

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

**To the bondholders in:**

**NO 001 0729908 – Interoil Exploration and Production ASA Senior Secured Callable Bond Issue 2015/2026**

Oslo, 16 July 2020

**Summons for Written Resolution – amendments to the Bond Terms**

Nordic Trustee AS (the “**Bond Trustee**”) acts as bond trustee and security agent for the Senior Secured Callable Bonds with ISIN NO 001 0729908 (the “**Bonds**”) issued by Interoil Exploration and Production ASA (the “**Issuer**” or “**IOX**”) pursuant to the bond terms originally dated 28 January 2015, as amended and restated on 17 January 2020 (the “**Bond Terms**”).

Capitalised terms used but not defined herein shall have the meaning given to them in the Bond Terms.

This summons for a written resolution (the “**Summons**”) is hereby issued at the request of the Issuer.

*The information in this Summons for Written Resolution is provided by the Issuer, and the Bond Trustee expressly disclaims all liability whatsoever related to such information. Bondholders are encouraged to read this Summons in its entirety.*

**1. BACKGROUND**

Despite some recovery of the oil prices in recent weeks and a slow opening and increase in activities in several areas in the world, the impact of the Covid-19 pandemic is still in tangible progress in both Colombia and Argentina where the operations of the Company are conducted. These circumstances determine a continuation of the restrictions associated with Government actions against the pandemic and the related economic and social consequences. In light of the foregoing and in order to preserve the liquidity position of the Company in a context of ongoing uncertainties, the Company is offering to introduce certain flexibility in the payment terms of the interests on the Bonds agreed upon pursuant to the Amendment and Restatement Agreement No. 1 entered into on January 17, 2020, in a different global and local context.

The proposed flexibility consists in the option of the Company to settle the payment of 50% of the next three interest payments due and payable on 31 July 2020, 31 January 2021 and 31 July 2021, respectively, in kind by the issuance and delivery of additional Bonds ("**PIK Bonds**") with terms and conditions substantially equal to those of the Outstanding Bonds ("**PIK Option**"). The remaining 50% of the interest payments due on 31 July 2020, 31 January 2021 and 31 July 2021, respectively, is to be settled in cash.

The PIK Bonds issued as partial settlement of the relevant interest payment will carry interest from, and including, the forthcoming Interest Period (i.e. from the dates of issuance of the respective PIK Bonds), and mature at the Maturity Date. For the avoidance of doubt, interest on the PIK Bonds shall accrue at a rate of 7.50% per annum and be paid semi-annually in arrears each January 31st and July 31st.

Notwithstanding the foregoing, payment of interest in kind by means of PIK Bonds shall not apply if the market materially recovers and the Company is able to perform successfully. In this connection, the Company is offering to make full payment of interest in cash when the three following conditions (Cash Payment Conditions) are simultaneously met: (i) that the average daily price of Brent in the immediately preceding six (6) calendar months is equal or above US\$ 65.00; (ii) that the average production corresponding to the subsidiaries of the Company during the same six (6) month period is equal to or above 1,500 barrels of oil equivalent per day; and, (iii) the oil sales in US dollars corresponding to the subsidiaries of the Company during the same six (6) calendar months is equal to or above US\$10,500,000.

All of the foregoing pursuant to the Proposal are set out in detail in section 2 below.

## **2. PROPOSAL**

### **2.1 Introduction**

In accordance with clause 16.2.1 of the Bond Terms, the Issuer has approached and instructed the Bond Trustee to issue this Summons in order for the Bondholders to consider, approve and/or ratify the Issuer's proposal as set out below (the "**Proposal**"):

### **2.2 PIK Bonds**

The Issuer shall have the option to settle each of the three first interest payments by use of the PIK Option, involving the issuance and delivery of PIK Bonds, and proposes to include this new clause 9.5:

#### ***"9.5 Settlement of interest payments in kind***

*The Issuer may settle the interest payments falling due on 31 July 2020, 31 January 2021 and/or 31 July 2021 by the issuance and delivery of PIK Bonds in a principal amount corresponding to 50% of the interest payable on such payment dates, less any PIK Bonds issued (the "PIK Option"). The PIK Option shall be settled by the delivery of PIK Bonds to the Bondholders in the relevant Securities Depository on the relevant Interest Payment Date.*

*The PIK Option shall not apply if and only if ten (10) Business Days prior to the relevant Interest Payment Date (the "Cash Payment Conditions Determination Date"), the following conditions are jointly met: (i) the average of the Daily Brent Oil Prices during the period of six (6) calendar months immediately preceding the Cash Payment Conditions Determination Date is equal to or above US\$65.00; (ii) the average production corresponding to the Company subsidiaries' participating interest in their concessions, licenses and contracts (the "Subsidiaries Participating Interest") during the period of six calendar months immediately preceding the Cash Payment Conditions Determination Date is equal to or above 1,500 Barrels of Oil Equivalent per day; and (iii) the oil sales in US dollars corresponding to the Subsidiaries Participating Interest during the period of six (6) calendar months immediately preceding the Cash Payment Conditions Determination Date is equal to or above US\$10,500,000 (the "Cash Payment Conditions").*

