

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000**

**NOTICE TO BONDHOLDERS**

**Sequa Petroleum N.V. (the Issuer) U.S.\$300,000,000  
5 per cent. convertible bonds due 2020 (the Bonds)**

**ISIN: XS1220076779**

- 1 This Notice is supplemental to a notice dated 24 March 2016 (the **First Notice**), a copy of which is scheduled to this Notice. In the First Notice, the Issuer proposed a Written Resolution in connection with the matters described therein and set a Voting Deadline of 16.00 p.m. (London time) on 4 April 2016. Under the terms of the First Notice, the Issuer reserved the right to extend the Voting Period described in the First Notice at its option.
- 2 The Issuer hereby extends the Voting Deadline to 16:00 p.m. (London time) on 8 April 2016 (the **New Voting Deadline**).
- 3 Bondholders who have already submitted their instructions in respect of the Written Resolution need take no further action. Bondholders who have not yet submitted their instructions are urged to do so as soon as possible and, in any event, prior to the New Voting Deadline.
- 4 Bondholders should read the First Notice and the instructions for voting as set out therein.
- 5 **All references in the First Notice to the “Voting Deadline” shall be construed as references to 16:00 p.m. (London time) on 8 April 2016.**
- 6 All terms used but not defined herein shall have the meaning given to them in the First Notice.
- 7 If the Bondholders have any questions or require any clarifications with respect to the information set out in this Notice, the First Notice or the attached Written Resolution, they may contact the Issuer at the address below.

This Notice is given by Sequa Petroleum N.V. on 4 April 2016.

Sequa Petroleum N.V.  
Third Floor  
42 Upper Berkeley Street  
London W1H 5QL  
United Kingdom

Attention:

Benjamin Lee  
Email: [benjamin.lee@sequa-petroleum.com](mailto:benjamin.lee@sequa-petroleum.com)

Robin Storey  
Email: [robin.storey@sequa-petroleum.com](mailto:robin.storey@sequa-petroleum.com)

## Schedule 1

### THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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### NOTICE TO BONDHOLDERS

Sequa Petroleum N.V. (the Issuer) U.S.\$300,000,000  
5 per cent. convertible bonds due 2020 (the Bonds)

ISIN: XS1220076779

- 1 We refer to the Bonds and to the trust deed dated 29 April 2015 between the Issuer and BNY Mellon Corporate Trustee Services Limited as Trustee, pursuant to which the Bonds were issued (the **Trust Deed**).
- 2 Unless otherwise defined in this Notice, words and expressions defined in the Trust Deed have the same meaning when used in this Notice.
- 3 In the new oil price environment, the strategy has evolved to focus on the acquisition, optimisation and monetisation of development and producing assets where increasing opportunities are arising. This is the case in the contemplated acquisition where the structure is driven by the very attractive Norwegian oil and gas tax regime. Sequa Petroleum believes that this potential acquisition is in the interest of all stakeholders. The amendments being proposed herein, specifically the extension of maturity and changes to the negative pledge, permit the issuance of new debt while offering convertible bondholders revised terms.
- 4 Tellus Petroleum Invest AS (the **Tellus Parent**) and Tellus Petroleum AS (the **Tellus Issuer**) are Subsidiaries of the Issuer. Upon completion of a transaction that is proposed to be entered into by the Tellus Issuer in respect of certain assets relating to production licences 029B, 029C and 048 located on the Norwegian continental shelf (the **Gina Krog Acquisition**), it is expected that each of the Tellus Parent and the Tellus Issuer will become Material Subsidiaries of the Issuer. The production licences referred to above relate to a Statoil-operated development asset in the Norwegian sector of the North Sea, scheduled to come on stream during the second quarter of 2017.
- 5 Condition 2 (*Negative Pledge*) of the Bonds provides, among other things, that no Material Subsidiary of the Issuer will create or have outstanding any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, unless at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (i) are secured equally and rateably therewith to the satisfaction of the Trustee, or (ii) have the benefit of such other security interest or guarantee or indemnity or other arrangement (whether or not including the giving of security) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
- 6 The Issuer, the Tellus Parent and the Tellus Issuer propose to enter into a transaction (the **Tellus Bond Transaction**) whereby the Tellus Issuer will issue up to U.S.\$275,000,000 of bonds (the **Tellus Bonds**) due no later than 2019. The Tellus Bonds will be guaranteed by the Tellus Parent and will be secured by certain security interests to be granted by each of the Tellus Parent and the Tellus Issuer. While the majority of the security interests will be granted on completion of the Tellus Bond Transaction, under the terms of the Tellus Bonds, any

