

Prospectus for admission to trading



Independent Oil and Gas plc

FRN senior secured EUR 130,000,000 bonds 2019/2024

ISIN NO 0010863236

6 December 2019

This Prospectus is for the admission to trading of Independent Oil and Gas plc's FRN senior secured EUR 130,000,000 bonds 2019/2024 on the Oslo Stock Exchange. The bonds were issued on 20 September 2019. Therefore, this Prospectus does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no securities are being offered or sold pursuant to this Prospectus in any jurisdiction.

IMPORTANT NOTICE

This Prospectus is prepared solely in connection with the listing of Independent Oil and Gas plc's FRN senior secured EUR 130,000,000 bonds 2019/2024 (the "**Bonds**") on the Oslo Stock Exchange. The Bonds were issued on 20 September 2019. This Prospectus is prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as implemented in Norway (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language.

For definitions of certain terms used throughout this Prospectus, see Section 13 "*Definitions*".

The information contained herein is as of the date of this Prospectus and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Bonds and which arises or is noted between the date of this Prospectus and before the listing of the Bonds on the Oslo Stock Exchange, will be presented in a supplement to this Prospectus. The publication of this Prospectus shall not create any implication that there has been no change in the Issuer's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Issuer or in connection with the listing of the Bonds, other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Issuer or by any of its affiliates, representatives or advisers.

No action has been or will be taken in any jurisdiction other than Norway by the Issuer that would permit the possession or distribution of this Prospectus, any documents relating to the Prospectus, or any amendment or supplement to the Prospectus, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer to inform themselves about and to observe such restrictions. The Issuer shall not be responsible or liable for any violation of such restrictions by prospective investors. The restrictions and limitations listed and described in the Prospectus are not exhaustive and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions. This Prospectus serves as a listing prospectus as required by applicable laws and regulations only. This Prospectus does not constitute an offer to buy, subscribe or sell any of the securities described in the Prospectus and no securities are being offered or sold pursuant to it.

The Bonds have not been and will not be registered under the US Securities Act of 1933 as amended (the "**U.S. Securities Act**"), or with any securities authority of any state of the United States. Accordingly, the Bonds may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act and in compliance with any applicable state securities laws.

This Prospectus is subject to Norwegian law unless otherwise indicated in the Prospectus. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

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APPENDIX 1: BOND TERMS

1 RISK FACTORS

1.1 General

Investing in Bonds issued by Independent Oil and Gas plc (the "Issuer", and together with its consolidated subsidiaries, the "Group", which term shall also include the Guarantors as hereinafter defined) involves inherent risks. In this Section 1, a number of risk factors are illustrated, both general risks pertaining to the Group's business operations and risks relating to the Bonds. If any of these risks or uncertainties would materialise, the Group's business, prospects, financial position, operating results or cash flows could be materially adversely affected, and the Issuer and/or the Guarantors could be unable to pay interest, principal or other amounts on or in connection with the Bonds.

Prospective investors should note that the inability of the Issuer or the Guarantors to pay interest, principal or other amounts on or in connection with any Bonds may occur for reasons which may not be considered significant by the Issuer and the Guarantors based on the information currently available to them, or which they may not currently be able to anticipate.

Prospective investors should carefully consider the information set out in this Prospectus (including any information deemed to be incorporated by reference therein) and the risk factors set out in this Section and reach their own views before making an investment in the Bonds.

An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Bonds and the suitability of investing in such Bonds in light of their particular circumstances.

The risk factors are organised in the following categories:

Risk factors specific and material to the Issuer and the Group

- I. Risks related to the Group's business activities and industry*
- II. Risks related to the Group's financial position and liquidity*
- III. Legal and regulatory risks*

Risk factors specific and material to the Bonds

- I. Risks related to the nature of the Bonds*
- II. Risks related to the guarantee*

Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factor in a category is presented first under that category, where the materiality has been determined based on the probability of occurrence and expected magnitude of negative impact of the risk. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

1.2 Risk factors specific and material to the Issuer and the Group

1.2.1 Risks related to the Group's business activities and industry

The Group's business, results of operations, value of assets, reserves, cash flows, financial condition and access to capital depend significantly upon and may be adversely affected by the level of gas prices, which are highly volatile

The Group intends to enter into gas hedging agreements closer to the time when its gas producing assets will be in production to receive fixed prices to offset the risk of revenue losses if commodity prices decline. If commodity prices increase beyond the levels set out in such agreements, the Group will not benefit from such increases and may nevertheless be obligated to pay suppliers and others in the market based on such higher prices. Furthermore, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms, and in addition, hedging itself carries certain risks, including expenses associated with terminating any hedging agreements. Further, sustained lower gas prices may cause the Group to make substantial downward adjustments to its gas reserves and/or resources. If this occurs, or if the Group's estimates of production or economic factors change, the Group may be required to write-down the carrying value of its proved gas properties to reflect these impairments. In addition, the depreciation of gas assets charged to its income statement is dependent on the estimate of its gas reserves. Furthermore, certain of the Group's core asset portfolio of six discovered gas fields could become unprofitable as a result of a decline in gas prices and could result in the Group having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Additionally, if gas prices remain depressed, it could reduce the Group's ability to refinance any outstanding debt at maturity.

