

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

**To the bondholders of:**

**ISIN:** NO 001 0820616, Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR 70,000,000 callable bond issue 2018/2022

Oslo, 27 April 2022

**Notice of a Written Resolution**

**1. INTRODUCTION**

Nordic Trustee AS acts as trustee (the "**Bond Trustee**") for the holders of bonds (the "**Bondholders**") in the above captioned bond issue with ISIN NO 001 0820616 with total outstanding amount of EUR 65,881,627 (the "**Bonds**") issued by Sand Hill Petroleum B.V. as issuer (the "**Issuer**" or the "**Company**") pursuant to certain bond terms originally dated 12 April 2018 (as amended, supplemented and amended and restated from time to time, the "**Bond Terms**"). The Issuer and its subsidiaries are referred to as the "**Group**".

Capitalised terms used herein and not otherwise defined herein shall have the same meanings ascribed to such terms in the Bond Terms, as the context requires.

The Bond Trustee has issued this notice of a Written Resolution pursuant to a request from Bondholders representing at least 1/10 of the Voting Bonds and the Issuer, in accordance with the terms of the Bond Terms.

*The information in this notice ("Notice") regarding the Issuer and the Group and the market conditions is provided by the Issuer and the transaction description is provided by the Ad Hoc Committee (as defined below), and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

**2. BACKGROUND**

**2.1 Background**

Reference is made to the ongoing discussions between the Company and the ad hoc committee of Bondholders (the "**Ad Hoc Committee**") which at the date of this Notice represents approximately 77% of the Outstanding Bonds. For further details on the ongoing discussions and the Company's financial details, please see the update notice dated 30 June 2021, the notices of Written Resolutions of 3 April 2020, 6 October 2021, 29 November 2021, 6 December 2021, 20 December 2021 and 7 April 2022 and the Company's Interim Accounts for the quarter ending 31 December 2021, all available under the Company's ticker at [www.newsweb.no](http://www.newsweb.no).

The Ad Hoc Committee and the Company have since May 2020 been discussing the sale of the Company. The Ad Hoc Committee has been presented with an offer dated 18 January 2022 (the "**Offer Letter**") submitted by certain members of the Company's management on behalf of themselves and a certain financial investor (together with the bidding Company managers, the "**Buyers**").

The Ad Hoc Committee (assisted by its legal and financial advisors) has been discussing the Offer Letter with the Buyers and a sale and purchase agreement (the "**SPA**") for a sale of 100% of the shares in the Company and full redemption of the Bonds as further described below (the "**Transaction**").

The Bondholders approved a Written Resolution on 8 April 2022 wherein the Maturity Date of the Bond Terms was extended from 13 April 2022 (the "**Original Maturity Date**") to 2 May 2022 upon partial redemption of the Bonds on the original Maturity Date in the amount of EUR 14,000,000, the payment of EUR 3,594,673 as Interest, settlement of outstanding costs of the Bond Trustee and payment of EUR 845,000 in retainer fees. Neither the partial redemption of the Bonds nor the payment of interest or the paid retainer fees shall be deducted from the Redemption Amount (as defined below). The payment of EUR 845,000 represents a prepayment of the Company's payment obligations and the Bond Trustee's costs as estimated by the Bond Trustee's advisors and shall not be considered as a full and final settlement of the Bond Trustee's costs under Section 2.2 below.

In light of the ongoing discussions regarding the Transaction and the SPA, the Ad Hoc Committee and the Company seek Bondholders' consent and approval of the Proposals (as defined below).

The Ad Hoc Committee has informed the Bond Trustee that it supports the Proposals.

## **2.2 Repayment of the Bonds**

Even if the parties to the SPA have informed that the SPA remains subject to further negotiations, it is contemplated that in addition to acquisition of 100% of the Shares in the Company by the Buyers, the Transaction shall involve a full redemption of the Bonds and outstanding accrued interest on or about the completion date of the Transaction against the Bond Trustee's receipt of:

- (a) EUR 42,905,327 (the "**Redemption Amount**") (on behalf of the Bondholders) which shall be applied against full redemption of all outstanding Bonds, including accrued interest; and
- (b) payment of all outstanding costs, fees and any other amount (including all legal and financial advisor's fees) incurred by the Bond Trustee being outstanding at the date of completion of the Transaction (the "**Trustee's Costs**").