subsidiary of the Tellus Parent or the Tellus Issuer will be under a continuing obligation under the terms of the Tellus Bonds to grant security over any assets it acquires at any time in support of the obligations of the Tellus Parent and the Tellus Issuer in respect of the Tellus Bonds.

- 7 It is intended that the Tellus Bonds will be listed on the Nordic ABM. The Tellus Bonds will not be exchangeable or convertible into the shares of any entity.
- 8 Further, the Issuer proposes to raise up to U.S.\$200,000,000 by issuing high yield bonds (the **Sequa Bonds**) due no later than 2021. Under the terms of the Sequa Bonds, the Issuer, the Tellus Parent and the Tellus Issuer will grant certain security interests to the holders of the Sequa Bonds. The Sequa Bonds will not be exchangeable or convertible into the shares of any entity.
- 9 The net proceeds of both the Tellus Bonds and the Sequa Bonds will be used by the Group to finance the acquisition by the Group of the Gina Krog Acquisition and to fund field development costs associated with the ownership interests (and all contractual rights associated therewith) acquired by the Tellus Issuer and its subsidiaries as a result of the Gina Krog Acquisition.
- 10 In order to permit:
  - a. the granting of security
    - i. described above in connection with the Tellus Bond Transaction;
    - ii. described above in connection with the Sequa Bonds; and
    - iii. in connection with potential future acquisitions by the Tellus Parent and its subsidiaries;
  - b. the amendment of the Final Maturity Date applicable to the Bonds from 29 April 2020 to 29 April 2022 in order to facilitate the issue of the Tellus Bonds and the Sequa Bonds;
  - c. the amendment of the initial Conversion Price applicable to the Bonds from U.S.\$3.50 per Ordinary Share to U.S.\$2.50 per Ordinary Share (in connection therewith, the Issuer confirms that no circumstance has arisen which would require, under the Conditions of the Bonds, any adjustment to the initial Conversion Price set out therein);
  - d. the amendment of the interest rate applicable to the Bonds from 5.00 per cent per annum to (x) 5.00 per cent. per annum from (and including) the Closing Date to (but excluding) the Interest Payment Date falling on 29 April 2019; (y) 7.00 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2019 to (but excluding) the Interest Payment Date falling on 29 April 2021; and (z) 9 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2021; and
  - e. the deletion of Condition 7(b)(i), such that Issuer's right to redeem the Bonds at its option if the Parity Value of the Ordinary Shares exceeds 140 per cent. of a Bond in principal amount of US\$200,000 over a period of 30 qualifying dealing days in any 45 consecutive qualifying dealing day period is removed, and consequential amendments,

the Issuer is seeking the approval of Bondholders holding not less than three-fourths in principal amount of the Bonds for the time being outstanding, to be given in the form of the attached Written Resolution, to approve, instruct and direct the entry by the Trustee into a supplemental trust deed (the **First Supplemental Trust Deed**) pursuant to which (i) the terms of Condition 2 (*Negative Pledge*) to the Trust Deed would be amended to provide that (x) any of the Tellus Parent and its subsidiaries (together the **Tellus Group**) be permitted to create or have outstanding any Security Interest in respect of the Tellus Bonds, (y) the Issuer or any member of the Tellus Group be permitted to create or have outstanding any Security Interest in respect