The Group's development projects require substantial capital expenditures

The Group may be unable to obtain needed capital or financing on satisfactory terms. The Group may seek to finance its future capital expenditures with cash flow from operations, borrowings and/or new equity. Cash flows from operations and access to capital are subject to a number of variables which are outside the Group's control, such as gas prices, prevailing macroeconomic conditions, prevailing capital markets sentiment, prevailing political environment and other macro conditions. If the Group's revenues decrease, it may have limited ability to obtain the capital necessary to sustain operations at intended levels. If the Group's available cash is not sufficient, a curtailment of its development operations could occur, which in turn could lead to a decline in its gas reserves. If it is not possible to cancel or stop a project, the Group may be legally obliged to carry out the project contrary to its desire or with negative economic impact. Further, the Group may fail to make required payments and thus breach licence obligations, which again could lead to adverse consequences. All of the above may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

The industry in which the Group operates is highly competitive

The Group is a small owner and operator and competes with a substantial number of other companies with larger technical staffs and greater resources in acquiring gas licences and attempting to secure drilling rigs and other equipment or services necessary for operation or projects. As a result of this competitive environment, equipment or services that the Group requires may be unavailable or available only on terms which are commercially unacceptable. As a result, the Group's cash flows may decline over time.

The Group's expected future production will come from a small number of fields concentrated in one geographical area

The Group holds a small number of gas licences, all of which are located in the UK Southern North Sea. If mechanical or technical problems, storms, shutdowns or other events affect the current or future production from fields in this area, it could have a direct and significant impact on a substantial portion of the Group's production. If the actual reserves associated with any one of the Group's fields are less than anticipated, this may result in material adverse effects to the Group's business, results of operations, financial condition and/or prospects.

Risks related to the Group's seaward production licences

IOG takes a prudent attitude to managing its seaward production licences as granted by the UK Oil & Gas Authority (the "OGA") and always requests extensions to those licences where the end of the second term is approaching, but the relevant Field Development Plan ("FDP") is as yet not approved by the OGA, as the licence would expire at the end of its second term in the absence of either FDP approval or the extension. As of the date of this Prospectus, IOG has two licences in this situation, which are the Southwark licence (P1915) currently expiring on 31 January 2020, and the Blythe licence (P1736) currently expiring on 31 December 2019 (see Section 6.1.3 below). Both of these licences relate to the joint Phase 1 FDP comprising the development plans for Blythe, Elgood and Southwark (the "**Joint Phase 1 FDP**"), which is expected to be approved by the OGA in the course of December 2019 or very early in 2020, in which case the licences move into the next term. To ensure there is no chance of the Southwark and the Blythe licences expiring before the approval of the Joint Phase 1 FDP, IOG has requested short extensions to both licences to end June 2020. There is full expectation that, in the event that the Joint Phase 1 FDP approval is not reached in time, that the OGA will grant the requested extensions, and the OGA has as of the date of this Prospectus never rejected an IOG licence extension request. However, should the Joint Phase 1 FDP approval not be reached in time, and the OGA not grant the requested extensions, this may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

The Group may encounter risks relating to sales or offtake agreements

There can be no guarantee that the Group will be able to execute sales or offtake agreements for its full portfolio on favourable terms, or at all, nor can there be any assurance that its counterparties under such agreements will honour the terms of the agreements.

There may be risk relating to transportation of hydrocarbons

All modes of transportation of hydrocarbons involve risks. Hydrocarbons are by their nature hazardous and the Group is exposed to risk arising from possible major accidents or incidents with potentially hazardous impact on the environment and people, given the high volumes involved in such transportation. The Group may face interruptions or delays in the availability of infrastructure, including transit pipelines such as the Thames Pipeline, on onshore and downstream processing facilities, on which the Group's exploration and production activities are dependent. This infrastructure is subject not only to the risk of physical damage but is also dependent upon certain minimum economic thresholds being met which are governed by a combination of commodity prices and throughput often from other producing fields in which the Group may not have an interest. If third party infrastructure is no longer economic to operate it may lead to a cessation of production, which in turn could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow. Equally, prolonged shutdown or failure of such infrastructure could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

There may be risk of liability from contractors' operations

The Group carries out the majority of its activities through the use of contractors. Contractors and other service providers may cause third party liability or other losses for the Group. The Group may be subject to liability claims due to the inherently hazardous nature of its business or for acts and omissions of contractors and other service providers. The Group may also be liable to governmental authorities or other third parties for the operations of its contractors. Any indemnities the Group may receive from its contractors may be inadequate and/or difficult to enforce, which could have a material adverse effect on the Group's financial condition, business, prospects and results.