Following the Bond Trustee's receipt of the Redemption Amount and the Trustee's Costs within 30 September 2022 and provided that no Event of Default has occurred, the Bonds, including all accrued interest and all other amounts outstanding under and pursuant to the Finance Documents will be considered fully redeemed and the Bond Trustee shall thereafter release all Transaction Security.

## **2.3 Extension of the Maturity Date**

It is expected that the Transaction will be completed after the Maturity Date for the Bonds (i.e. after 2 May 2022), and that the Company will not be in position to redeem the Bonds at the Maturity Date.

To facilitate the Transaction and provided that the SPA is signed no later than 16 May 2022, the Ad Hoc Committee is of the view that it is in the best interest of the Bondholders to extend the Maturity Date from 2 May 2022 to the earlier of (i) the fifth Business Day following the day the Bond Trustee has received the Redemption Amount and (ii) 30 September 2022 (the "**New Maturity Date**"), subject to the amendments set out in Schedule 1 (*The Amendments*) hereto.

The Outstanding Bonds will in the period between the Maturity Date and the New Maturity Date (if extended) or on the Maturity Date (if not extended) accrue interest at a rate equal to the Interest Rate on the Nominal Amount in accordance with provisions of Clause 9.1 (*Calculation of interest*) of the Bond Terms.

In the event that the Bonds are not redeemed on the New Maturity Date or if an Event of Default has occurred prior to the New Maturity Date, default interest shall accrue on all Overdue Amounts from and including the 13 April 2022 until the Overdue Amount is repaid in full in accordance with Clause 8.2 (*Default interest*) of the Bond Terms.

For the sake of good order, each of the Bond Trustee and the Bondholders shall retain the right to accelerate the Bonds as per Clause 14.2 (*Acceleration of the Bonds*) and Clause 14.3 (*Bondholders' instructions*) upon the occurrence of an Event of Default.

#### **2.4 Termination of the governance agreement**

Subject to completion of the Transaction the governance agreement dated 26 January 2022 made between, inter alios, the Company and the Bond Trustee (the "Governance Agreement") (copy of which was attached to the notice of written resolutions dated 20 December 2021) shall automatically terminate.

#### **2.5 Amendment to the Bond Terms**

To give effect to the Transaction the Ad Hoc Committee suggests that with effect of from the date of the Proposals being approved pursuant to a Written Resolutions, the Bond Terms is amended as per Schedule 1 (*The Amendments*) hereto. To the extent that the Transaction has not been completed by the New Maturity Date or to the extent that an Event of Default has occurred prior to the New Maturity Date, the Bonds will be payable in full (without any reduction), together with accrued (default) interest as described in Section 2.3 and costs incurred by the Bond Trustee.

#### **2.6 Waiver from the Leverage Ratio and the obligation to deliver Annual Financial Statements**

Pursuant to the Written Resolution adopted on 30 November 2021, the Issuer was granted a waiver from the Leverage Covenants for the Relevant Period ending on 31 December 2021, but so that the Leverage Ratio should have been tested 31 March 2022.

To facilitate the completion of the Transaction, the Issuer proposes to permanently waive the Leverage Ratio.

Furthermore, due to the uncertain financial situation of the Group, the Issuer will not be able to publish its Annual Financial Statements for the financial year 2021 by the deadline of four months set out in paragraph (a) of Clause 12.1 (*Financial Reports*) of the Bond Terms. Therefore, the Issuer proposes that the deadline for publishing its Annual Financial Statements for the financial year 2021 is extended to 31 May 2022.

### **3. THE PROPOSALS**

On the basis of the above, it is proposed that the Bondholders adopt a resolution whereby the below proposals (the "**Proposals**") are approved pursuant to Written Resolutions:

- A. *Provided that the SPA (as defined in Schedule 1 (The Amendments)) is signed no later than 16 May 2022, the Bondholders approve the extension of the Maturity Date as described in Section 2.3 above.*
- B. *As contemplated by the SPA (as defined in Schedule 1 (The Amendments)), the Bondholders approve, consent and confirm that upon payment of the Redemption Amount and all costs incurred by the Bond Trustee no later than Maturity Date (as defined in Schedule 1 (The Amendments)), the Bonds and all accrued interest shall be considered as fully redeemed.*
- C. *The Bondholders approve and consent to all actions required to be taken by the Bond Trustee in connection with the Transaction (including, but not limited to release of all Transaction Security following receipt of the Redemption Amount and all outstanding costs, fee and any all other outstanding amounts) and the Proposals.*
- D. *The Bondholders confirm that the Governance Agreement shall automatically terminate following completion of the Transaction*