of the Sequa Bonds, and (z) any member of the Tellus Group be permitted to create or have outstanding any Security Interest in respect of any other Relevant Indebtedness (including a Tellus Tap Issue as defined in the Written Resolution) incurred by any member of the Tellus Group, provided that the aggregate principal amount of all Relevant Indebtedness (other than the Sequa Bond or any refinancing thereof) in relation to which any member of the Tellus Group has granted a Security Interest does not at any time exceed U.S.\$550,000,000; (ii) the Final Maturity Date of the Bonds would be extended to 29 April 2022; (iii) the initial Conversion Price would be reduced to U.S.\$2.50 per Ordinary Share; (iv) the interest rate in respect of the Bonds would be amended from 5.00 per cent. per annum to (x) 5.00 per cent. per annum from (and including) the Closing Date to (but excluding) the Interest Payment Date falling on 29 April 2019; (y) 7.00 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2019 to (but excluding) the Interest Payment Date falling on 29 April 2021; and (z) 9 per cent. per annum from (and including) the Interest Payment Date falling on 29 April 2021; and (v) Condition 7(b)(i) would be deleted and consequential amendments made.

- 11 Pursuant to the Trust Deed, a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Bonds for the time being outstanding shall take effect as an Extraordinary Resolution. The principal amount outstanding of the Bonds is U.S.\$204,400,000.
- 12 The Issuer has delivered to the Trustee a certificate dated 23 March 2016 signed by two directors of the Issuer to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of such directors at the date of the certificate, no Event of Default or Potential Event of Default (except that the interest payment due on 29 October 2015 was made on 2 November 2015 due to technical issues associated with the Issuer's first payment of interest, resulting in a Potential Event of Default that was remedied within the applicable grace period), breach of the Trust Deed, Change of Control, Occurrence of a Merger or any other consolidation, amalgamation, merger, sale or transfer described in condition 6(n) of the Bonds has occurred since the date of the Trust Deed.
- 13 Bondholders are urged to take steps to arrange for voting for or against the Written Resolution as soon as possible and, in any case, on or before 16.00 p.m. (London time) on 4 April 2016 (the **Voting Deadline**), the period from the date of this Notice until the Voting Deadline, being the **Voting Period**.
- 14 **In accordance with normal practice, the Trustee expresses no opinion on the information described above, on the First Supplemental Trust Deed, or on the proposed Written Resolution and recommends that any Bondholders who are in any doubt as to the information described above or as to what action they should take with regard to the Written Resolution should seek their own independent financial and legal advice. Further, the Trustee has not been involved in the formulation of the terms of the Written Resolution and expresses no views on the Written Resolution, the First Supplemental Trust Deed or its terms or this Notice and nothing in this Notice or in the Written Resolution or the First Supplemental Trust Deed should be construed as a recommendation to the Bondholders from the Trustee to either approve or reject the Written Resolution proposed. The Trustee is not responsible for, and has no liability in relation to, the accuracy, completeness, validity or correctness of the statements made or documents referred to in this Notice or in the Written Resolution or in the First Supplemental Trust Deed or for any omissions from the Written Resolution or this Notice or for any written or oral information made available to any person receiving this Notice or its advisers and any such liability is expressly disclaimed.**

15 **Voting**

The attention of the Bondholders is drawn, in particular, to the voting procedures of Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (the **Clearing Systems**) set out below.

**Clearing System Procedures**

The Bonds are currently represented by a Global Certificate deposited with and registered in the name of The Bank of New York Depository (Nominees) Limited (the **Registered Holder**) as nominee for The Bank of New York Mellon, London Branch, as common depository for the Clearing Systems.

