

*(Dette brevet til obligasjonseierne er kun utarbeidet på engelsk. For ytterligere informasjon vennligst ta kontakt med Nordic Trustee AS på telefon + 47 22 87 94 00)*

**To bondholders in:**

**ISIN: NO 001071088.2 - 7.50% Genel Energy Finance plc Senior Unsecured Callable  
Bond Issue 2014/2019**

Oslo, 6 December 2017

**Summons to Bondholders Meeting – Partial early redemption and replacing existing Bond Agreement with a new amended bond agreement**

*Nordic Trustee AS (the “Bond Trustee”) is appointed as Bond Trustee for the holders of bonds (the “Bondholders”) in the bond issue with ISIN NO 001 0710 882 (the “Bonds” or “GENEL01”) issued by Genel Energy Finance plc (the “Issuer”) with a parent company guarantee from Genel Energy plc (“Genel” or the “Parent”, together with its subsidiaries the “Group”) pursuant to the terms of the bond agreement dated 14 May 2014 as amended and restated by an amendment 13 May 2015 (the “Bond Agreement”) between the Issuer, the Parent and the Bond Trustee.*

*All capitalised terms used, but not defined in this summons, have the meanings given to them in the Bond Agreement.*

*The Issuer and the Parent have requested the Bond Trustee to summons a Bondholders' Meeting to consider a partial early redemption for cash and amending the existing Bond Agreement as described in section 1 and 2 of this summons.*

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

**1 BACKGROUND**

The Issuer has approached several of its largest Bondholders with a proposal for a refinancing of GENEL01 through (i) a debt reduction and partial early cash redemption in the amount of USD 121.8 million at 103% of par value, and (ii) by replacing the Bond Agreement with new terms for the remaining, outstanding Bonds on the basis of the Refinancing Term Sheet (as defined below).

The Issuer and the Parent propose to change the issuer of GENEL01 as both the Parent and the treasury company of the Group are Jersey residents. Consequently, the Parent prefers that the issuer of GENEL01, raising debt based on the credit quality of the Group and on-lending the cash to the treasury company, is also a Jersey resident. Thus, the new bond terms (the “New Bond Terms”) will be entered into between Genel Energy Finance 2 Limited, being a wholly owned subsidiary of the Parent, as the new issuer and the Bond Trustee on behalf of the Bondholders, and will replace the existing Bond Agreement. The New Bond Terms will be based on the Refinancing Term Sheet attached as schedule 2 hereto.

In the Proposal, the Group seeks to reduce its existing bond debt from the currently outstanding USD 421.8 million to USD 300 million, and at the same time extend maturity to 5 years from implementation of the New Bond Terms. Bondholders holding a significant proportion of the Bonds have confirmed their commitment to vote in favour of the Proposal.

Bondholders will receive accrued interest on all Outstanding Bonds from the Interest Payment Date in November 2017 to, but not including, the implementation date for the New Bond Terms, expected on or around 22 December 2017 and on the same date receive on a pro-rata basis a partial early redemption of USD 121.8 million in cash at the prevailing call premium of 103% of par value (the “**Cash Redemption**”). Consequently, Bondholders will receive approx. 29% cash consideration through the Cash Redemption. The remaining USD 300 million of Bonds will remain outstanding with the same ISIN, subject to terms and conditions of the New Bond Terms. The New Bond Terms shall be based on, and conform to, the term sheet attached in Schedule 2 hereto (the “**Refinancing Term Sheet**”).

The New Bond Terms will contain the same terms as GENEL01 Bond Agreement, adjusted for the Refinancing Term Sheet, and being based on the Bond Trustee's new standard form of bond terms. The main changes from the Bond Agreement can be summarized as follows:

- Change of Issuer to Genel Energy Finance 2 Limited (new SPV under Jersey law with sole purpose of being issuer under the New Bond Terms);
- Issue Amount reduced from USD 421.8 million to USD 300 million (by way of an early redemption at 103% of par value);
- Maturity Date deferred from 14 May 2019 to the fifth anniversary of the implementation date of the New Bond Terms, expected to be on or around 22 December 2022;
- Coupon increased from 7.50% to 10.00% p.a. from the implementation date of the New Bond Terms with quarterly interest payments as opposed to semi-annual interest payments (new interest payment dates in March, June, September and December each year);
- Further restrictions on dividends by adding 50% of net profit limitation as well as an increased threshold for minimum Liquidity of USD 200 million post dividend paid;
- Further restrictions on incurring additional financial indebtedness, in particular on the Restricted Subsidiaries;
- Limitations to spending on the Miran & Bina Bawi gas projects;
- Stricter mandatory prepayment provisions including full protection of any sale of the Tawke PSC interest;
- Maintained financial covenants except for minimum liquidity which is reduced to the higher of USD 30 million or 12 months of interest;
- Inclusion of a procedure for written resolutions for decision making among the Bondholders;
- Nominal Value reduced from USD 200,000 to USD 1;
- Reset of call schedule to non-call 3 years and market-based call provisions thereafter; and
- Genel Energy Netherlands Holding 1 Coop B.A., Genel Energy Netherlands Holding 2 B.A. and Genel Energy International Ltd. as additional guarantors, with Genel Energy plc and Genel Energy Holding Company Limited as remaining original guarantors.

The Group views the Proposal as attractive for Bondholders, as it deleverages the Group's balance sheet through a prudent use of its current liquidity position while maintaining a healthy financial situation and low leverage towards key assets. Furthermore, the Proposal secures a longer term financing platform for the Group.

For further information about the Parent and the Group, reference is made to the Parent's website [www.genelenergy.com](http://www.genelenergy.com).

## 2 The Proposal

Based on the above background and the Term Sheet, the Issuer proposes that the Bondholders adopt the following proposal (the “**Proposal**”):

- The Bondholders to: approve the Refinancing Term Sheet, attached as schedule 2 hereto; and

- approve the Cash Redemption as described under section 1 above.