- E. *The Bondholders approve and consent to the amendments to the Bond Terms set out in Schedule 1 (The Amendments) hereto and confirm that the amendments shall be effective as of the date of the Written Resolutions.*
- F. *The Bondholders agree to permanently waive the Leverage Ratio.*
- G. *The Bondholders authorise and instruct the Bond Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the Proposals, including without limitation to prepare, finalise and enter into the necessary agreements and other documentation (including without limitation any security confirmations or amendments to the Transaction Security and Transaction Security Documents) deemed appropriate, and for and on behalf of the Bondholders, take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and give effect to the Proposals.*

Other than the amendments prompted by the Proposals, the terms and conditions of the Bond Terms will remain unchanged and will continue to apply in their existing form.

#### **4. EVALUATION OF THE PROPOSALS**

The Proposals are put forward to the Bondholders without further evaluation or recommendation from the Bond Trustee, and the Bond Trustee emphasises that each Bondholder should cast its vote in the Bondholders' Meeting based on its own evaluation of the Proposals. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposals are acceptable and vote accordingly. The Bond Trustee urges each Bondholder to seek advice in order to evaluate the Proposals.

#### **5. WRITTEN RESOLUTIONS**

Based on the above, the Issuer has approached the Bond Trustee to request a Written Resolution. For the avoidance of doubt, no Bondholders' Meeting will be held.

For a vote to be valid, the Bond Trustee must have received it by post, courier or email to the address indicated in the enclosed form attached in Schedule 2 (the "**Voting Form**") no later than 6 May 2022 at 13.00 hours (Oslo time) (the "**Voting Deadline**").

**It is proposed that the Bondholders resolve the following Proposal by way of Written Resolution (the "Proposed Resolution"):**

*"The Bondholders approve the Proposals as described in section 3 (The Proposals) of this Notice on the conditions set out therein."*

To approve the Proposed Resolution, 1) either Bondholders representing at least 2/3 of the Voting Bonds must vote in favour of the Proposed Resolution prior to the expiry of the Voting Period or 2) at least 2/3 of bonds voting is in favour and at least 50 % of the Voting Bonds have voted by the end of the Voting Period. The Bondholders may vote "In Favour" of or "Against" the Proposed Resolution. A Written Resolution is passed when the requisite majority has been achieved for the Proposed Resolution, even if the Voting Deadline has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Deadline, in which case the resolution is that the Proposed Resolution is not approved.

The effective date of a Written Resolution passed prior to the expiry of the Voting Deadline is the date when the Proposed Resolution is approved by the last Bondholder that resulted in the necessary voting majority being achieved.

Votes which are submitted may be altered or withdrawn before the end of the Voting Period or before the Bond Trustee has provided a notice of the Written Resolution.

Yours sincerely,  
Nordic Trustee AS

  
Jørgen Andersen

Schedule:

Schedule 1 – The Amendments

Schedule 2 – Voting Form

## Schedule 1 The Amendments

As of the date of the Written Resolutions in respect of the Notice of Written Resolutions dated 27 April 2022 the Bond Terms shall be amended as follows:

### 1. Clause 1.1 (*Definitions*)

- (a) The following new definitions shall be added:

*"Investor"* a certain financial investor or an affiliate of the investor.

*"Redemption Amount"* means EUR 42,905,327 to be applied against full redemption of all outstanding Bonds, including accrued interest.

*"SPA"* means the share purchase agreement to be entered into between, inter alios, the Issuer as company, WP XI Holding B.V. as seller and the Investor as purchaser in respect of the shares in the Issuer, such share purchase agreement to include the key items listed in section 2.2 of the summons for written resolutions dated 27 April 2022.

*"Transaction"* means the sale and purchase of the shares in the Issuer as contemplated by the SPA and redemption of the Bonds with the Redemption Amount and payment of all costs incurred by the Bonds Trustee.

- (b) The definition of *"Interest Period"* shall be amended to:

*"Interest Period"* means, subject to adjustment in accordance with the Business Day Convention, the 6 months period between (i) 13 October and 13 April and (ii) 13 April and 13 October each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

- (c) The definition of *"Maturity Date"* shall be amended to:

*"Maturity Date"* means the earlier of:

(a) the fifth Business Day following the Bond Trustee's (on behalf of the Bondholders) receipt of the Redemption Amount and the Bond Trustee's costs in connection with the completion of the Transaction; and

(b) 30 September 2022,

each provided only that the SPA is signed by 16 May 2022.