The Group's decommissioning liabilities may be onerous and cannot be accurately predicted

The Group has assumed certain obligations in respect of decommissioning its fields and related infrastructure and may assume additional decommissioning liabilities in the future. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to forecast the costs that the Group will incur in satisfying its decommissioning obligations particularly as (i) the costs of

decommissioning are highly volatile, being linked to gas capital expenditure generally and (ii) regulations determining the decommissioning standards may change. The actual costs of decommissioning are expected to be paid from the Group's cash resources and cash flow generated from both the Group's existing and future producing assets. The Group does not have a sinking fund to meet the costs of decommissioning for all of its current assets. The estimated timing of decommissioning is dependent upon a number of factors, such as cessation of production dates, planning of decommissioning activity and availability of necessary facilities (e.g. rigs or vessels), and a material reduction in production levels or commodity prices and/or an increase in operating expenditure may bring forward such timing. Given the uncertainty of both the medium and long term timing and cost of decommissioning, the associated liabilities may exceed the Group's cash resources to a point where the Group does not have the funds available to meet such costs. When its decommissioning liabilities crystallise, the Group will be jointly and severally liable for them with former and/or future partners. In the event that these partners default on their obligations, the Group will remain liable and its decommissioning liabilities could be increased significantly, while recovery from defaulting partners may be inadequate and/or impossible to enforce. Any significant increase in actual or estimated decommissioning costs that the Group incurs may adversely affect its financial condition. Decommissioning tax relief in the UK is dependent on sufficient tax having been paid to shelter such expense. The Group may not be able to deduct such expenses, partially or at all. In addition, in the UK the Group will in the future (i.e. in the later years of production when the remaining value of the asset is declining) have to provide or procure security to support its future decommissioning liabilities, typically in the form of letters of credit from banks holding certain minimum credit ratings (as set under the UK Oil & Gas model decommissioning security agreement before the downgrading of many banks following the 2008 financial crisis). There is a shortage of banks able and willing to provide such letters of credit, which may leave the Group having to provide cash as security or potentially being unable to meet its security obligations under the decommissioning arrangements. Decommissioning obligations for previously owned assets should be met by the owners of those assets at the time of decommissioning, but if those owners are unable to pay for that decommissioning the liability may have to be met by other former owners, including the Group.

The Group may be subject to risks relating to its acquisitions

Part of the Group's strategy may include increasing gas reserves and/or production through strategic business acquisitions. Even where in-depth due diligence reviews are conducted, these may not reveal existing or potential problems, nor may they permit the Group to become sufficiently familiar with the properties or assets to fully assess their potential or limitations and deficiencies. In addition, in order to establish a value and offer price for an acquisition, the Group will make certain technical and economic assumptions as regards the continuing performance of the asset and its associated liabilities, particularly as regards decommissioning. In the event that those assumptions are incorrect, the Group may overpay for such acquisition which may have a material adverse effect on the business. Risks commonly associated with acquisitions of companies or businesses include the difficulty of integrating the operations and personnel of the acquired business, problems with minority shareholders in acquired companies, the potential disruption of the Group's own business, the possibility that indemnification agreements with the sellers may be unenforceable or insufficient to cover potential liabilities, as well as operational risks relating to the assets acquired. Furthermore, the value of any business the Group acquires or invests in may be less than the amount it pays and there can be no assurance that any acquisition by the Group will be successful in whole or in part.

The Group may not develop all of its gas fields

The Group has made final investment decision for some but not all of its gas fields. Final development sanction for certain fields is planned in due course and therefore cannot yet be fully relied upon yet, as there remains uncertainty over what the development of these as yet unsanctioned fields will cost or whether they will meet the Group's technical and risk-reward requirements. As such, there is a risk that the Group may not allocate capital to all of these development projects or seek to undertake further asset or financial transactions before sanctioning them. There is no guarantee that such processes will be successful, and in such circumstances the Group may choose to withdraw from part – or all – of such projects and, as a consequence, may not meet its production targets.

