

Explanatory notes to the agenda of the Annual General Meeting of Shareholders (the AGM) of Sequa Petroleum N.V. (the Company) of 8 December 2017 at 10:00 hours CET in the morning.

Agenda item 2

Report by the Management Board on the financial year 2016 and the financial situation of the Company in view of section 2:108a of the Dutch Civil Code; (discussion)

The annual report of the Management Board will be discussed, including the report of the Supervisory Board.

Agenda item 3

Implementation of the remuneration policy of the Management Board (discussion)

Pursuant to Section 2:135 (5a) of the Dutch Civil Code, a discussion should be held regarding the implementation in 2016 of the remuneration policy for the Management Board. The discussion takes place on the basis of the information referred to in Section 2:383c up to and including Section 2:383e of the Dutch Civil Code, as included on pages 16 and 72 et seq. of the Annual Report 2016.

Agenda item 4

Proposal to adopt the annual accounts 2016 (vote)

It is proposed to the General Meeting to adopt the annual accounts drawn up by the Management Board and approved by the Supervisory Board. The auditor of the Company has audited the annual accounts and issued an approving auditors statement included in the Annual Report 2016, page 76 et seq.

The Supervisory Board has approved the annual accounts on 30 October 2017.

Agenda item 5

Reservation and dividend policy (discussion)

The Dutch Corporate Governance Code provides that the policy of a company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the General Meeting.

Agenda item 6

Proposal for allocation of the profit/loss (vote)

It is proposed to the General Meeting to allocate the loss for the financial year 2016 of USD 135,975,000 to the retained earnings.

Agenda item 7

Proposal to release the Management Board members from liability (vote)

In accordance with Article 23.7 of the Articles of Association of the Company, it is proposed to release the members of the Management Board in office as well as the managing directors who stand down Mr. P.D.M. Haynes and Mr. J.P. Bosma from liability for their duties insofar as the exercise of such duties is reflected in the Annual Report 2016 or otherwise disclosed to the General Meeting.

Agenda item 8

Proposal to release the Supervisory Board members from liability (vote)

In accordance with Article 23.7 of the Articles of Association of the Company, it is proposed to release the members of the Supervisory Board in office as well as the supervisory director who stand down Mr. E.F. Eichler from liability for their duties insofar as the exercise of such duties is reflected in the 2016 annual accounts or otherwise disclosed to the General Meeting.

Agenda item 9

Proposal to re-appoint the Management Board members (vote)

Each of the members of Management Board Mr. Broekhuijsen en Mr. Luke have been re-appointed as managing directors for a period ending the date of the AGM.

- (a) It is proposed to re-appoint Mr. Broekhuijsen as managing director of the Company for a period of two (2) years ending the close of the 2019 Annual General Meeting. Mr. Broekhuijsen has indicated that he is available for re-appointment. In accordance with articles 9.3 of the Articles of Association of the Company, the Supervisory Board resolved to nominate Mr. Broekhuijsen for re-appointment in a meeting of the Supervisory Board held on 30 October 2017.

Mr. Broekhuijsen is fifty-five (55) years of age and does not hold any position relevant for the performance of his duties as managing director, other than his current position as managing director of the Company and as director Sequa Petroleum UK Ltd., Sequa Petroleum Europe Limited, CHC Energy plc, Tellus Petroleum AS and Tellus Petroleum Invest AS.

It is proposed to nominate Mr. Broekhuijsen for re-appointment as managing director as he has significant knowledge and experience in the oil and gas industry, In particular he has more than twenty-five (25) years of international commercial experience in E&P and LNG working for Shell and BG Group.

- (b) It is proposed to re-appoint Mr. Luke as managing director of the Company for a period of two (2) years ending the close of the 2019 Annual General Meeting. Mr. Luke has indicated that he is available for re-appointment. In accordance with articles 9.3 of the Articles of Association of the Company, the Supervisory Board resolved to nominate Mr. Luke for re-appointment in a meeting of the Supervisory Board held on 30 October 2017.

Mr. Luke is fifty-nine (59) years of age and does not hold any position relevant for the performance of his duties as managing director, other than his current position as managing director and as director of Tellus Petroleum AS, Tellus Petroleum Invest AS, Sequa Petroleum UK Ltd and Sequa Petroleum Europe Limited. It is proposed to nominate Mr. Luke for re-appointment as managing director as he has significant knowledge and experience in the oil and gas industry. He has over thirty (30) years of experience in the offshore oil and gas industry, holding key positions in management, operations, engineering and marketing.

Agenda item 10

Proposal to re-appoint the supervisory board members (vote)

Each of the current members of the supervisory Board Mr. Windhorst en Mr. Van Rijswijk have been re-appointed as supervisory director for a period ending the date of the AGM.