In respect of the Bonds, the Registered Holders will execute the Written Resolution in the form attached to this Notice if it is instructed to do so by direct participants in the Clearing Systems (**Accountholders**) holding interests representing not less than three-fourths (i.e. 75 per cent.) in principal amount of the Bonds then outstanding (the **Requisite Percentage**). The principal amount of the Bonds then outstanding in respect of which the Registered Holder is so instructed will be specified by the Registered Holder in the Written Resolution.

Bondholders should note that in order to instruct the Registered Holder to execute the Written Resolution in which they have an interest, Accountholders must ensure that:

- (i) they give electronic voting instructions (each an **Electronic Voting Instruction**) to the relevant Clearing System (in accordance with its procedures) TO APPROVE the Written Resolution such that the Registered Holder will receive instructions on or before the Voting Deadline. By submitting or delivering an Electronic Voting Instruction through the Clearing Systems in respect of the Written Resolution to the Registered Holder, Accountholders are deemed to authorise the relevant Clearing System to disclose the identity and holdings of the Accountholders and of the beneficial owners of the Bonds (the **Beneficial Owners**) to the Trustee and the Agents; and
- (ii) the relevant Clearing System has received irrevocable instructions (with which such Accountholders have complied) to block the Bonds in the securities account to which they are credited from and including the day on which that Electronic Voting Instruction is delivered to the relevant Clearing System so that no transfers may be effected in relation to such Bonds at any time after such date until the first to occur of (1) if the Written Resolution is approved by the Requisite Percentage, the date of the First Supplemental Trust Deed; and (2) if the Written Resolution is not approved by the Requisite Percentage, the business day in London immediately following the Voting Deadline). Bonds should be blocked in accordance with the relevant procedures of the relevant Clearing System and the deadlines required by such Clearing System. Accountholders who do not wish to approve the Written Resolution need take no action.

Accountholders are requested to confirm deadlines with their respective custodians as further procedural deadlines may exist. This will ensure any approval will be received by the Clearing Systems before the Voting Deadline.

Beneficial Owners of the Bonds which are not direct participants in the Clearing Systems must contact their broker, dealer, bank, custodian, trust company or other nominee to arrange for the Accountholders in the relevant Clearing System through which they hold Bonds to deliver an Electronic Voting Instruction in accordance with the requirements of such Clearing System and procure that the Bonds are blocked in accordance with the normal procedures of such Clearing System and the deadlines imposed by such Clearing System.

**BONDHOLDERS SHOULD NOTE THAT:**

- (A) **THE VOTING PERIOD MAY BE EXTENDED BY THE ISSUER AT ITS OPTION OR AT THE REQUEST OF ANY BONDHOLDER (IN THE ISSUER'S SOLE DISCRETION) BY THE ISSUER GIVING NOTICE THEREOF TO BONDHOLDERS THROUGH THE CLEARING SYSTEMS; AND**
- (B) **ANY VOTES SUBMITTED BY A BONDHOLDER VIA THE RELEVANT ACCOUNTHOLDER TO THE RELEVANT CLEARING SYSTEM DURING THE VOTING PERIOD MAY BE CHANGED BY THE RELEVANT ACCOUNTHOLDER DURING THE VOTING PERIOD ONLY PRIOR TO THE VOTING DEADLINE SUBJECT TO AND IN ACCORDANCE WITH THE PROCEDURES OF THE RELEVANT CLEARING SYSTEMS.**

16 If the Bondholders have any questions or require any clarifications with respect to the information set out in this notice or the attached Written Resolution, they may contact the Issuer at the address below.

This Notice is given by Sequa Petroleum N.V. on 24 March 2016.

Sequa Petroleum N.V.  
Third Floor  
42 Upper Berkeley Street  
London W1H 5QL  
United Kingdom

Attention:

Benjamin Lee  
Email: [benjamin.lee@sequa-petroleum.com](mailto:benjamin.lee@sequa-petroleum.com)

Robin Storey  
Email: [robin.storey@sequa-petroleum.com](mailto:robin.storey@sequa-petroleum.com)