1.2.2 Risks related to the Group's financial position and liquidity

The Group may be exposed to liquidity risks

In order to be able to continue as a going concern, finance its operations and mitigate the effects of fluctuations in cash flows, the Group may need to rely on additional financing. If, for any reason or at any time, the Group cannot access this financing on commercially acceptable terms and conditions, or at all, its business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

The Group may be exposed to interest rate risks

The Issuer has borrowed funds at floating interest rates, including the Bonds. Interest rates could rise significantly in the future, thereby increasing the Group's interest expenses, reducing cash flow available for capital investments and limiting the Group's ability to make payments on the Bonds.

The Group may be exposed to exchange rate risks

The Group's expenditures will be at least partially in a different currency from its revenues and financing, such as GDP, EUR and USD, exposing the Group to foreign exchange fluctuations. These fluctuations could materially adversely affect the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to credit risk

The Group's assets are planned to all produce into the same gas terminal, meaning only one gas offtaker would be required (although it is possible to have more than one). The offtake rights will be competitively bid and is expected to involve potentially five or more parties, made up of major integrated energy companies, large well-known trading companies and integrated utilities, all with very strong credit ratings. The Group has not, nor does it expect to, procure any credit default insurance going forward. If counterparties to financial instruments or gas sales contracts fail to meet their obligations, the Group may be exposed to financial loss and/or be unable to fulfil its obligations under the Bonds.

The Group is subject to restrictive covenants

The restrictions in the Bond Terms may prevent the Group from taking actions that it believes would be in its best interest, and may make it difficult for the Group to execute its business strategy successfully or compete effectively with companies that are not similarly restricted. For instance, the Issuer and the Guarantors (the "**Obligor Group**") are obliged to (i) not carry out any merger, business combination or corporate reorganisation involving a consolidation of the assets and obligations of the Issuer or the Guarantors (with a company or entity not being a member of the Obligor Group), and (ii) comply with the restrictions on investments set out in Clause 13.18 of the Bond Terms (attached hereto as Appendix 1). In addition, the financial covenants set out in Clause 13.20 of the Bond Terms may restrict the Group's ability to pursue business opportunities.

The Group may be exposed to risks relating to debt service and upstreaming capacity

Applicable law may limit the amounts that entities within the Group are permitted to pay as dividends or distributions to other Group entities. Limitations on the ability to transfer cash among entities within the Group may mean that even though the entities in aggregate may have sufficient resources to meet their obligations, the Group may not be permitted to make the necessary transfers within the Group.

1.2.3 Legal and regulatory risks

The Group's business and financial condition could be adversely affected if UK tax regulations for the petroleum industry are amended

Future political conditions in the UK may result in the government adopting materially different taxation policies which could affect the petroleum industry. Furthermore, the level of taxes the Group must pay could change significantly as a result of new interpretations of tax laws and regulations or changes to such laws and regulations. In the event there are any such changes, it could lead to new investments being less attractive, prevent the Group

from achieving further growth, or affect the Group's current and future tax position, net income after tax and financial condition. In addition, tax authorities could challenge the Group's filed tax returns leading to additional taxes and tax penalties; the UK tax authorities may under certain conditions change a tax payer's tax assessment up to twenty years after the tax year.

Fiscal and other risks derived from governmental involvement in the gas industry

The government of the United Kingdom exercises significant influence over its gas industry. Any government action concerning the gas industry, such as a change in gas pricing policy (including royalties), exploration and development policy, or taxation rules or practice, or renegotiation or nullification of existing concession contracts could have a material effect on the Group. Furthermore, there can be no assurance that applicable governments will not postpone or review projects or will not make any changes to laws, rules, regulations or policies, in each case, which could materially and adversely affect the Group's financial position, results of operations or prospects.

The Group faces risks relating to the UK's continued membership of the European Union

The 2016 referendum held in the UK resulted in a vote to leave the European Union. The Group faces risks associated with both the potential uncertainty during the period following the referendum and also the consequences that may flow from exiting the European Union. For example, because a significant proportion of UK law and regulation is based on European Union legislation and directives, leaving the European Union could materially change the legal and regulatory framework that would be applicable to the Group's operations in the future. This could increase operating costs as well as restrict the movement of capital and mobility of personnel for the Group and have a material effect on the Group's business, financial condition, results of operations and prospects.

1.3 Risk factors specific and material to the Bonds

1.3.1 Risks related to the nature of the Bonds

The Group may be exposed to the risks of not being able to repay the Bonds

If the Issuer's cash flow and capital resources are insufficient to fund debt obligations, including under the Bonds, the Group may be forced to sell assets, seek additional equity or debt capital or restructure its debt.

