

Explanatory notes to the agenda of the Extraordinary General Meeting of Shareholders (EGM) of Sequa Petroleum N.V. (the Company) to be held at the 24th floor, Rembrandt Tower, Amstelvein 1 (1096 HA) in Amsterdam, the Netherlands on Monday 14 December 2015 at 14.00 hours p.m. CET.

1 Explanation to agenda item 2

- 1.1 In September 2015, the Company completed the acquisition of Tellus Petroleum Invest AS (TPI) (the **Tellus Transaction**). The consideration for the acquisition of TPI by the Company is a combination of cash and new shares issued by the Company to the shareholders of TPI. Furthermore, Tellus Petroleum AS (TP), a wholly owned subsidiary of TPI, has entered into an agreement with Wintershall Norge AS (**Wintershall**) in June 2015, pursuant to which TP will acquire a portfolio of assets in the Norwegian Continental Shelf consisting of working interests in four oil and gas fields along with interests in several exploration blocks (the **Wintershall Transaction**). Both the Tellus Transaction and the Wintershall Transaction were approved by the General Meeting in its meeting held on 24 August 2015.
- 1.2 In relation to the consideration to be paid for the Tellus Transaction, the General Meeting, in its meeting held on 24 August 2015, also resolved to designate the Management Board as the competent body to resolve to the issuance of (up to) 6,000,000 shares in the capital of the Company in one or more tranches, for a period of 2 years as of the day of this meeting and to designate the Management Board of the Company as the competent body to resolve to restrict or to exclude the pre-emptive rights of existing shareholders of the Company in respect of the issuance of the afore-mentioned shares. On 24 September 2015, 1,500,000 shares in the capital of the Company were issued to the shareholders of TPI as first part of the consideration for the acquisition of TPI.
- 1.3 On 16 October Tellus Petroleum AS (TP), a wholly owned subsidiary of TPI, entered into an agreement with Total E&P Norge AS (**Total**), pursuant to which the latter will agree, subject to the satisfaction of the conditions contained therein, to sell a 15% of ownership interests in production licences of Gina Krog (the **Gina Krog SPA**) against a total consideration (including latest project operator cost estimates for Total's share in 2015) of circa Norwegian Kroner 1.4 billion (the **Gina Krog Transaction**).
- 1.4 On 1 October TP entered into an agreement with OMV (Norge) (**OMV**), pursuant to which the latter will agree, subject to the satisfaction of the conditions contained therein, to sell 0.554% of ownership interests in production licences of Ivar Aasen (the **Ivar Aasen SPA**) against a total consideration of up to Norwegian Kroner 45 million (the **Ivar Aasen Transaction**).
- 1.5 Recognising the significant growth opportunities that are available to the Company to fulfil its strategy of acquiring mid-sized development assets in the current market conditions, combined with the financing requirement for the announced Wintershall, Gina Krog and Ivar Aasen transactions, it is important to provide the Management Board and Supervisory Board with flexibility to issue new equity capital as required to maintain adequate balance sheet strength. Section 1.6 sets out the Company's proposal for delegated authority. The price set for this equity issuance by the Management Board and Supervisory Board will have due regard for the interests of existing shareholders.
- 1.6 In addition to the delegation granted to the Management Board on 31 March 2014 (which expires on 31 March 2016) and on 24 August 2015 (which expires on 24 August 2017) and in order to meet its financing needs, it is proposed to the General Meeting to designate the Management Board of the Company as the competent body to resolve to the issuance of a maximum of 250,000,000 shares in the capital of the Company on a fully diluted basis at the time of issuance for a period of two years. The Management Board resolution to issue shares in the Company requires the approval of the Supervisory Board.
- 1.7 The existing delegations mentioned above will continue to exist and be in full force and effect.

- 1.8 The designation of the Management Board as the competent body to resolve to the issuance of the maximum of 250,000,000 shares in the capital of the Company contemplates flexibility with regard to the completion of the transactions set out in 1.1 – 1.4 above.
- 1.9 It is envisaged that the shares to be issued in the capital of the Company will be listed on the Marché Libre of Euronext Paris.

2 Explanation to agenda item 3

- 2.1 In accordance with article 6.6 of the Articles and section 96a paragraph 6 of the Dutch Civil Code, it is proposed to the General Meeting to designate the Management Board of the Company as the competent body to resolve to restrict or to exclude the pre-emptive rights of existing shareholders of the Company in respect of the issuance of (up to) 250,000,000 shares in the capital of the Company, for a period of 2 years as of the day of the EGM.
- 2.2 The Management Board resolution to restrict or exclude the pre-emptive rights requires the approval of the Supervisory Board.