisions in the Bond Agreement will be substantially consistent with those set forth in this Term Sheet.</p>
35.	<b>Governing Law and Jurisdiction:</b>	Norwegian law and Norwegian courts (at the competent legal venue of the Trustee) for the Bond Agreement.
36.	<b>Transfer Restrictions:</b>	Subordinated Convertible Bondholders will not be permitted to transfer the Subordinated Convertible Bonds except (a) subject to an effective registration statement under the U.S. Securities Act of 1933 (as amended) (the “ <b>Securities Act</b> ”), (b) to a person that the Subordinated Convertible Bondholder reasonably believes is a “Qualified Institutional Buyer” (“ <b>QIB</b> ”) within the meaning of Rule 144A of the Securities Act that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) an offshore transaction in accordance with Regulation S under the Securities Act, including, in a transaction on the Oslo Børs, and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 there under (if available). The Subordinated Convertible Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the Conversion Settlement Date.

**Schedule 1 – Definitions**

<p><b>Definitions:</b></p>	<p><b>“Decisive Influence”</b> means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly): (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors of that other person.</p> <p><b>“Drillship”</b> means Deepsea Metro I</p> <p><b>“Drillship Manager”</b> means Odfjell Drilling AS a company incorporated and existing under the laws of Norway and having its registered office at Kokstadflaten 35, 5863 Bergen</p> <p><b>“Finance Documents”</b> means</p> <ul style="list-style-type: none"> <li>(i) the Bond Agreement;</li> <li>(ii) the Trustee’s fee letter;</li> <li>(iii) any other document the Issuer and the Trustee designate as a Finance Document.</li> </ul> <p><b>“Group”</b> means the Issuer and its direct and indirect subsidiaries, and a <b>“Group Company”</b> means the Issuer or any of its subsidiaries.</p> <p><b>“Guarantee”</b> means a guarantee facility in the amount of up to USD 20 million made available to the Issuer to facilitate bid bonds for new contract opportunities and performance bonds for contracts, as further described in the Restructuring Term Sheet.</p> <p><b>“Inter-Creditor Agreement”</b> means the inter-creditor agreement to be entered into between the Issuer, Nordic Trustee ASA (in its capacity as bond trustee for the Super Senior Secured Bondholders, the Senior Secured Bondholders and the Manager as holder of the Operating Cost Bonds respectively) and the guarantor providing the Guarantee, as further described in the Restructuring Term Sheet.</p> <p><b>“Issuer”</b> means Golden Close Maritime Corp. Ltd., a corporation formed under the laws of Bermuda and having its registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda</p> <p><b>“Management Agreement”</b> means a management agreement to be entered into between inter alia the Drillship Manager and the Issuer on or about the Restructuring Effective Date (replacing the previous management agreement dated 10 October 2008)</p> <p><b>“Manager Senior Secured Bonds”</b> means the senior secured bonds in the principal amount of USD 40 million issued by the Issuer to the Drillship Manager in accordance with the Restructuring Term Sheet.</p> <p><b>“Operating Cost Bonds”</b> means bonds in the principal amount of USD 6 million issued by the Issuer to the Drillship Manager on a non-cash basis as security, following expiry or termination of the Management Agreement, for payment of any sums due or owing to the Drillship Manager or its affiliates under the Management Agreement.</p>
----------------------------	--