Accrued interest on the Outstanding Bonds (7.5% per annum) from the Interest Payment Date in November 2017 to, but not including, the implementation date for the Proposal, expected on or around 22 December 2017, will be paid in cash to Bondholders as part of the Cash Redemption.

The effectiveness of the Proposal and entering into effect of the New Bond Terms shall be subject to completion of the New Bond Terms and other documentation for replacement of the GENEL01 Bond Agreement and other customary closing conditions as further set out in the Refinancing Term Sheet.

### 3 Non-reliance

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

### 4 Further information

The Group has engaged DNB Bank ASA, DNB Markets (“**DNB Markets**”) and Pareto Securities AS as its financial advisors (the “**Advisors**”) with respect to the Proposal. Accordingly, Bondholders may contact the Advisors for further information:

<p>DNB Markets:</p> <p>Bond syndicate desk Email: <a href="mailto:bond.syndicate@dnb.no">bond.syndicate@dnb.no</a> Phone: +47 23 26 80 62</p> <p>Frode Sævig Email: <a href="mailto:frode.savig@dnb.no">frode.savig@dnb.no</a> Mobile: +47 99 64 06 80</p>	<p>Pareto Securities:</p> <p>Christian Ramm Email: <a href="mailto:christian.ramm@paretosec.com">christian.ramm@paretosec.com</a> Phone: +47 24 13 21 33</p> <p>Petter Sagfossen Email: <a href="mailto:petter.sagfossen@paretosec.com">petter.sagfossen@paretosec.com</a> Phone: +47 22 87 87 48</p>
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The Advisors act solely for the Group and no-one else in connection with the Proposal. No due diligence investigations have been carried out by the Advisors with respect to the Group, and the Advisors expressly disclaim any and all liability whatsoever in connection with the Proposal (including but not limited to in respect of the information contained herein).

For further questions to the Bond Trustee, please contact Vivian Trøsch at [trosch@nordictrustee.com](mailto:trosch@nordictrustee.com) or +47 22 87 94 22.

### 5 Bondholders' Meeting

The Bondholders are hereby summoned to a Bondholders' Meeting.

Time: 20 December 2017 at 09:00 hours (Oslo time)

Place: The premises of Nordic Trustee AS  
Haakon VII's gate 1, Oslo – 6<sup>th</sup> 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. Approval of the Proposal:

**It is proposed that the Bondholders' Meeting resolve the following:**

*"The Bondholders' Meeting approves the Proposal as described in section 2 of the summons to this Bondholders' Meeting.*

*The Bond Trustee is hereby authorized to take the relevant steps on behalf of the Bondholders in connection with the implementation of the Proposal, including without limitation to prepare, finalize and enter into the necessary agreements and other documentation deemed appropriate and take such further actions which are necessary to execute the Proposal."*

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the Bondholders' Meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the Bondholders' Meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

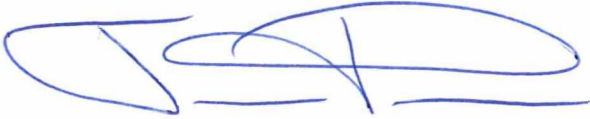
Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' Meeting. (If the bonds are held in custody - i.e. the owner 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 Bond 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 the Bond Trustee to vote, must then be returned to the Bond Trustee in due time before the Bondholders' Meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. 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 the Bond Trustee, to notify the Bond Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the Bondholders' Meeting takes place.

Yours sincerely  
**Nordic Trustee AS**



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Vivian Trøsch

Enclosed:

Schedule 1: Bondholder's Form

Schedule 2: Refinancing Term Sheet



## Schedule 2: Refinancing Term Sheet

THIS TERM SHEET MAY NOT BE REPRODUCED OR REDISTRIBUTED IN WHOLE OR IN PART OR OTHERWISE MADE AVAILABLE TO ANY OTHER PERSON FOR ANY PURPOSE WITHOUT THE WRITTEN CONSENT OF THE JOINT LEAD MANAGERS. THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO PURCHASE ANY SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE LAWS OF ANY STATE OR OTHER JURISDICTION WITHIN THE U.S., AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR PURSUANT TO AN APPLICABLE EXEMPTION FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY STATE SECURITIES LAWS.

### Refinancing Term Sheet



ISIN: NO 001 071088.2

**Genel Energy Finance 2 Limited  
Senior Unsecured Guaranteed Callable Bond Issue 2017/2022  
(the "Bonds" or the "Bond Issue")**

**Implementation Date: on or about 22 December 2017**

*This indicative refinancing term sheet (the "Refinancing Term Sheet") sets out the main proposed amended terms to apply for the Bonds following a partial redemption of the existing GENEL01PRO Bonds issued by Genel Energy Finance Limited (the "Existing Bonds"), replacing the bond agreement for the Existing Bonds.*

<b>Issuer:</b>	Genel Energy Finance 2 Limited (incorporated in Jersey, company registration number 117804), a sister company to the issuer of the Existing Bonds.
<b>Parent:</b>	Genel Energy plc. (incorporated in Jersey, company registration number 107897).
<b>Guarantors:</b>	The Parent (as existing Guarantor), Genel Energy Holding Company Ltd. (incorporated in Jersey, company registration number 107896) ("GEHCL") (as existing Guarantor), Genel Energy Netherlands Holding 1 Coop B.A. (NL) (incorporated in the Netherlands, company registration number 5394.4658) (as new Guarantor), Genel Energy Netherlands Holding 2 B.A. (NL) (incorporated in the Netherlands, company registration number 5595.3037) (as new Guarantor) and Genel Energy International Ltd (Anguilla) (incorporated in Anguilla, company registration number 2081599) ("GEIL") (as new Guarantor) (each a "Guarantor").
<b>Group:</b>	Means the Parent and all its (directly or indirectly owned) Subsidiaries from time to time, and a "Group Company" means the Parent or any of its Subsidiaries.
<b>Restricted Subsidiary:</b>	Means any Subsidiary of the Parent being the direct owner/holder of the Restricted Kurdistan PSCs, being GEIL at the Implementation Date.
<b>Currency:</b>	USD
<b>Principal amount of Bonds:</b>	Means the aggregate Nominal Value of the outstanding Bonds, which after the Implementation Date will be USD 300 million, following a partial redemption of Existing Bonds in a principal amount of USD 121.8 million at 103% of par value, and

payment of all accrued interest on the Existing Bonds until, but not including the Implementation Date.

