

AVANCE GAS HOLDING LTD
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
April 29, 2024


NOTICE IS HEREBY given that the Annual General Meeting of the Shareholders (the “**Meeting**”) of **Avance Gas Holding Ltd**, (the “**Company**”) will be held on April 29, 2024 at 14:45 hrs, at Hamilton Princess and Beach Club, 76 Pitts Bay Road, Hamilton HMCX, Bermuda for the following purposes, all of which are more completely set forth in the accompanying information statement:

To receive and adopt the audited consolidated financial statements of the Company for the period ended December 31, 2023.

To consider the following Company proposals:

1. To set the maximum number of Directors to be not more than eight.
2. To resolve that vacancies in the number of Directors be designated as casual vacancies and that the Board of Directors be authorized to fill such vacancies as and when it deems fit.
3. To re-elect Kathrine Fredriksen as a Director of the Company.
4. To re-elect Øystein Kalleklev as a Director of the Company.
5. To re-elect François Sunier as a Director of the Company.
6. To re-elect James O’Shaughnessy as a Director of the Company.
7. To re-elect Will Homan-Russell as a Director of the Company.
8. To approve the remuneration of the Company’s Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended 31 December 2024.
9. Capital adjustment.
10. Reduction of share premium account.

By Order of the Board of Directors


James Ayers
Secretary

April 5, 2024

Notes:

- 1. The Board of Directors has fixed the close of business on April 2, 2024 as the record date for the determination of the shareholders entitled to attend and vote at the Annual General Meeting or any adjournment thereof.*
- 2. No Shareholder shall be entitled to attend unless written notice of the intention to attend and vote in person or by proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarized copy of that power of attorney, is sent to the Company Secretary, to reach the Registered Office by not later than 48 hours before the time for holding the meeting.*
- 3. A Form of Proxy is enclosed for use in connection with the business set out above.*
- 4. Each of the resolutions set out above is an Ordinary Resolution, approval of which will require the affirmative vote of a simple majority of the votes cast.*

INFORMATION CONCERNING SOLICITATION AND VOTING FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (THE “MEETING”) OF AVANCE GAS HOLDING LTD, TO BE HELD ON APRIL 29, 2024.

PRESENTATION OF FINANCIAL STATEMENTS

In accordance with Section 84 of the Companies Act 1981 of Bermuda, the audited consolidated financial statements of the Company for the period ended December 31, 2023 will be presented at the Meeting. There is no requirement under Bermuda law that such statements be approved by the shareholders, and no such approval will be sought at the Meeting.

The Company’s audited consolidated financial statements will be available on its website at www.avancegas.com from April 5, 2024.

COMPANY PROPOSALS

PROPOSALS 1 & 2 – MAXIMUM NUMBER OF DIRECTORS AND VACANCIES IN THE NUMBER OF DIRECTORS

It is proposed, in accordance with Bye-law 36.1, that the maximum number of Directors is eight. It is further proposed, in accordance with Bye-law 36.5, vacancies in the number of Directors be designated casual vacancies and that the Board of Directors be authorised to fill such casual vacancies as and when it deems fit. Any director appointed to fill such a casual vacancy shall hold office until the next Annual General Meeting following his or her election or until his or her successor is elected.

PROPOSALS 3, 4, 5, 6, and 7 - ELECTION OF DIRECTORS

The Board has nominated the five persons listed below for selection as Directors of the Company. Kathrine Fredriksen, Øystein Kalleklev, François Sunier, James O’Shaughnessy and Will Homan-Russell are presently members of the Board of Directors. As provided in the Company's Bye-laws, each Director is elected at each Annual General Meeting of Shareholders and shall hold office until the next Annual General Meeting following his or her election or until his or her successor is elected.

Nominees For Election To The Company's Board Of Directors

Information concerning the nominees for Directors of the Company is set forth below:

<u>Name</u>	<u>Director Since</u>	<u>Position with the Company</u>
Kathrine Fredriksen	2021	Director
Øystein Kalleklev	2021	Director
François Sunier	2010	Director
James O’Shaughnessy	2021	Director
Will Homan-Russell	2023	Director

Kathrine Fredriksen served as a Director of the Company since 26 May 2021. Ms. Fredriksen serves as President of Seatankers UK, board member of Norwegian Property since 2016 and as a board member in Ship Finance since February 2020. She has previously been on the board of Seadrill, Golar LNG, Frontline and Deep Sea Supply. Through her role as President of Seatankers UK, she provides advice on all group investments and is intrinsically involved in the administration of the organization. Kathrine is educated at European Business School in London. She is a passionate collector of modern and contemporary art.

Øystein Kalleklev served as a Director of the Company since 26 May 2021. Mr Kalleklev has been the CEO in FLEX LNG Management AS since August 2018, after serving as CFO of Knutsen NYK Offshore Tankers since 2013 and Chairman of the General Partner of the MLP KNOT Offshore Partners from 2015-2017. Previous roles include CFO of industrial investment company Umoe Group, Managing Director of Umoe Invest, Partner of investment bank Clarksons Platou and Business Consultant at Accenture. Mr. Kalleklev holds a MSc in Business and Administration from Norwegian School of Economics and a Bachelor in Business and Finance from Heriot-Watt University.