	<p><b>“Parent”</b> means Deep Sea Metro Ltd., a corporation formed under the laws of Bermuda, and owner of 100% of the shares in the Issuer prior to the conversion of debt to shares contemplated by the Restructuring.</p> <p><b>“Person”</b> means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.</p> <p><b>“PIK Bonds”</b> means Super Senior Secured Bonds issued as settlement for interest, as defined in the Super Senior Secured Bond Term Sheet Clause 7.</p> <p><b>“Quarter Date”</b> means each 31 March, 30 June, 30 September and 31 December.</p> <p><b>“Restructuring”</b> means the restructuring of the Issuer’s capital structure as set out in the Restructuring Term Sheet.</p> <p><b>“Restructuring Effective Date”</b> means the date the Issuer has confirmed that all transactions set out in Section 1 A – D the Restructuring are completed, and all conditions precedent set out in Section 12 of the Restructuring Term Sheet have been fulfilled.</p> <p><b>“Restructuring Term Sheet”</b> means the term sheet outlining the agreed principal terms and conditions that the, Issuer, the Parent, the Drillship Manager and the bondholders in the Senior Secured Bonds have accepted as part of the Restructuring.</p> <p><b>“Senior Secured Bond Agreement”</b> means the senior secured bond agreement between the Issuer and Nordic Trustee ASA originally entered into 23 October 2014 (as later amended from time to time), governing the Senior Secured Bonds</p> <p><b>“Senior Secured Bonds”</b> means the Golden Close Maritime Ltd 14/19 9,00% USD C senior secured bonds with ISIN NO 001072202.8.</p> <p><b>“Senior Secured Bondholders”</b> means the holders of Senior Secured Bonds from time to time.</p> <p><b>“Security Agent”</b> means Nordic Trustee ASA in its capacity as security agent under the Senior Secured Bonds and the Super Senior Secured Bonds</p> <p><b>“Subordinated Convertible Bonds”</b> means the USD 340 million subordinated convertible bonds to be issued by the Issuer on or about the Restructuring Effective Date as settlement for USD 340 million of the Senior Secured Bonds.</p> <p><b>“Subsidiary”</b> means a company over which another company has Decisive Influence.</p> <p><b>“Super Senior Secured Bonds”</b> means the USD 50 million senior secured bond issue in an amount of up to USD 50 million to provide working capital to the Issuer, to be made available to the Issuer in one or several tap issues.</p>
--	--

## Term Sheet

### Golden Close Maritime Corp. Ltd Super Senior Secured Bond Issue 2017/2022 (the “Super Senior Secured Bonds” or the “Super Senior Secured Bond Issue”)

**Settlement Date: [●] 2017**

1.	<b>Definitions:</b>	Capitalised terms used in this term sheet, but not defined herein, shall have the meaning given to them in Schedule 1 ( <i>Definitions</i> ) hereto.
2.	<b>Issuer:</b>	Golden Close Maritime Corp. Ltd a corporation formed under the laws of Bermuda and having its registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
3.	<b>Parent:</b>	Deep Sea Metro Ltd., a corporation formed under the laws of Bermuda, and owner of 100% of the shares in the Issuer prior to the conversion of debt to shares contemplated by the Restructuring.
4.	<b>Issue Amount:</b>	Up to USD 50 million in one or more tap issues. Initial tranche to be in the amount of USD 10 million.
5.	<b>Currency:</b>	USD
6.	<b>Group:</b>	Means the Issuer and all its (directly or indirectly owned) Subsidiaries from time to time, and a “ <b>Group Company</b> ” means the Issuer or any of its Subsidiaries.
7.	<b>Interest:</b>	<p>Interest rate on any drawn amount 10% p.a. if paid in cash and 15% p.a. if paid in kind by issuance of PIK Bonds.</p> <p>The Issuer can elect to pay interest in cash or by issuance of new bonds (the “<b>PIK Bonds</b>”) on the applicable interest payment date. Any interest payment form is to be identical to the preceding period, unless Company notifies the Paying Agent and the Trustee of the opposite, not later than five business days before the relevant interest payment falls due. If the Issuer will pay cash interest on the corresponding interest payment date under the Senior Secured Bond Agreement, interest on the Super Senior Secured Bonds must be paid in cash.</p> <p>Each interest period will be 90 days, but shall not extend beyond the Final Maturity Date. First interest payment date will be three months after the Settlement Date.</p> <p>Fixed rate day count fraction 30/360. No adjustment of Business Day.</p>
8.	<b>Settlement Date:</b>	Settlement date for initial tranche (USD 10 million) expected to be the same date as the Restructuring Effective Date.
9.	<b>Final Maturity Date:</b>	Five years after the Settlement Date.