<b>Implementation Date:</b>	Means the date the conditions precedent for the entering into effect of the Bond Terms are satisfied or waived, expected to be 22 December 2017.
<b>Coupon Rate:</b>	10.0% p.a., quarterly interest payments.
<b>Maturity Date:</b>	Five years after the Implementation Date, expected to be 22 December 2022.
<b>First Interest Payment Day:</b>	Expected to be 22 March 2018 (3 months after Implementation Date).
<b>Last Interest Payment Day:</b>	On the Maturity Date.
<b>Interest Payments:</b>	Interest on the Bonds will start to accrue on Implementation Date and shall be payable quarterly in arrears on the interest payment day in March, June, September and December each year (each an <b>"Interest Payment Day"</b> ). Day-count fraction for coupon is "30/360", business day convention is "unadjusted" and business day is "Oslo and New York".
<b>Amortization:</b>	The Bonds shall be repaid in full at the Maturity Date at 100% of par value (plus accrued interest on redeemed Bonds).
<b>Nominal Value:</b>	The Bonds will have a nominal value of USD 1 each.
<b>Status of the Bonds:</b>	The Bonds shall constitute senior debt obligations of the Issuer. The Bonds shall rank at least <i>pari passu</i> with all other unsecured obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application) and shall rank ahead of subordinated debt. The Bonds shall be guaranteed but unsecured.
<b>Guarantees:</b>	All amounts outstanding under the Finance Documents to the Bond Trustee and the bondholders, including but not limited to interest and expenses, shall be guaranteed by an unconditional and irrevocable on-demand guarantee on a joint and several basis from each of the Guarantors.
<b>Call Options (American):</b>	<p>The Issuer may redeem the Bonds (in whole or in parts) as follows:</p> <ul style="list-style-type: none"><li>(i) from the Implementation Date to, but not including, the Interest Payment Date falling 3 years after Implementation Date (the <b>"First Call Date"</b>) at a price equal to the Make Whole Amount (plus accrued interest on the redeemed Bonds);</li><li>(ii) from the First Call Date to, but not including, the Interest Payment Date falling 4 years after the Implementation Date, at a price equal to 104% of par value (plus accrued interest on the redeemed Bonds);</li><li>(iii) with Call Option Repayment Date at any time from and including the Interest Payment Date falling 4 years after the Implementation Date to, but not including, the Interest Payment Date falling 4 years and 6 months after the Implementation Date at a price equal to 102% of par value (plus accrued interest on the redeemed Bonds); and</li><li>(iv) with Call Option Repayment Date at any time from and including the Interest Payment Date falling 4 years and 6 months after the Implementation Date to, but not including, the Maturity Date at a price equal to 100% of par value (plus accrued interests on the redeemed Bonds).</li></ul>

If redemptions of the Bonds are made in part, such redemption shall be applied pro rata between the Bondholders in accordance with the procedures of the Norwegian Central Securities Depository (VPS) (the “CSD”).

For the avoidance of doubt, the redemption prices above shall be determined based on the redemption price applicable on the Call Option Repayment Date.

<b>PSC:</b>	Means any production sharing contract.
<b>Restricted Kurdistan Assets:</b>	Means the Restricted Kurdistan PSCs (as defined below), and in relation to said Restricted Kurdistan PSCs, the relevant facilities and infrastructure used for the extraction, production, storage and transportation of oil and gas, joint operating agreements, agreements relating to the transportation, processing and storage of hydrocarbon production, agreements for sale or marketing of hydrocarbon production, royalty agreements related to the hydrocarbon production, and any other material assets and agreements.
<b>Restricted Kurdistan PSCs:</b>	Means the Group’s participating interest at any time in the Taq Taq PSC and the Tawke PSC.
<b>Taq Taq PSC:</b>	Means the PSC covering an area of 640 sq. km. located in the Zagros basin northeast of Kirkuk in the Kurdistan Region of Iraq, and containing inter alia the Taq Taq oil field. The Group’s participating interest in the Taq Taq PSC is 44% at the date of the Bond Terms.
<b>Tawke PSC:</b>	Means the PSC covering an area of 630 sq. km. located close to the Turkish border in the Kurdistan Region of Iraq, and containing inter alia the Tawke oil field and the Peshkabir discovery. The Group’s participating interest at the date of the Bond Terms in the Tawke PSC is 25% and 4.5% overriding royalty started to accrue on 1 August 2017, ending on 31 July 2022 and as amended from time to time.
<b>Miran &amp; Bina Bawi PSCs:</b>	Means the PSCs covering a combined area of 959 sq. km. located in the Zagros basin northeast of Kirkuk in the Kurdistan Region of Iraq. The Miran PSC contains the Miran oil and gas discoveries, while the Bina Bawi PSC contains the Bina Bawi oil and gas discoveries.
<b>Field Development Costs:</b>	<p>Means at all times, capital costs relating to the development of any hydrocarbon asset (and as recognized as capital costs as either intangible or tangible assets according to IFRS) including without limitation the costs of development or production wells, production facilities and any other relevant facilities and infrastructure used for the extraction, production and transportation of oil and gas from the hydrocarbon asset.</p> <p>For the avoidance of doubt, Field Development Costs do not include costs related to any exploration activities.</p>
<b>Conditions Precedent:</b>	<p>The entering into effect of the Bond Terms and the replacement of the bond agreement relating to the Existing Bonds will be subject to closing procedures acceptable to the Bond Trustee and the receipt by the Bond Trustee of the following documents (in form and substance satisfactory to the Bond Trustee):</p> <ul style="list-style-type: none"><li>a) the Bond Terms duly executed;</li><li>b) the Guarantees satisfactorily executed;</li><li>c) certified copies of all corporate resolutions of each of the Issuer and the Guarantors required to issue the Bonds and execute the Finance Documents to which it is a party;</li><li>d) certified copies of the Issuer’s and the Guarantor’s articles of association, bye-laws or similar constitutional documents;</li><li>e) copies of the Issuer’s latest Financial Reports (if any);</li></ul>