*The PIK Option shall apply and be deemed exercised with respect to the interest payments due and payable on 31 July 2020. In order to exercise the PIK Option with regard to the payment of interests due and payable on 31 January 2021 and/or 31 July 2021, the Issuer shall notify such exercise to the Bond Trustee at the latest five (5) Business Days prior to the relevant Interest Payment Date, and document that the Cash Payment Conditions have not been satisfied.*

*Interest accrued on any PIK Bonds issued pursuant to this clause 9.5 shall not be subject to PIK Option rights, and all payments to be made by the Issuer in respect of the PIK Bonds shall be paid fully in cash."*

The definition of "Bonds" shall be amended as follows:

*"Bonds" means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds and PIK Bonds.*

A new definition of "Cash Payment Conditions " shall read as follows:

*"Cash Payment Conditions" shall have the meaning ascribed to such term in Section 9.5 below.*

A new definition of "Cash Payment Conditions Determination Date" shall read as follows:

*"Cash Payment Conditions Determination Date" shall have the meaning ascribed to such term in Section 9.5 below.*

A new definition of "Daily Brent Oil Price" shall read as follows:

*"Daily Brent Oil Price" means the end of day daily Dated Brent Future published by Platts (or such equivalent price that may replace the dated Brent price from time to time).*

A new definition of "PIK Bonds" shall read as follows:

*"PIK Bonds" means the additional Bonds to be issued and delivered as provided for in Section 9.5 below. The PIK Bonds will carry interest from, and including, the forthcoming Interest Period and mature at the Maturity Date.*

A new definition of "PIK Option" shall read as follows:

*"PIK Option" shall have the meaning ascribed to such term in clause 9.5 below.*

### **3. EVALUATION AND 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. It is recommended that the Bondholders seek counsel from their legal, financial and tax advisers regarding the effect of the Proposal.

No due diligence investigations have been carried out by the Bond Trustee or its advisors with respect to the Issuer (and its assets and liabilities), and the Bond Trustee and its advisors expressly disclaim any and all liability whatsoever in connection with the Proposed Resolution (as defined below) (including but not limited to the information contained herein).

#### 4. WRITTEN RESOLUTION

Bondholders are hereby provided with a voting request for a Bondholders' Written Resolution pursuant to clause 16.5 (Written Resolutions) of the Bond Terms. For the avoidance of doubt, no Bondholders' Meeting will be held in relation to the matters described herein.

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

*The Bondholders approve by Written Resolution the Proposal as described in section 2 (The Proposal) of this Summons and any other steps or actions deemed necessary or desirable (in the absolute discretion of the Bond Trustee) to achieve the purpose of the Proposal.*

*The Bond Trustee is hereby authorised and instructed to implement the Proposal and do all things and take all such steps as may be deemed necessary or desirable (in the absolute discretion of the Bond Trustee) to implement the Proposal and/or achieve its purpose including but not limited to negotiating and executing amendments to security agreements.*

The Proposed Resolution will be passed if a simple majority of the Voting Bonds vote in favour of the Proposed Resolution prior to the expiry of the Voting Period (as defined below).

Voting Period: The Voting Period shall expire ten (10) Business Days after the date of this Summons, being 5 pm Oslo Time on 3 August 2020. The Bond Trustee must prior to the expiration of the Voting Period have received all votes necessary in order for the Proposed Resolution to be passed with the requisite majority under the Bond Terms.

How to vote: A duly completed and signed Voting Form (attached hereto as Appendix 1), together with proof of ownership/holdings must be received by the Bond Trustee no later than at the end of the Voting Period and must be submitted by scanned e-mail to mail@nordictrustee.com.

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

If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs 16.3.3 and 16.3.4 (*Authority of Bondholders' Meeting*).

Yours sincerely

Nordic Trustee AS

A handwritten signature in blue ink, appearing to read "Fredrik Hedberg". The signature is written in a cursive style with a long horizontal stroke extending from the end.

Enclosed:

**Appendix 1 - Voting Form**

ISIN NO 001 0729908

7.50 PER CENT INTEROIL EXPLORATION AND PRODUCTION ASA SENIOR  
SECURED CALLABLE BOND ISSUE 2015/2026

The undersigned holder or authorised person/entity votes either in favour of or against the Proposed Resolution in the summons dated 16 July 2020.

In favour of the Proposed Resolution

Against the Proposed Resolution

Enclosed with this form is the complete printout from our custodian/VPS<sup>1</sup> verifying our bondholding in the Bond Issue as of

ISIN ISIN NO 001 0729908	Amount of bonds owned (in USD)
Custodian name	Account number at Custodian
Company	Day time telephone number
	E-mail:

We acknowledge that, in relation to this Written Resolution, Nordic Trustee AS may, for verification purposes, obtain information regarding our holding of Bonds in the above stated account from our custodian / in the securities register VPS.

\_\_\_\_\_  
Place and date

\_\_\_\_\_  
Authorised signature

Return:

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

Telefax: +47 22 87 94 10  
Tel: +47 22 87 94 00  
mailto: mail@nordictrustee.com

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