The Group has substantial indebtedness under the Bonds

The Group has substantial indebtedness under the Bonds. If the Group is unable to generate sufficient cash flow from operations to service its debt, the Group may be required to refinance all or a portion of its existing debt, including the Bonds, or to obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained. Inability to obtain such refinancing or financing could have a material adverse effect on the Group's business, results of operations, financial position and/or cash flow.

Optional redemption by the Issuer

The Bond Terms provide that the Bonds are subject to optional redemption by the Issuer at their outstanding principal amount, plus accrued and unpaid interest to the date of redemption, plus in some events a premium calculated in accordance with the terms and conditions of the Bond Terms. This is likely to limit the market value of the Bonds. It may not be possible for Bondholders to reinvest proceeds at an effective interest rate as high as the interest rate on the Bonds.

The Bonds may become puttable

Upon the occurrence of a change of control event, each individual Bondholder shall have a right to require that the Issuer purchases all or some of the Bonds held by that Bondholder, as further set out in the Bond Terms. However, it is possible that the Issuer may not have sufficient funds or be able to obtain third-party financing to make the required redemption of Bond, resulting in an event of default under the Bond.

The Bonds may be subject to purchase and transfer restrictions

Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to their nationality, residency, registered address, place(s) for doing business or similar), including specific transfer restrictions applicable to Bondholders located in the United Kingdom and the United States. The Issuer relied upon exemptions from registration under the U.S. Securities Act, applicable state securities laws and UK and EU securities laws in the placement of the Bonds. As a result, the Bonds may be transferred or resold only in a transaction registered under or exempt from the registration requirements of such legislation. Consequently, investors may not be able to sell their Bonds at their preferred time or price. The Issuer cannot assure investors as to the future liquidity of the Bonds and as a result, investors bear the financial risk of their investment in the Bonds, and each Bondholder must ensure compliance with applicable local laws and regulations at its own cost and expense.

The Bondholders may not be able to act if the financial condition of the Issuer materially deteriorates

Since the Issuer is only be required to satisfy certain financial ratios upon the incurrence of certain types of financial indebtedness, there is a significant risk that the Bondholders will be unable to accelerate the maturity date of the Bonds, or take other actions against the Issuer to preserve their investments, even if the financial condition of the Issuer and the Group materially deteriorates.

The value of the collateral may be insufficient in an enforcement scenario

Although the Bonds are secured with certain assets of the Group, there is no guarantee that following enforcement of the relevant security agreement the collateral enforcement proceeds available for distribution (or the value of the eligible assets available to be delivered) in accordance with the order of priority will be sufficient to pay all amounts due to Bondholders in respect of the Bonds.

1.3.2 Risks related to the guarantee***The terms and conditions of the Bonds are governed by Norwegian law and the guarantee, security agreement and intercreditor agreement are governed by the laws of England and Wales; there are risks of changes to such laws***

The terms and conditions of the Bonds are governed by Norwegian law and the guarantee, security agreement and Intercreditor Agreement are governed by the laws of England and Wales in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of this Prospectus.

2 PERSON RESPONSIBLE

2.1 Person responsible for the information

The person responsible for the information given in this Prospectus is Independent Oil and Gas plc, with business office at 1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY.

2.2 Declaration by the responsible person

Independent Oil and Gas plc declares that to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

London, 6 December 2019

Independent Oil and Gas plc

3 GENERAL INFORMATION

3.1 Third party information

If not otherwise indicated, Independent Oil and Gas plc is the source of information in this Prospectus. Information which has been sourced from a third party has been accurately reproduced. As far as the Issuer is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

3.2 The approval of the Prospectus by the Norwegian Financial Supervisory Authority of Norway

This Prospectus has on 6 December 2019 been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval shall not be considered as an endorsement of the Issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds. The Prospectus is valid for a period of 12 months from the date of approval by the Norwegian FSA.

3.3 Partly simplified and partly EU Growth prospectus procedure in accordance with the EU Prospectus Regulation

For the purpose of the registration document for the Issuer forming part of the Prospectus, the Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation. For the purpose of the information included on the Guarantors, the Prospectus has been drawn up as part of an EU Growth prospectus in accordance with Article 15 of the EU Prospectus Regulation.

3.4 Interests of persons involved in the Bond Issue

The Issuer mandated ABG Sundal Collier ASA to act as manager for the Bond Issue. The manager received a percentage fee of the gross cash proceeds raised in the Bond Issue and, as such, had an interest in the Bond Issue.

Other than what is set out above, the Issuer is not aware of any other interests (including conflict of interests) of natural and legal persons that are material to the Bond Issue.

4 INFORMATION ON THE BONDS

4.1 Main terms of the Bonds

The summary below describes the principal terms of the Bonds. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Bond Terms attached to this Prospectus as Appendix 1 contains the complete terms and conditions of the Bonds.