- f) a certified copy of a power of attorney (unless signature rights are provided for in the relevant corporate resolution) from each of the Issuer and the Guarantors to relevant individuals for their execution of the Finance Documents to which it is a party;
- g) evidence that a requisite majority of the bondholders in the Existing Bonds have approved the proposal set out in the summons to bondholders' meeting in the Existing Bonds dated 6 December 2017;
- h) confirmation from the Issuer that no Event of Default has occurred and is continuing or is likely to occur as a result of the issuance of the Bonds, and that no event or circumstance has occurred which would, with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing, constitute an Event of Default; and
- i) an agreement between the Bond Trustee and the Issuer related to expenses and fees duly executed;
- j) all legal opinions having been received in form and substance satisfactory to the Bond Trustee, and
- k) any other Finance Documents duly signed by all parties hereto.

The Bond Trustee may waive or postpone the delivery of certain Conditions Precedent at its sole discretion.

**Parent's General Undertakings:**

During the term of the Bonds, the Parent shall (unless the Bond Trustee or the bondholders' meeting (as the case may be) in writing has agreed to otherwise) comply with the following general undertakings:

- a) **Mergers:** The Parent shall not, and shall ensure that no other Group Company shall, carry out any merger or other business combination or corporate reorganization involving consolidating the assets and obligations of the Parent or such Group Company with any other company or entity not being a Group Company if such transaction would have a Material Adverse Effect.
- b) **De-mergers:** The Parent shall not, and shall ensure that no other Group Company shall, carry out any de-merger or other corporate reorganization involving splitting the Parent or such other Group Company into two or more separate companies or entities, if such transaction would have a Material Adverse Effect.
- c) **Continuation of business:** Neither the Parent nor the Issuer shall cease to carry on its business. Further, the Parent shall ensure that no other Group Company shall cease to carry on its business, if such transaction would have a Material Adverse Effect. The Parent shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the date of the Bond Terms, or as contemplated by the Bond Terms.
- d) **Operations:** The Parent shall ensure that the operations of any Group Company are conducted in compliance with applicable laws and regulations of material importance to the business of such Group Company.
- e) **Insurances:** The Parent shall, and the Parent shall ensure that each other relevant Group Company will, maintain with financially sound and reputable insurance companies, funds or underwriters, or otherwise receive the benefit of adequate insurance or captive arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as would normally be maintained by owners and/or operators owning similar assets to those owned by the relevant Group Company, in accordance with good industry practice in their relevant jurisdiction.
- f) **Arm's length transactions:** The Parent shall not engage in, or permit any other

Group Company to engage in, directly or indirectly, any transaction with any related third party (excluding, for the avoidance of doubt, other Group Companies) (without limitation, the purchase, sale or exchange of assets or the rendering of any service), except (i) in the ordinary course of business; or (ii) in accordance with the UK Financial Conduct Authority Listing Rules; or (iii) pursuant to the reasonable requirement of the Parent's or such other Group Company's business and upon fair and reasonable arm's length terms.

- g) **Reporting:** The Parent shall of its own accord make management and financial reports (semi-annually) available to the Bond Trustee and on its web pages for public distribution not later than four months after the end of the financial year and not later than two months after the end of the subsequent six months interim period (each a "**Parent Reporting Date**"). Such reports shall be prepared on a consolidated group basis in accordance with IFRS, and include an income statement, statement of financial position, cash flow statement and management commentary or report from the board of directors. For the avoidance of doubt, the Group's normal external reporting under the United Kingdom Listing Authority listing rules will satisfy this requirement.

Furthermore, the Parent shall ensure that the Issuer prepares its own financial reports (semi-annually) and makes them available to the Bond Trustee and on the Parent's web pages for public distribution not later than four months after the end of the financial year, and not later than two months after the end of the subsequent six months period (each an "**Issuer Reporting Date**"). Such reports shall be prepared in accordance with IFRS, and include an income statement, statement of financial position and cash flow statement.

**Parent's Special Covenants:**

During the term of the Bonds, the Parent shall (unless the Bond Trustee or the bondholders' meeting (as the case may be) in writing has agreed otherwise) comply with the following special covenants:

- a) **Dividend restrictions:** The Parent shall not declare or make any dividend payment, repurchase of shares or make any loans or other equity or capital distributions or payments to its shareholders (including servicing of shareholder loans) whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a "**Distribution**") other than any Permitted Distribution.
- b) **Maintenance of ownership of the Issuer:** The Parent undertakes to maintain a 100% (direct or indirect) legal and beneficial ownership over all the shares and control over all the voting rights of the Issuer.
- c) **Maintenance of ownership of GEHCL:** The Parent undertakes to maintain a 100% (direct or indirect) legal and beneficial ownership over all the shares and control over all the voting rights of GEHCL.
- d) **Ownership of Restricted Subsidiaries:** Except as permitted under the Mandatory Prepayment provisions below, the Parent undertakes to maintain a Decisive Influence over each of the Restricted Subsidiaries.
- e) **Single-purpose entity:** The Parent shall ensure that the Issuer shall not have any other business than that related to being the issuer of the Bonds or matters reasonably ancillary thereto (including on-lending to the Parent).
- f) **Subordinated loans:** The Parent shall ensure that any loans to the Issuer from any Group Company shall be subordinated to the Bonds and subject to a subordination and turnover agreement acceptable to the Bond Trustee. For the avoidance of doubt, any such loan may be serviced only as long as no Event of Default has occurred and is continuing.