François Sunier has served as a Director of the Company since 1 December 2010. He has been the CEO and Managing Directors of Suntrust Investment Co. S.A. since January 2002. Prior to Suntrust Investment Co. S.A., Mr. Sunier worked as an Executive Director at Goldman Sachs, London and at UBS Philips & Drew, London. François Sunier serves at the board of Mirabaud SCA and Groupe Minoteries (listed on the Swiss Stock Exchange Market). François Sunier graduated from the University of Geneva, with a bachelor in political sciences. Mr Sunier is a Swiss citizen and resides in Switzerland.

James O'Shaughnessy has been a Director of the Company since January 2021. Mr. O'Shaughnessy served as an Executive Vice President, Chief Accounting Officer and Corporate Controller of Axis Capital Holdings Limited up to March 26, 2019. Prior to that Mr. O'Shaughnessy has amongst others served as Chief Financial Officer of Flagstone Reinsurance Holdings and as Chief Accounting Officer and Senior Vice President of Scottish Re Group Ltd., and Chief Financial Officer of XL Re Ltd. at XL Group plc. Mr. O'Shaughnessy received a Bachelor of Commerce degree from University College, Cork, Ireland and is both a Fellow of the Institute of Chartered Accountants of Ireland, an Associate Member of the Chartered Insurance Institute of the UK and a Chartered Director. Mr. O'Shaughnessy also serves as a director of Frontline plc, SFL Corporation Ltd., Archer Limited, Golden Ocean Group Limited, ST Energy Transition I Ltd., CG Insurance Group and Catalina General.

Will Homan-Russell has been a Director of the Company since December 2023. Mr. Homan-Russell is an experienced professional investor in the maritime sector, currently serving as Chief Investment Officer of UK based WMC Capital Ltd., where he cofounded Albemarle Shipping Fund. From 2003 to 2018 he worked for Tufton Oceanic Limited, a fund management company specializing in investments in the maritime and energy sectors. Mr. Homan-Russell holds an MA in Mathematics from Oxford University and an MSc. in Finance from London Business School. Mr. Homan-Russell also serves as a director of SFL Corporation Ltd.

PROPOSAL 8 – TO APPROVE REMUNERATION OF THE DIRECTORS

At the Meeting, the Board will ask shareholders to approve the remuneration of the Company's Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended December 31, 2024.

PROPOSAL 9 – CAPITAL ADJUSTMENT

The Company's authorised share capital is US\$200,000,000 represented by 200,000,000 shares of par value of US\$1.00 each. At April 2 2024, 77,426,972 shares of the Company were issued and outstanding.

At the Meeting, the Board will ask the shareholders to approve a reorganisation of the Company's share capital (the "**Capital Adjustment**"), information on which is as set out below. The Capital Adjustment involves a number of steps under Bermuda law. However, the net effect of the proposal is to reduce the par value of the Company's shares from US\$1.00 to US\$0.01. Upon the proposed Capital Adjustment becoming effective, there will be no

change in the number of issued and paid-up shares held by, or the percentage level of shareholding of each shareholder of the Company. The adjustment to the par value of the issued shares will result in a credit to the contributed surplus account of the Company. Other than the expenses incurred in relation to the proposed Capital Adjustment, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

The Board of Directors believes the Capital Adjustment will provide the Company with more flexibility. The Company's Bye-laws provides amongst other things that the Board may make such other distributions as may be lawfully made out of the assets of the Company. As such, subject to the Bye-laws and all applicable laws, the proposed Capital Adjustment will increase the credit balance in the contributed surplus of the Company and will provide the Company with greater flexibility in relation to future distribution, if any, out of contributed surplus (whether or not the Company will make a distribution out of contributed surplus and the timing and the amount of distribution to be paid will depend on the Company's earnings, financial position including cash flow position and future capital requirements, future plans and other relevant factors).

By resolving to approve the Capital Adjustment, the shareholders will be approving the following legal steps (i) the cancellation of the 122,573,028 unissued shares; (ii) the reduction in the Company's authorised and issued share capital to US\$774,269.72 divided into 77,426,972 shares of par value US\$0.01 each and (iii) the increase of the Company's authorised share capital to US\$2,000,000 divided into 200,000,000 shares of par value US\$0.01 each. Consequently, as of the effective date (on or about April 29, 2024) the Company will have authorised share capital of US\$2,000,000 divided into 200,000,000 shares of par value US\$0.01 each and issued share capital of US\$774,269.72 divided into 77,426,972 shares of par value US\$0.01 each. The shares of par value US\$0.01 each will rank pari passu in all respects with each other.