ISIN:	NO 0010863236
The reference name of the Bond Issue:	"Independent Oil and Gas plc FRN senior secured EUR 130,000,000 bonds 2019/2024"
Issuer or IOG:	Independent Oil and Gas plc
Security type:	Senior secured bond issue with floating rate
Guarantee:	<p>All amounts outstanding under the Finance Documents to the Bond Trustee, the Bondholders and to each other Creditor, including but not limited to interest and expenses, are guaranteed by an unconditional irrevocable corporate guarantee from the Guarantors (on a joint and several basis) governed by the laws of England in favour of the Security Agent on terms and conditions set out in the stand-alone guarantee agreement dated 30 October 2019, available at https://www.iog.co.uk/investors/bond-investors/ (the "Guarantee").</p> <p>According to the Guarantee, each Guarantor irrevocably and unconditionally:</p> <ul style="list-style-type: none"> i) guarantees to the Bond Trustee (as agent and trustee for each Secured Party) punctual performance by each Debtor of all of the Guaranteed Liabilities (all terms as defined in the Intercreditor Agreement); ii) undertakes with each Secured Party that whenever a Debtor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and iii) agrees with each Secured Party that, if any obligation guaranteed by it under the Guarantee is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation and as principal debtor and primary obligor indemnify that Secured Party immediately against any cost, loss or liability it incurs as a result of a Debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under the indemnity will not exceed the amount it would have had to pay under the Guarantee if the amount claimed had been recoverable on the basis of a guarantee.

Guarantors:	<p>From time to time, any Group Company other than the Issuer and the Ring-fenced Group Companies, which at the Issue Date is the following subsidiaries of the Issuer:</p> <ul style="list-style-type: none"> i) IOG Infrastructure Limited, a private limited company incorporated and domiciled in England and Wales (reg. no. 07632910) ii) IOG North Sea Limited, a private limited company incorporated and domiciled in England and Wales (reg. no. 07632999) iii) IOG UK Ltd, a private limited company incorporated and domiciled in England and Wales (reg. no. 08619688) <p>Any (directly or indirectly owned) subsidiary of the Issuer, from time to time (being existing and future), not being a Ring-fenced Group Company, shall become a guarantor on the same basis as the Guarantors listed above.</p>
Currency:	EUR
Maximum Issue Amount:	EUR 130,000,000
Initial Bond Issue:	EUR 100,000,000
Initial Nominal Amount – each Bond:	EUR 100,000 – each and ranking pari passu among themselves
Securities form:	The Bonds are electronically registered in book-entry form with the Central Securities Depository of Norway (Nw.: <i>Verdipapirsentralen ASA</i>) ("CSD"), with registered address at Fred. Olsens gate 1, NO-0152 Oslo, Norway.
Issue Date:	20 September 2019
Interest bearing from and including:	Issue Date
Interest bearing to:	Maturity Date
Maturity Date:	20 September 2024, adjusted according to the Business Day Convention
Interest Payment Date:	20 March, 20 June, 20 September and 20 December each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.
Interest Period:	subject to adjustment in accordance with the Business Day Convention, the period between 20 March, 20 June, 20 September and 20 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.
Interest Rate:	<p>Reference Rate + 9.50% per annum, where the Reference Rate shall mean:</p> <p>EURIBOR (European Interbank Offered Rate) 3 Months;</p> <ul style="list-style-type: none"> a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m.

- (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- b) if no screen rate is available for the relevant Interest Period:
- (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under (a) above; or
 - (ii) a rate for deposits in the Bond currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- c) if the interest rate under (a) above is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
- (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the Bond currency offered for the relevant Interest Period.

In each case, if EURIBOR is below zero, the Reference Rate will be deemed to be zero.

The current and historical level of EURIBOR 3 Months is available at <https://www.euribor-rates.eu/euribor-rate-3-months.asp>.

The Interest Rate as of the date of this Prospectus is 9.50% per annum.

Margin:	9.50% per annum
Coupon Rate:	3 months EURIBOR + 9.50% per annum, quarterly interest payments in arrears. If EURIBOR is below zero, EURIBOR shall be deemed to be zero.
Day Count Fraction – Coupon:	Actual/360-days basis
Limitation of claims:	All claims under the Finance Documents will be subject to the legislation regarding time-bar provisions under Norwegian law, being three years for interest and ten years for repayment of principal.
Business Day:	A day on which both the relevant CSD settlement system is open, and on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in Euro.
Business Day Convention:	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (<i>Modified Following</i>).
Interest Quotation Day:	In relation to any period for which Interest Rate is to be determined, two Quotation Business Days (being any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is