- g) **Disposal of the Restricted Kurdistan Assets:** The Parent shall ensure that no Restricted Subsidiary shall novate, transfer, sell or otherwise dispose of any working interest in any of the Restricted Kurdistan PSCs or the Restricted Kurdistan Assets unless:
- (i) the transaction is carried out with a bona fide third party not related to the Parent or any of the Group Companies, at fair market value, on terms and conditions customary for such transactions;
  - (ii) such transaction does not have a Material Adverse Effect; and
  - (iii) the Bonds are partially or fully redeemed to the extent required by the Mandatory Prepayment provisions (as described below).
- h) **Negative pledge:** The Parent shall not, and shall ensure that no other Group Company shall, create, permit to subsist or allow to exist any Security over any of its present or future respective assets (including the Restricted Kurdistan Assets and/or the Restricted Kurdistan PSCs) or its revenues, other than the Permitted Security.
- i) **Financial Indebtedness restrictions:** The Parent shall not, and shall ensure that no other Group Company shall incur, create or permit to subsist any Financial Indebtedness other than the Permitted Financial Indebtedness.
- j) **Financial Support restrictions:** The Parent shall not, and shall ensure that no other Group Company shall grant any Financial Support to or for the benefit of any third party or other Group Companies other than (i) Financial Support in the ordinary course of business and (ii) Financial Support as explicitly allowed for under the definition of Permitted Financial Indebtedness.
- k) **Permitted Miran & Bina Bawi Investments:** The Parent shall not, and shall ensure that no other Group Company make any investments in Miran & Bina Bawi PSC unless such investments are funded by;
- (i) any cash amount raised by the Parent through an equity issue;
  - (ii) any cash amount raised from a permitted disposal of any ownership portion of the Miran & Bina Bawi PSC; or
  - (iii) any freely available cash of the Group provided that the Liquidity is not less than USD 100 million immediately after any such investment is made.
- l) **Restricted Subsidiaries' distributions:** Save for obligations under any Financial Indebtedness, the Parent shall not permit any Restricted Subsidiary to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Restricted Subsidiary to:
- (i) pay dividends or make other distributions to its shareholders;
  - (ii) service any Financial Indebtedness to the Parent or the Issuer;
  - (iii) make any loans to the Parent or the Issuer; or
  - (iv) transfer any of its assets and properties to the Parent or the Issuer;
  - (v) if the creation of such contractual obligation is reasonably likely to prevent the Parent and/or the Issuer from complying with any of its obligations under the Bond Terms.
- m) **PSC Cancellation Events:** The Parent shall ensure that each Restricted Subsidiary will promptly inform the Bond Trustee of any PSC Cancellation Event and whether such PSC Cancellation Event would have a Material Adverse Effect and whether such PSC Cancellation Event would constitute an Event of Default (as described below), and the Bond Trustee shall notify the bondholders of such PSC

Cancellation Event.

**Permitted Distribution:**

Means any Distribution by the Parent in an amount not exceeding 50% of the Parent's consolidated net profit after tax based on the audited financial report for the previous financial year, however always provided that:

- (i) the Liquidity would not be less than USD 200 million immediately after such Permitted Distribution is made;
- (ii) any un-utilized portion of the Permitted Distribution may not be carried forward into the next distribution period; and
- (iii) no Event of default is continuing or would result from such Permitted Distribution.

**Permitted Financial Indebtedness:**

Means:

- (a) any Financial Indebtedness arising under the Finance Documents;
- (b) any additional Financial Indebtedness relating to existing asset owned or assets acquired by any Group Company (excluding any Restricted Subsidiary and the Issuer) provided by reputable international commercial banks (or other financial institutions providing such Financial Indebtedness on materially similar terms) as reputable international commercial banks where: (i) Security for any Financial Indebtedness is limited to the relevant asset (including, without limitation, the shares in the company holding such asset); and (ii) there is no recourse to or Financial Support provided by any Group Company other than unsecured guarantees provided by the Parent;
- (c) any unsecured or secured bonds issued by the Issuer or any other Group Company directly owned by GEHCL (excluding any Restricted Subsidiary) and established for the sole purpose of being the issuer of such bonds with (i) maturity date after the Maturity Date of the Bonds, (ii) no amortization prior to the Maturity Date of the Bonds (iii) no call options (excluding tax calls) that can be exercised before the Bonds have been redeemed in full and (iv) no security is granted over the Restricted Kurdistan Assets;
- (d) any Miran & Bina Bawi Non-Recourse Debt;
- (e) any Financial Indebtedness incurred by any Group Company in the ordinary course of business for its working capital purposes, including supplier credits, and as part of the daily operations of such Group Company;
- (f) any counter indemnity liability incurred by a Group Company to any financial institution in respect of existing and future bid, payment- and performance bonds, guarantees and letters of credit issued for the benefit of such Group Company in the ordinary course of its business;
- (g) any Financial Indebtedness arising from obligations incurred by any Group Company under any commodity price, interest rate or currency hedging agreements made on a non-speculative basis;
- (h) any Financial Indebtedness under finance or capital leases of vessels, vehicles, equipment or computers incurred by any Group Company in the ordinary course of business;
- (i) any subordinated loans with the Issuer as borrower and subject to a subordination and turnover agreement acceptable to the Bond Trustee;
- (j) any Financial Indebtedness under any loan made by one Group Company (not being the Issuer) to another Group Company;
- (k) any Financial Indebtedness arising as a result of any Group Company (excluding any Restricted Subsidiary) acquiring another entity after the Issue Date and such Financial Indebtedness is incurred under arrangements in existence at the date of acquisition; and
- (l) any refinancing, amendment or replacement of any of (a) to (k) above from time to time, however always subject to compliance with the Bond Terms including the Financial Covenants.