PROPOSAL 10 – REDUCTION OF SHARE PREMIUM ACCOUNT

At the Meeting, the Board, pursuant to the provisions of section 46 of the Companies Act, will ask the Shareholders to approve a reduction of US\$76,652,702 in the Company's Share Premium account (referred to as additional paid in capital in the financial statements of the Company) and to credit the same amount resulting from this reduction to the Company's Contributed Surplus account. The Share Premium account is the amount of share capital which exceeds the aggregate par value of the Company's outstanding Ordinary Shares of par value US\$1.00 each. The purpose of this proposal is primarily to increase the ability of the Company to make distributions to its Shareholders.

The Company's objective is to generate competitive returns to its shareholders. The company's dividend policy is balanced between growth opportunities for Avance Gas and cash returns for the shareholders. Whilst it is the intention to pay regular dividends, the level of any dividend will be guided by current earnings, market prospects, current and future capital expenditure commitments and investments opportunities.

Under Bermuda law a company cannot pay dividends from share premium. In addition, section 54 of the Companies Act 1981 (the "**Act**") provides that a company may not declare or pay a dividend, or make a distribution out of contributed surplus if there are reasonable grounds for believing that (a) the company is, or would after the payment, be unable to pay its liabilities as they become due; or (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities.

As at April 2, 2024, the balance of the Company's Share Premium Account was US\$431,366,000. It is possible that in the future, the Company's ability to pay dividends or make distributions will exceed its retained earnings and contributed capital surplus. The Board have therefore put forward this proposal to reduce the Share Premium account from US\$431,366,000 to US\$354,713,298 by the transfer of US\$76,652,702 of the Share Premium to the Company's Contributed Surplus account with effect as of April 29, 2024 (the "**Effective Date**"). This will enable the Board to make distributions as long as the Company is solvent, and the realisable value of its assets exceeds its liabilities.

Under Bermuda law, the Company if authorised in a general meeting may, subject to any order made by the Minister of Finance of Bermuda and to its Memorandum of Association and Bye-laws, either with or without extinguishing or reducing the liability of any of its shares and either with or without reducing the number of shares, reduce any paid up capital that is in excess of the requirements of the Company. The Company's Bye-laws provide that subject to the Companies Act, the Company may, if authorised by resolution of the shareholders, reduce its share capital in any manner permitted by the Act.

On the date as from which the reduction is to have effect, a confirmation of solvency shall be given by an appropriate officer declaring that on that date the Company is solvent and after the reduction will be able to pay its liabilities as they become due.

Within 30 days after the date such reduction of the share premium is effective, the Company, as required under section 46(5) of the Companies Act, will file a memorandum, with a copy of the notice referred to above, with the office of the Bermuda Registrar of Companies (the "**Registrar**"), notifying the Registrar of compliance with the Companies Act.

OTHER BUSINESS

Management knows of no business that will be presented for consideration at the Annual General Meeting other than that stated in the Notice of Annual General Meeting.

By Order of the Board of Directors

James Ayers
Secretary

Hamilton, Bermuda

**AVANCE GAS HOLDING LTD (the “Company”)
Form of Proxy for use at Annual General Meeting to be held on April 29, 2024.**

I/We
(NAME IN BLOCK CAPITALS)

Of

being (a) holder(s) of Ordinary Shares of \$1.00 each of the above-named Company on the record date of April 2, 2024 hereby appoint the duly appointed Chairman of the meeting or to act as my/our proxy at the Annual General Meeting of the Company to be held on April 29, 2024, or at any adjournment thereof, and to vote on my/our behalf as directed below.

Please indicate with an X in the spaces provided how you wish your vote(s) to be cast on a poll. Should this card be returned duly signed, but without a specific direction, the proxy will vote for all Proposals.

<i>Proposals</i>	<i>For</i>	<i>Against</i>	<i>Abstain</i>
1. To set the maximum number of Directors to be not more than eight			
2. To resolve that vacancies in the number of directors be designated casual vacancies and that the Board of Directors be authorised to fill such casual vacancies as and when it deems fit.			
3. To re-elect Kathrine Fredriksen as a Director of the Company			
4. To re-elect Øystein Kalleklev as a Director of the Company.			
5. To re-elect François Sunier as a Director of the Company.			
6. To re-elect James O’Shaughnessy as a Director of the Company.			
7. To re-elect Will Homan-Russell as a Director of the Company.			
8. To approve the remuneration of the Company’s Board of Directors of a total amount of fees not to exceed US\$500,000 for the year ended 31 December 2024.			
9. Capital adjustment.			
10. Reduction of share premium account.			

Date Signature

Notes:

1. A Shareholder entitled to attend and vote at a meeting may appoint one or more proxies to attend and, on a poll, vote instead of him.
2. Proxies appointed by a single Shareholder need not all exercise their vote in the same manner.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of Members.
4. In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by a duly authorized officer or attorney.
5. If it is desired to appoint by proxy any person other than the Chairman of the Meeting, his/her name should be inserted in the relevant place, reference to the Chairman deleted and the alteration initialed.
6. This proxy should be completed and sent to the following address by not later than 48 hours before the time for holding the meeting:

Holders of Shares registered in the VPS should return their Proxy Forms to:
DNB Bank ASA, Registrars Dept.
P.O. Box 1600 Sentrum
0021 Oslo
Norway
Or via e-mail to: vote@dnb.no