Appendix 5

10.	<b>Shareholder Approvals:</b>	Means any required approval of the shareholders of the Issuer at special general meeting(s) in relation to the issue of the Manager Senior Secured Bonds, the Subordinated Convertible Bonds and the Super Senior Secured Bonds.
11.	<b>Issue Price:</b>	[100%] of Nominal Value.
12.	<b>Nominal Value:</b>	The Super Senior Secured Bonds will have a nominal value of USD 1.00 each.
13.	<b>Amortization:</b>	The Super Senior Secured Bonds (including the PIK Bonds) shall be repaid at 100% of their Nominal Value at the Final Maturity Date.
14.	<b>Issuer's call option:</b>	None
15.	<b>Purpose of the Super Senior Secured Bond Issue:</b>	The net proceeds from the Super Senior Secured Bond Issue will be used for the general corporate purposes of the Issuer.
16.	<b>Subscribers of the Super Senior Secured Bonds:</b>	<p>Senior Secured Bondholders will have a pro rata preferential right to the initial tranche of the Super Senior Secured Bonds, and thereafter the holders of Super Senior Secured Bonds will have a pro rata preferential right to any subsequent tap issues.</p> <p>The bondholders in the Super Senior Secured Bonds are referred to below as the "Super Senior Secured Bondholders".</p>
17.	<b>Minimum Subscription Amount:</b>	Amount equivalent to EUR 100,000.
18.	<b>Status of the Super Senior Secured Bonds:</b>	<p>The Super Senior Secured Bonds shall rank as senior debt of the Issuer.</p> <p>The Super Senior Secured Bonds shall be secured by first priority security rights.</p> <p>The Super Senior Secured Bonds shall rank pari passu with the Senior Secured Bonds, the Guarantee and the Operating Cost Bonds in first priority position, but with reference to the Inter-Creditor Agreement shall rank ahead of the Senior Secured Bonds and behind the Guarantee and the Operating Cost Bonds in the enforcement waterfall.</p>
19.	<b>Security:</b>	<p>The Super Senior Secured Bonds will be secured by first priority security in the Security Interests (as defined in the Senior Secured Bond Agreement) (except for security relating to the Dutch and Bermudan subsidiaries of the Issuer which will be liquidated, provided that the Inter-Creditor Agreement will apply to the existing security until liquidation) as applicable.</p> <p>The Parent/the Company will enter into amendments to the Bermuda law share charge, Bermuda law floating charge and other Bermuda law security documents to reflect the addition of the Super Senior Secured Bonds under the Security Interests (as defined in the Senior Secured Bond Agreement).</p>

20.	<b>Conditions Precedent:</b>	<p>The issue of the Super Senior Secured Bonds will be subject to the fulfilment of certain conditions precedent, to the satisfaction of the Trustee, as customary for these types of transactions, including but not limited to:</p> <ul style="list-style-type: none"> <li>• The Bond Agreement duly executed;</li> <li>• Confirmation from the Issuer that the Restructuring Effective Date has occurred;</li> <li>• Bermuda Ministerial Direction with respect to the offering of the Super Senior Secured Bonds;</li> <li>• Amendments to security documents; and</li> <li>• other customary Conditions Precedent.</li> </ul>
21.	<b>Incorporation of terms of Senior Secured Bond Agreement:</b>	<p>Unless otherwise indicated by this term sheet, the Bond Agreement will include terms of the existing Senior Secured Bond Agreement, but adjusted to take into consideration all transactions contemplated by the Super Senior Secured Bonds and the Restructuring Term Sheet and the on-going restructuring in the Group.</p>
22.	<b>Event of Default:</b>	<p>The Bond Agreement shall include standard event of default provisions, but adjusted to take into consideration all transactions contemplated by the Super Senior Secured Bonds and the Restructuring Term Sheet and the on-going restructuring in the Group.</p> <p>No Event of Default to occur by the Issuer negotiating with its creditors and the deteriorating market conditions for the Issuer to the Settlement Date not to constitute a Material Adverse Effect.</p>
23.	<b>Issuer's Ownership of Super Senior Secured Bonds:</b>	<p>The Issuer has the right to acquire and own the Super Senior Secured Bonds, but will not be allowed to vote for its own Super Senior Secured Bonds at bondholders' meetings.</p>
24.	<b>Bond Issue Manager:</b>	DNB Markets
25.	<b>Trustee:</b>	Nordic Trustee ASA, Postboks 1470 Vika, 0116 Oslo, Norway
26.	<b>Registration:</b>	The Norwegian Central Securities Depository (VPS).
27.	<b>Paying Agent:</b>	DNB Bank ASA
28.	<b>Listing of Super Senior Secured Bonds:</b>	The Issuer will apply for the Super Senior Secured Bonds to be listed on Oslo Børs.
29.	<b>Market Making:</b>	No market-maker agreement has been made for this Super Senior Secured Bond Issue.
30.	<b>Taxation:</b>	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with issuance of the Super Senior Secured Bonds, but not in respect of trading of the Super Senior Secured Bonds in the secondary market (except to the extent required by applicable laws), and the Issuer shall deduct before payment to the Super Senior Secured Bondholders at source any applicable withholding tax payable pursuant to law.</p>
31.	<b>Bond Agreement:</b>	The Bond Agreement will be entered into by the Issuer and the Trustee