**Permitted Security:**

Means any Security:

- (a) in respect of Permitted Financial Indebtedness referred to in paragraph (c), (d), (e), (f), (g), (h) and (i) of the definition of "Permitted Financial Indebtedness" above and any refinancing, amendment or replacement of any such Financial Indebtedness provided that such Security is substantially the same as in existence prior to the date hereof;
- (b) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies (if applicable);
- (c) arising by operation of law;
- (d) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business;
- (e) any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business;
- (f) in the form of rental deposits or other guarantees in respect of any lease agreement in relation to real property entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (g) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;
- (h) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any Group Company other than any permitted under the preceding paragraphs) does not at any time exceed USD 5 million in aggregate for the Group at any time; and
- (i) notwithstanding the above, over the Restricted Kurdistan Assets only Security as set out in the following:
  - (i) arising by operation of law;
  - (ii) arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Restricted Subsidiary in the ordinary course of business;
  - (iii) any right of set-off arising under contracts entered into by Restricted Subsidiaries in the ordinary course of their day-to-day business;
  - (iv) in the form of rental deposits or other guarantees in respect of any lease agreement in relation to real property entered into by a Restricted Subsidiary in the ordinary course of business and on normal commercial terms; and
  - (v) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution.

**Miran & Bina Bawi  
Non-Recourse Debt:**

Means any Financial Indebtedness incurred by Genel Miran & Bira Bawi Limited (UK) (or any other Group Company holding the ownership interests in the Miran & Bina Bawi PSC) provided that:

- a) such funds shall solely be applied for the purpose of financing the spend related to the Miran & Bina Bawi PSC; and
- b) no Financial Support shall be provided by any other Group Company including the Parent.

**Financial Covenants  
applicable to the  
Parent:**

The Parent undertakes to comply with the following financial covenants during the term of the Bond Issue:

- a) **Equity Ratio:** The Parent shall ensure that the Group maintains an Equity Ratio at each Quarter Date of minimum 40%.
- b) **Leverage Ratio:** The Parent shall ensure that the Group maintains a Leverage

Ratio at each Quarter Date not exceeding 3.0x.

- c) **Minimum Liquidity:** The Parent shall ensure that the Group maintains at all times a Liquidity of no less than the higher of (i) USD 30 million and (ii) an amount equal to the Interest Costs for the the following 12 months period.

Compliance with the above Financial Covenants shall be measured on each Quarter Date by reference to the annual financial statements, the semi-annual financial statements or the quarterly management reports, as the case may be, and certified by way of a compliance certificate provided by the Parent in writing to the Bond Trustee within four months after each Quarter Date falling on 31 December and two months after any other relevant Quarter Date. The Financial Covenants shall be calculated on a consolidated basis for the Group.

In the event the Group has incurred any Miran & Bina Bawi Non-Recourse Debt, the Equity Ratio and Leverage Ratio shall be calculated on a proforma basis net of such Miran & Bina Bawi Non-Recourse Debt and associated EBITDAX whereas any cash received by the Group through repayment of intergroup loans or dividends from Miran & Bina Bawi Limited (UK) shall be recognized as EBITDAX in the Leverage Ratio.

**Equity Cure:**

A breach of the Financial Covenants shall not constitute an Event of Default if, such breach is prevented or remedied by cash proceeds received after the relevant Quarter Date (the "**Cure Amount**").

The Cure Amount can be applied for the benefit of the preceding period covenant calculation up until the date of issuance of the Compliance Certificate and may only be applied to increase the Total Assets, Total Equity and Cash.

The Issuer shall at any point in time it becomes aware of an existing or anticipated breach of any of the Financial Covenants be obligated to notify the Bond Trustee of such breach, and if relevant inform of any intention to obtain a Cure Amount, including a description of how such Cure Amount shall be obtained.

The Equity Cure mechanism can only be applied three times for the lifetime of the Bonds.

**Mandatory  
Prepayment Event:**

Means any (direct or indirect) disposal of ownership interest:

- (i) in the Tawke PSC; or
- (ii) in any other asset(s) of the Restricted Subsidiaries in a single or a series of transactions and with net cash proceeds (after repayment of any relevant Financial Indebtedness pertaining to the relevant asset if applicable) exceeding USD 50 million (the amount in excess of USD 50 million referred to as the "**Excess Disposal Proceeds**") (except for a sale or transfer to another Group Company, which subsequently will become a Restricted Subsidiary).

**Mandatory  
Prepayment:**

Upon a Mandatory Prepayment Event occurring, the Issuer shall:

- (A) with respect to a Mandatory Prepayment Event relating to a disposal of ownership interests in the Tawke PSC, on or about the day the proceeds are received by the relevant Group Company following the Mandatory Prepayment Event, redeem a principal amount of Bonds equivalent to all such proceeds; or
- (B) with respect to a Mandatory Prepayment Event relating to other disposals, to the extent that the Excess Disposal Proceeds are not within 12 months of receipt by the relevant Group Company applied exclusively towards the acquisition of producing oil & gas assets and/or investments in Field Development Costs, without delay thereafter redeem a principal amount of



Bonds equivalent to the Excess Disposal Proceeds,

in each case at a redemption price as follows:

- (i) if occurring anytime from and including the Implementation Date to, but not including the First Call Date at a price equal to 106% of par value (plus accrued interest on redeemed Bonds); and
- (ii) thereafter on the redemption prices set out under the "Call Options" paragraph above (plus accrued interest on redeemed Bonds).

For the avoidance of doubt, the redemption prices above shall be determined based on the date the Mandatory Prepayment Event occurred and not based on the date of repayment.

If a Mandatory Prepayment Event occurs, through a single transaction or through series of transactions, resulting in all of the Tawke PSC being sold or disposed of, 100% of the Bonds shall be or shall have been redeemed.