### 2. Clause 10 (*Redemption and purchase of the Bonds*)

The following new Clause 10.5 (*Redemption of the Bonds in connection with the Transaction*) shall be added:

#### 10.5 *Redemption of the Bonds in connection with the Transaction*

- (a) *The Issuer may in connection with the completion of the Transaction redeem the Outstanding Bonds (in whole only) on any Business Day from the date of the SPA to and including the Maturity Date provided that no Event of Default has occurred.*

- (b) *Upon redemption of the Bonds pursuant to Clause 10.5 (a) above, the Issuer shall:*
  - (i) *transfer or procure the transfer of the Redemption Amount (to be held on behalf of the Bondholders or as directed by the Bond Trustee), and pay all outstanding costs, fees and other amounts outstanding under or pursuant to the Finance Documents (including all legal and financial advisors' fees) to the Bond Trustee on the completion date for the Transaction; and*
  - (ii) *together with the transfer of the Redemption Amount to be made pursuant to sub-paragraph (i) above, deliver to the Bond Trustee instruction to apply the Redemption Amount towards the redemption of the Bonds signed by an authorised signatory of the Issuer and, if applicable, the Investor (the "**Redemption Instruction**").*
- (c) *Upon the Bond Trustee's receipt of the Redemption Amount, the Redemption Instruction and all other outstanding amounts under or pursuant to the Finance Documents the Bond Trustee shall:*
  - (i) *transfer the Redemption Amount to, and instruct the Paying Agent to redeem all Bonds and disburse the Redemption Amount to the Bondholders on a pro-rata basis; and*
  - (ii) *release all Transaction Security.*
- (d) *In the event that the Bonds are not redeemed in connection with completion of the Transaction or upon the occurrence of an Event of Default prior to the Maturity Date, the Issuer's right to redeem the Bonds in accordance with this Clause 10.5 shall automatically lapse, and the Issuer shall be considered being in breach of paragraph (a) of Clause 14.1 from for not making a full redemption of the Bonds on the 13 April 2022 a and default interest in accordance with Clause 8.2 shall be deemed accrued from (and including) 13 April 2022 and continue to accrue until the Bonds have been redeemed in full.*

### 3. **Clause 12.1 (Financial Reports)**

Paragraph (a) of Clause 12.1 (*Financial Reports*) shall be amended to read:

- (a) *The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than five (5) months after the end of each financial year.*

### 4. **Clause 14.1 (Events of Default)**

The following new paragraphs shall be added to Clause 14.1 (*Events of Default*):

- (h) *Termination of the SPA*

*The SPA is:*

- (i) *automatically terminated; or*

(ii) *terminated by a party to the SPA, regardless of whether such termination is lawful or not.*

(i) *Non-Completion of the Transaction*

*If the Transaction, for whatsoever reason, is not completed by the Maturity Date.*



**Schedule 2  
Voting Form**

**NO 001 0820616**                      **Sand Hill Petroleum B.V. 9.00 per cent. senior secured EUR  
70,000,000 callable bond issue 2018/2022**

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

The Proposed Resolution as defined in the Notice of a Written Resolution dated 27 April 2022

**In favour** of the Proposed Resolution

**Against** the Proposed Resolution

ISIN <b>NO 001 0820616</b>	Amount of bonds owned
Custodian Name	Account number at Custodian
Company	Day time telephone number
	E-mail

Enclosed to this form is the complete printout from our custodian/VPS<sup>1</sup>, verifying our bondholding in the bond issue as of \_\_\_\_\_ 2022.

We acknowledge that Nordic Trustee AS in relation to the Written Resolution for verification purpose may obtain information regarding our holding of Bonds on the above stated account in the securities register VPS.

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Authorized signature

***Return by mail:***  
*Nordic Trustee AS  
PO Box 1470 Vika  
N-0116 Oslo  
Norway*

Telephone:    +47 22 87 94 00  
E-mail:       mail@nordictrustee.com

<sup>1</sup> If the Bonds are held in custody other than in the VPS, evidence provided from the custodian confirming that (i) you are the owner of the Bonds, (ii) in which account number the Bonds are held, and (iii) the amount of Bonds owned.