		<p>acting as the Super Senior Secured Bondholders’ representative, and it shall be based on the Trustee’s Norwegian law standard applied to the existing Senior Secured Bond Agreement. If any term in the Bond Agreement is deemed invalid, then this shall not have any bearing on the other provisions of the Bond Agreement or other aspects of the Refinancing.</p> <p>The Bond Agreement shall regulate the Super Senior Secured Bondholders’ rights and obligations with respect to the Super Senior Secured Bonds. If any discrepancy should occur between this Term Sheet and the Bond Agreement, then the Bond Agreement shall prevail. The Bond Agreement shall provide for a register of holders of the Super Senior Secured Bond in the VPS, and that such register shall be available to the Issuer.</p> <p>The subscriber is deemed to have granted authority to the Trustee to finalize the Bond Agreement. Although minor adjustments to the structure described in this Term Sheet may occur, the provisions in the Bond Agreement will be substantially consistent with those set forth in this Term Sheet.</p>
32.	<b>Terms of Subscription:</b>	<p>Any subscriber of the Super Senior Secured Bonds specifically authorizes the Bond Trustee to execute and deliver the Bond Agreement on behalf of the prospective bondholders, who will execute and deliver such Application Forms prior to receiving Bond allotments. On this basis, the Issuer and the Trustee will execute and deliver the Bond Agreement and the latter’s execution and delivery is on behalf of all of the subscribers, such that they thereby will become bound by the Bond Agreement. The Bond Agreement specifies that by virtue of being registered as a Super Senior Secured Bondholder (directly or indirectly) with the Securities Depository, the Super Senior Secured Bondholders are bound by the terms of this Bond Agreement and any other Finance Document, without any further action required to be taken or formalities to be complied with.</p> <p>The Bond Agreement shall specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Super Senior Bonds, be obtained on request by the Trustee or the Issuer.</p>
33.	<b>Eligible Purchasers:</b>	<p>The Super Senior Secured Bonds shall only be offered to non-“U.S. persons” in “offshore transactions” within the meaning of Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) except for “Qualified Institutional Buyers” (“QIBs”) within the meaning of Rule 144A under the Securities Act. In addition to the application form that each investor will be required to execute, each U.S. investor that wishes to purchase Super Senior Secured Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB. The Super Senior Secured Bonds may not be purchased by, or for the benefit of, persons resident in Canada. The Bond Agreement will contain customary terms and provisions for a U.S. Rule 144A or Regulation S placement.</p>
34.	<b>Transfer Restrictions:</b>	<p>Super Senior Secured Bondholders will not be permitted to transfer the Super Senior Secured Bonds except (a) subject to an effective registration</p>

Appendix 5

		<p>statement under the Securities Act, (b) to a person that the Super Senior Secured Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) an offshore transaction in accordance with Regulation S under the Securities Act, including, in a transaction on the Oslo Børs, and (d) pursuant to any other exemption from registration under the Securities Act, including Rule 144 there under (if available). The Super Senior Secured Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of four months and a day from the Settlement Date.</p>
--	--	---