Notwithstanding the above, if a Mandatory Prepayment Event occurs which does not require the Issuer to redeem 100% of the Bonds, each Bondholder shall have the right to decline redemption of the Bonds. Any amount not applied for redemption of Bonds may be retained by the Group and applied for general corporate purposes.

**Definitions:**

**"Acceptable Bank"** means a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB+ or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa1 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognized credit rating agency.

**"Cash"** means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company with an Acceptable Bank and to which a Group Company is alone (or together with other Group Companies) beneficially entitled and for so long as the cash is freely available and unrestricted.

**"Cash Equivalents"** means, at any time:

- (i) certificates of deposit maturing within one year after the relevant date of calculation or maturing after more than one year after the relevant date of calculation so long as the relevant Group Company is able to access the cash within 15 working days of giving notice, and issued by an Acceptable Bank;
- (ii) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, Norway, any member state of the European Economic Area or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (iii) tradable commercial paper not convertible or exchangeable to any other security with a maturity no greater than one year after the relevant calculation date and which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating; or
- (iv) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a)

to (c) above and (iii) can be turned into cash on not more than 30 days' notice,

in each case, to which any Group Company is alone (or together with other Group Companies) beneficially entitled at that time and which is not issued or guaranteed by any Group Company or subject to any Security.

**"Call Option Repayment Date"** means the settlement date for the call option determined by the Issuer in accordance with the Bond Terms, or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

**"Decisive Influence"** means a person having, as a result of an agreement, understanding and/or other arrangement and/or through the direct and/or indirect ownership of shares and/or other ownership interests in another person:

- (i) a majority of the voting rights in that other person; or
- (ii) a right to elect or remove a majority of the members of the board of directors of that other person.

**"EBITDAX"** means profit before deducting any amount attributable to depreciation, amortisation, impairment, exploration expense, finance income and finance cost, and excluding any costs of a one-off, non-recurring, extraordinary or exceptional nature, calculated on a last 12 months basis on a consolidated basis for the Group).

**"Equity Ratio"** means the ratio of Total Equity to Total Assets.

**"Finance Document"** means

- (i) the Bond Terms;
- (ii) the Guarantees;
- (iii) the fee agreement between the Issuer and the Bond Trustee;
- (iv) any subordination agreements related to intra-group loans to the Issuer; and
- (v) any other document the Issuer and the Bond Trustee designate as a Finance Document.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (i) moneys borrowed and debt balances at banks or other financial institutions;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument including the Bonds;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS applicable at the Implementation Date, be treated as finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (vi) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account) or any arrangement for sale of call options or forward sale of oil or any similar arrangement or hedging arrangements for speculative purposes not covering genuine commercial exposure;
- (vii) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under IFRS;
- (viii) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise

being classified as a borrowing under IFRS;

- (ix) any financial arrangement whereby any party is granted any right to a payment as a percentage or other proportion of a Restricted Subsidiary's present or future sales proceeds, income, earnings or revenue deriving directly or indirectly from any PSCs (whether secured or unsecured); and
- (x) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above.

**"Financial Support"** means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

**"IFRS"** means International Financial Reporting Standards as adopted by the European Union and refers to the international accounting standards within the meaning of IAS Regulation 1606/2002.

**"Interest Cost"** means the aggregate gross cash interest costs of the Group related to Total Debt.

**"Leverage Ratio"** means the ratio of Net Debt to EBITDAX.

**"Liquidity"** means the aggregate book value of the Group's Cash and Cash Equivalents (save for any amounts held by Genel Miran & Bina Bawi Limited (UK) (or any other relevant Group Company) which have been incurred for the purpose of any Miran & Bina Bawi Non-Recourse Debt).

**"Make Whole Amount"** means amount equal to the sum of:

- (i) the present value on the Call Option Repayment Date of 104% of par value of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (ii) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds (excluding accrued but unpaid interest on the redeemed Bonds up to the Call Option Repayment Date) up to and including the First Call Date,

both calculated by using a discount rate of 50 basis points above the comparable US Treasury Rate (i.e. comparable to the remaining Macaulay duration of the Bonds from the Call Option Repayment Date until the First Call Date using linear interpolation).

**"Net Debt"** means Total Debt less Cash and Cash Equivalents.

**"PSC Cancellation Event"** means if any of the Restricted Kurdistan PSCs are revoked, cancelled or terminated for any reason.

**"Quarter Date"** means each 31 March, 30 June, 30 September and 31 December.

**"Security"** means any encumbrance, mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Subsidiary"** means an entity over which another entity has Decisive Influence.

**"Total Assets"** means the aggregate book value of the Group's total assets treated as assets in accordance with IFRS.

**"Total Debt"** means the sum of all interest-bearing Financial Indebtedness of the Group on a consolidated basis in accordance with IFRS.