- (a) It is proposed to re-appoint Mr. Windhorst as supervisory director of the Company for a period of two (2) years ending the close of the 2019 Annual General Meeting. Mr. Windhorst has indicated that he is available for re-appointment. In accordance with article 15.2 of the Articles of Association of the Company, the Supervisory Board resolved to nominate Mr. Windhorst for re-appointment in a meeting of the Supervisory Board held on 30 October 2017.

Mr. Windhorst is forty (40) years of age. He is the Chief Executive of Sapinda Holding B.V. where he holds the position of chairman and member of the management board. Sapinda Holding B.V. is a significant shareholder of the Company. He is also a director of Sapinda Asia Limited. He is a member of the Supervisory Board of Ichor Coal N.V. and avatera Medical N.V.

It is proposed to nominate Mr. Windhorst for re-appointment as supervisory director of the Company as he has relevant knowledge and expertise investment activities.

- (b) It is proposed to re-appoint Mr. Van Rijswijk as supervisory director of the Company for a period of two (2) years ending the close of the 2019 Annual General Meeting. Mr. Van Rijswijk has indicated that he is available for re-appointment. In accordance with articles 15.2 of the Articles of Association of the Company, the Supervisory Board resolved to nominate Mr. Van Rijswijk for re-appointment in a meeting of the Supervisory Board held on 30 October 2017.

Mr. Van Rijswijk is seventy-two (72) years of age. He holds no shares in the capital of the Company. He is an independent executive and was formerly employed in senior technical roles with Shell. He is not a member of the Supervisory Board of any other company. It is proposed to nominate Mr. Van Rijswijk for re-appointment as supervisory director of the Company as he has relevant knowledge and experience in the oil and gas industry.

Agenda item 11

- (a) *Proposal to extend the designation of the Management Board as the competent body authorised to resolve to issue shares in the capital of the Company (vote)*

It is proposed to the General Meeting to designate the Management Board as the competent body to resolve to issue new shares and to grant rights to subscribe for shares in the capital of the Company, with a nominal value of EUR 0.10 each, for a period of five (5) years until November 2022, such in accordance with Article 6.1 of the Articles of Association of the Company. The Management Board would like to confirm this authority for the period ending November 2022. The Management Board resolution to issue shares or to grant rights to subscribe for shares will require the approval of the Supervisory Board.

The designation of the Management Board as the competent body to resolve to the issue of shares in the capital of the Company and the granting of rights to subscribe to shares in the capital of the Company contemplates flexibility with regard to the financing of the Company and attracting of new capital.

The authority of the Management Board to resolve to issue shares and to grant rights to subscribe to shares will be restricted to:

- 10% of the entire issued capital of the Company on a fully diluted basis at the time of the first issuance of shares or the first granting of rights to subscribe for shares under this mandate; and
- an additional 10% of the entire issued capital of the Company on a fully diluted basis in the event of a merger or acquisition.

- (b) *Proposal to designate the Management Board as the competent body to resolve to restrict or exclude pre-emptive rights upon the issuance of shares (vote)*

In accordance with Article 6.6 of the Articles of Association of the Company, 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 upon the issuance of shares or granting of rights to subscribe for shares for a period of five (5) years until November 2022. The Management Board would like to confirm the authority for the period ending November 2022. The authority of the Management Board to resolve to restrict or to exclude the pre-emptive rights upon the issuance of shares will be restricted to:

- 10% of the entire issued capital of the Company on a fully diluted basis; and
- an additional 10% of the entire issued capital of the Company on a fully diluted basis in the event of a merger or acquisition,

both as referred to under agenda item 9(a). The Management Board resolution to resolve to restrict or to exclude the pre-emptive rights will require the approval of the Supervisory Board.

- (c) *Proposal to authorise the Management Board to repurchase shares (vote)*

In accordance with Section 2:98(4) of the Dutch Civil Code and Article 7.1 of the Articles of Association of the Company, it is proposed to the General Meeting to authorise the Management Board to have the Company acquire own shares for a valuable consideration. The authorization of the Management Board to have the Company acquire its own shares contemplates flexibility.

The Management Board would like to confirm the authority for the period not exceeding eighteen months until 8 June 2018. The authority of the Management Board will be restricted to 10% of the issued share capital of the Company on a fully diluted basis at the time of the acquisition. The price per share will at least equal its nominal value but not exceed the stock price of a share at the last business day before the date of the acquisition increased by 10%. The approval of the Supervisory Board will be required for the acquisition of own shares by the Company.

Agenda item 12

Proposal to appoint an external auditor (vote)

In accordance with article 24.1 of the articles of association of the Company it is proposed to the General Meeting to appoint KMPG Accountants N.V. as the external auditor of the Company for the financial year 2017.