**Schedule 1 – Definitions**

<p><b>Definitions:</b></p>	<p><b>“Decisive Influence”</b> means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly): (a) a majority of the voting rights in that other person; or (b) a right to elect or remove a majority of the members of the board of directors of that other person.</p> <p><b>“Drillship”</b> means Deepsea Metro I</p> <p><b>“Drillship Manager”</b> means Odfjell Drilling AS a company incorporated and existing under the laws of Norway and having its registered office at Kokstadflaten 35, 5863 Bergen</p> <p><b>“Finance Documents”</b> means</p> <ul style="list-style-type: none"> <li>(i) the Bond Agreement;</li> <li>(ii) the Trustee’s fee letter;</li> <li>(iii) amendments to security documents; and</li> <li>(iv) any other document the Issuer and the Trustee designate as a Finance Document.</li> </ul> <p><b>“Group”</b> means the Issuer and its direct and indirect subsidiaries, and a <b>“Group Company”</b> means the Issuer or any of its subsidiaries.</p> <p><b>“Guarantee”</b> means a guarantee facility in the amount of up to USD 20 million made available to the Issuer to facilitate bid bonds for new contract opportunities and performance bonds for contracts, as further described in the Restructuring Term Sheet.</p> <p><b>“Inter-Creditor Agreement”</b> means the inter-creditor agreement to be entered into between the Issuer, Nordic Trustee ASA (in its capacity as bond trustee for the Super Senior Secured Bondholders, the Senior Secured Bondholders and the Manager as holder of the Operating Cost Bonds respectively) and the guarantor providing the Guarantee, as further described in the Restructuring Term Sheet.</p> <p><b>“Issuer”</b> means Golden Close Maritime Corp. Ltd., a corporation formed under the laws of Bermuda and having its registered office at Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda</p> <p><b>“Management Agreement”</b> means a management agreement to be entered into between inter alia the Drillship Manager and the Issuer on or about the Restructuring Effective Date (replacing the previous management agreement dated 10 October 2008)</p> <p><b>“Manager Senior Secured Bonds”</b> means the senior secured bonds in the principal amount of USD 40 million issued by the Issuer to the Drillship Manager in accordance with the Restructuring Term Sheet.</p> <p><b>“Operating Cost Bonds”</b> means bonds in the principal amount of USD 6 million issued by the Issuer to the Drillship Manager on a non-cash basis as security, following expiry or termination of the Management Agreement, for payment of any sums due or owing</p>
----------------------------	---

	<p>to the Drillship Manager or its affiliates under the Management Agreement.</p> <p><b>“Parent”</b> means Deep Sea Metro Ltd., a corporation formed under the laws of Bermuda, and owner of 100% of the shares in the Issuer prior to the conversion of debt to shares contemplated by the Restructuring.</p> <p><b>“Person”</b> means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.</p> <p><b>“PIK Bonds”</b> means Super Senior Secured Bonds issued as settlement for interest, as defined in the Super Senior Secured Bond Term Sheet Clause 7.</p> <p><b>“Quarter Date”</b> means each 31 March, 30 June, 30 September and 31 December.</p> <p><b>“Restructuring”</b> means the restructuring of the Issuer’s capital structure as set out in the Restructuring Term Sheet.</p> <p><b>“Restructuring Effective Date”</b> means the date the Issuer has confirmed that all transactions set out in Section 1 A – D the Restructuring are completed, and all conditions precedent set out in Section 12 of the Restructuring Term Sheet have been fulfilled.</p> <p><b>“Restructuring Term Sheet”</b> means the term sheet outlining the agreed principal terms and conditions that the, Issuer, the Parent, the Drillship Manager and the bondholders in the Senior Secured Bonds have accepted as part of the Restructuring.</p> <p><b>“Senior Secured Bond Agreement”</b> means the senior secured bond agreement between the Issuer and Nordic Trustee ASA originally entered into 23 October 2014 (as later amended from time to time), governing the Senior Secured Bonds</p> <p><b>“Senior Secured Bonds”</b> means the Golden Close Maritime Ltd 14/19 9,00% USD C senior secured bonds with ISIN NO 001072202.8.</p> <p><b>“Senior Secured Bondholders”</b> means the holders of Senior Secured Bonds from time to time.</p> <p><b>“Security Agent”</b> means Nordic Trustee ASA in its capacity as security agent under the Senior Secured Bonds and the Super Senior Secured Bonds</p> <p><b>“Subordinated Convertible Bonds”</b> means the USD 340 million subordinated convertible bonds to be issued by the Issuer on or about the Restructuring Effective Date as settlement for USD 340 million of the Senior Secured Bonds.</p> <p><b>“Subsidiary”</b> means a company over which another company has Decisive Influence.</p> <p><b>“Super Senior Secured Bonds”</b> means the USD 50 million senior secured bond issue in an amount of up to USD 50 million to provide working capital to the Issuer, to be made available to the Issuer in one or several tap issues.</p>
--	--