	<p><b>“Total Equity”</b> means the aggregate book value of the Group’s total equity treated as equity in accordance with IFRS.</p>
<b>Material Adverse Effect:</b>	Means a material adverse effect on (a) the Issuer’s and/or the Guarantor’s ability to perform and comply with its obligations under any Finance Document to which it is a party or (b) the validity or enforceability of any of the Finance Documents.
<b>Change of Control Event:</b>	<p>Means:</p> <ul style="list-style-type: none"> <li>(i) if any person, or group of persons under the same Decisive Influence, obtains Decisive Influence over the Parent; or</li> <li>(ii) a de-listing of the Parent’s shares from the London Stock Exchange that does not occur (A) in connection with a listing of the Parent’s shares on another internationally recognized stock exchange or (B) pursuant to the insertion of a new holding company as part of a Group reorganisation which will be the 100% owner of the Parent and has the same shareholders as the Parent or is otherwise approved by the shareholders of the Parent.</li> </ul>
<b>Change of Control Clause:</b>	Upon a Change of Control Event occurring, each Bondholder shall have a right of pre-payment (a <b>“Put Option”</b> ) of the Bonds at a price of 101% of par value (plus accrued interest) during a period of 30 calendar days following the notice of a Change of Control Event.
<b>Event of Default:</b>	<p>The Bond Terms shall include standard event of default provisions, as well as cross default provisions for the Issuer, the Parent and any other Group Company on any single Financial Indebtedness in excess of USD 15 million.</p> <p>Upon an Event of Default, the Issuer shall, upon notice from the Bond Trustee that the Bonds are in default and due for immediate payment, as soon as possible redeem all Bonds at the redemption prices applicable for the Mandatory Prepayment Events (plus accrued interest on redeemed Bonds).</p> <p>Furthermore, a PSC Cancellation Event shall constitute an Event of Default unless such PSC Cancellation Event is capable of being remedied and is remedied within thirty days after notice thereof is given to the Issuer by the Bond Trustee.</p> <p>The Finance Documents will contain waterfall provisions in case of partial payments, i.e. first to cover costs, fees and expenses of the Bond Trustee (the <b>“Bond Trustee Expenses”</b>) and thereafter any other outstanding amounts under the Finance Documents. In case the Issuer does not pay the Bond Trustee for incurred fees, then the Bond Trustee may seek funding of the Bond Trustee Expenses from other sources, in which case such other sources will be subrogated into the position of the Bond Trustee, but subordinate any further Bond Trustee Expenses.</p>
<b>Approvals:</b>	The terms of this Refinancing Term Sheet have been subject to the the Issuer’s Board approval.
<b>Issuer’s Ownership of Bonds:</b>	The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer’s discretion be retained by the Issuer, sold or discharged.
<b>Joint Lead Managers:</b>	DNB Markets, being a part of DNB Bank ASA, Dronning Eufemias gate 30, NO-0021 Oslo, Norway; and Pareto Securities AS, Dronning Mauds gt. 3, NO-0115 Oslo, Norway.
<b>Bond Trustee:</b>	Nordic Trustee ASA, Postboks 1470 Vika, 0116 Oslo.
<b>Securities Depository:</b>	The Bonds will be registered in the CDS. Principal and interest accrued will be credited the Bondholders through the CDS.

<b>Paying Agent:</b>	DNB Bank ASA
<b>Listing of Bonds:</b>	The Bonds will continue to be listed on Nordic ABM or any other recognized exchange elected in the sole discretion of the Issuer.
<b>Market Making:</b>	No market-maker agreement has been made for this Bond Issue.
<b>Taxation:</b>	<p>The Issuer shall pay any stamp duty and other public fees accruing in connection with the issuance of the Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law.</p> <p>If the Issuer is required by law to make a tax deduction or withholding from any payment under the Bond Terms, the amount of the payment due from the Issuer shall be increased to such amount which is necessary to ensure that the bondholders receive a net amount which is (after making the required tax deduction or withholding) equal to the payment which would have been due if no tax deduction or withholding had been required.</p> <p>If any withholding tax is imposed due to subsequent changes in applicable law after the date of this Bond Terms, and such withholding tax cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer shall have the right to call all but not some of the Bonds at par value, plus accrued interest. Such call shall be notified by the Issuer in writing to the Bond Trustee at least 30 days prior to the settlement date of the call, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.</p>
<b>Bond Terms:</b>	<p>The Bond Trustee's standard bond terms for corporate and high yield bonds will regulate the rights and obligations with respect to the Bonds. The Bond Trustee's new standard terms will be used as basis for the documentation. These are made available on Nordic Trustee's webpage: <a href="https://nordictrustee.com/documents">https://nordictrustee.com/documents</a>. In the event of any discrepancy between this term sheet and the final Bond Terms, the provisions of the Bond Terms shall prevail.</p> <p>Each of the holders of Existing Bonds shall upon sufficient vote in the bondholder meeting (2/3 majority) be deemed to have accepted the Bond Issue and the amended terms of the Bonds as set out in this Term Sheet. Each such holder of Existing Bonds is thereby also deemed to have granted authority to the Bond Trustee to finalise the Bond Terms and the other Finance Documents. It also accepts to be bound by the provisions of the Bond Terms and that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.</p> <p>The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' Meetings and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein.</p>
<b>Governing law:</b>	This term sheet and the Bond Terms shall be governed by Norwegian law, venue to be Oslo district court.
<b>Terms of Implementation:</b>	Each of the holders of the Existing Bonds specifically authorizes the Bond Trustee to execute and deliver the Bond Terms on its behalf. On this basis, the Issuer and the

Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the holders of Existing Bonds, such that they thereby will become bound by the Bond Terms. The Bond Terms specifies that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the bondholders are bound by the terms of this Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.

The Bond Terms shall specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request by the Bond Trustee or the Issuer.

**Applicable  
Restrictions:**

The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Form. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.

**Transfer Restrictions:**

The Bonds are freely transferable and may be pledged, subject to applicable securities laws and the following:

- (i) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.
- (ii) The Bonds may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States.

Oslo/London, 6 December 2017

**Genel Energy Finance 2 Limited**  
As Issuer

Joint Lead Managers





## IMPORTANT INFORMATION

*For further information on this transaction, please call your regular contact at the Joint Lead Managers.*

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THIS TERM SHEET IS ONLY DIRECTED AT PERSONS WHO ARE (I) OUTSIDE THE UNITED KINGDOM OR (II) ARE PERSONS WITHIN THE UNITED KINGDOM FALLING WITHIN THE DEFINITION OF INVESTMENT PROFESSIONALS (AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE ORDER)) OR PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED IN ACCORDANCE WITH THE ORDER AND WITHOUT CONTRAVENING SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED. IN THE CASE OF INVESTMENT PROFESSIONALS, THIS NOTICE IS DIRECTED AT PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND THE INVESTMENTS AND INVESTMENT ACTIVITY TO WHICH IT RELATES WILL BE ENGAGED IN ONLY WITH SUCH PERSONS; PERSONS WHO DO NOT HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS SHOULD NOT RELY ON IT.

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