	open for the settlement of payments in Euro) before the first day of the relevant Interest Period.
Issue Price:	100% of par value
Yield:	Investors wishing to invest in the Bonds after the Issue Date must pay the market price for the Bonds in the secondary market at the time of purchase. Depending on the development in the bond market in general and the development of the Issuer, the price of the Bonds may have increased (above par) or decreased (below par). If the price has increased, the yield for the purchaser in the secondary market will be lower than the Interest Rate of the Bonds and vice versa. If the Bonds are bought and sold at par value the yield will be the same as the Interest Rate.
Outstanding Bonds:	Any Bonds not redeemed or otherwise discharged.
Voluntary early redemption – Call Option:	<p>(a) The Issuer may redeem all or part of the Outstanding Bonds (the "Call Option") on any Business Day from and including:</p> <ul style="list-style-type: none"> (i) the Issue Date to, but not including, the Interest Payment Date falling in September 2022 (the "First Call Date") at a price equal to the Make Whole Amount; (ii) the First Call Date to, but not including, the Interest Payment Date in March 2023 at a price equal to 104.75% of the Nominal Amount for each redeemed Bond; (iii) Interest Payment Date in March 2023 to, but not including, the Interest Payment Date in September 2023 at a price equal to 103.80% of the Nominal Amount for each redeemed Bond; (iv) Interest Payment Date in September 2023 to, but not including, the Interest Payment Date in March 2024 at a price equal to 102.85% of the Nominal Amount for each redeemed Bond; and (v) the Interest Payment Date in March 2024 to, but not including, the Maturity Date at a price equal to 100.50% of the Nominal Amount for each redeemed Bond. <p>(b) Any redemption of Bonds pursuant to (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.</p> <p>(c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least ten (10) Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within three (3) Business Days from the date of the notice.</p> <p>(d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.</p>

<p>Mandatory repurchase due to a Put Option Event:</p>	<p>(a) Upon the occurrence of a Put Option Event (being a Change of Control Event or a Listing Failure Event, as defined in the Bond Terms), each Bondholder will have the right (the "Put Option") to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101% of the Nominal Amount.</p> <p>(b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (<i>Put Option Event</i>) of the Bond Terms. Once notified, the Bondholders' right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.</p> <p>(c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 30 days exercise period referred to in (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.</p> <p>(d) If Bonds representing more than 90% of the Outstanding Bonds have been repurchased pursuant to this Clause (<i>Mandatory repurchase due to a Put Option Event</i>), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.</p>
<p>Early redemption option due to a tax event:</p>	<p>If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (<i>Taxation</i>) of the Bond Terms as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100% of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.</p>
<p>Change of Control Event:</p>	<p>(i) if the shares of the Issuer cease to be listed on London AIM or another regulated market; or</p> <p>(ii) the occurrence of an event or a series of events whereby a person, or group of persons acting in concert gain Decisive Influence over the Issuer.</p>
<p>Amortisation:</p>	<p>The Bonds shall be repaid in full at the Maturity Date.</p>
<p>Status of the Bonds:</p>	<p>The Bonds and each other payment obligation under or in relation to the Senior Finance Documents (including under the Guarantee) shall, together with the obligations owed in respect of the Permitted Hedging (but not including the Excess Permitted Hedging, both terms as defined in the Bond</p>

Terms) constitute senior debt obligations of the Issuer and each relevant Obligor. These obligations, together with all liabilities owed to the other Creditors, shall be secured by certain assets of the Obligors on the terms set out herein and in the Intercreditor Agreement.

The Bonds and each other payment obligation under or in relation to the Finance Documents (including the Guarantee) shall otherwise rank at least *pari passu* with all other obligations of the relevant Obligor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

All payment obligations under or in relation to the Senior Finance Documents and the Permitted Hedging (but not including the Excess Permitted Hedging) shall, subject to the terms of the Intercreditor Agreement, rank ahead of any liabilities owed to the Junior Creditors and the Subordinated Debt.

Transaction Security:

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer has granted the following Transaction Security in favour of the Security Agent:

- i) each of the Escrow Account Pledge and the DSR Account Pledge granted by the Issuer;
- ii) the Guarantee;
- iii) from the Issuer and each of the Guarantors, an English law composite debenture including further English law security granted by the Issuer and each of the Guarantors over all of their respective assets and undertaking, including security over the following:
 - A. fixed security over all existing and future Hydrocarbon Licences (as defined in the Bond Terms);
 - B. fixed charges granted by the Issuer and each Guarantor (as relevant) over any shares it owns in any of its direct subsidiaries;
 - C. fixed charges over upstream and mid-stream assets, including, but not limited to, plant and machinery, onshore assets facilities and real estate;
 - D. floating charges over all Pledged Accounts (other than the Escrow Account and the Debt Service Retention Account, cf. Clause 13.21 (a) of the Bond Terms) and floating charges over all Exempted Accounts (for the avoidance of doubt, these charges will be expressed to take effect as fixed charges, although in practice they take effect as floating charges);
 - E. assignment by way of security of all intra-group receivables owing to, and intercompany loans made by, the Issuer and each Guarantor;
 - F. assignment by way of security of the Issuer and all of the Guarantors' rights under:
 - 1) any agreement documenting hedging;
 - 2) any material agreements relating to the Merlin Transactions (as defined in the Bond Terms) or other permitted joint

	<p>ventures, including but not limited to the JOAs and the group carry development agreements; and</p> <p>3) any offtake, royalty or other revenue agreement;</p> <p>G. assignment of relevant insurances by the Issuer and each of the Guarantors; and</p> <p>H. floating charge over all assets of the Issuer and each Guarantor.</p> <p>If a new (directly or indirectly owned) subsidiary of the Issuer is established or acquired (or otherwise being a Group member), such subsidiary shall, unless it is a Ring-fenced Group Company, provide a Guarantee and such Transaction Security as it would have been required to provide pursuant to the Bond Terms if it had been a Guarantor at the Issue Date. To the extent not already covered by the Transaction Security Documents, each Obligor will provide Transaction Security over its holdings of shares in such subsidiary and assignment of any intra-group loans granted to such subsidiary that it would have provided if that subsidiary had been a Guarantor at the Issue Date, unless it is a Ring-fenced Group Company.</p> <p>Any new Transaction Security over assets not governed by English or Norwegian law shall be granted in accordance with the same principles and on the same basis as the Transaction Security Documents governed by Norwegian and English law, in order to create the intended benefit for the Secured Parties under the relevant document, and be subject to the consent of the Bond Trustee.</p>
Finance Documents:	<p>(i) The Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, the Guarantee, any Transaction Security Documents, any document executed in connection with Permitted Hedging, the Subordination Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document (together, the "Senior Finance Documents"); and</p> <p>(ii) all documents documenting the Junior Debt (as defined in the Bond Terms) and any other document a Junior Creditor and the Issuer designate in writing as a Junior Finance Document (together, the "Junior Finance Documents").</p>
Undertakings:	Please refer to Clause 12 (<i>Information Undertakings</i>) and Clause 13 (<i>General and Financial Undertakings</i>) of the Bond Terms.
Events of default and acceleration of the Bonds:	Please refer to Clause 14 (<i>Events of Default and Acceleration of the Bonds</i>) of the Bond Terms.
Listing:	According to the Bond Terms, the Issuer were to arrange for listing of the Bonds on the Oslo Stock Exchange as soon as possible and no later than on the date falling 9 months after the Issue Date.
Approvals:	The Bonds were issued in accordance with the approval of the Board of Directors dated 18 September 2019.

	<p>The Norwegian FSA has on 6 December 2019 approved the Prospectus under the EU Prospectus Regulation (see Section 3.2 for duties and responsibility of the Norwegian FSA).</p> <p>The Prospectus has also been sent to Oslo Børs ASA in relation to the application for listing of the Bonds on the Oslo Stock Exchange. The Bonds will be admitted to trading on or about 10 December 2019.</p>
Paying Agent:	NT Services AS, being the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.
Calculation Agent:	the Bond Trustee
Manager:	ABG Sundal Collier ASA
Security Agent:	the Bond Trustee or any successor security agent, acting for and on behalf of the Secured Parties in accordance with the Intercreditor Agreement or any other Finance Document.
Secured Parties:	the Security Agent on behalf of itself and on behalf of the Creditors.
Restrictions on the free transferability:	<p>a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.</p> <p>b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to the Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>
Market Making:	No market-maker agreement has been made or is envisaged to be made for the Bond Issue.
Purpose/Use of proceeds:	<p>The proceeds from the Initial Bond Issue (net of legal costs, fees of the Manager and the Bond Trustee, the Security Agent and any other agreed costs and expenses incurred in the period until the final release of funds from the Escrow Account) have and will be applied to:</p> <p>(i) fund the Debt Service Retention Account with an amount equal to the amount required pursuant to Clause 13.21 (a) of the Bond Terms, according to which EUR 19,426,778 was transferred to the Debt Service Retention Account on 31 October 2019;</p> <p>(ii) fund the Project (as defined in the Bond Terms); and</p> <p>(iii) up to EUR 5,000,000 toward general corporate purposes (for the avoidance of doubt, not to be used to finance/capitalize the Ring-fenced Group Companies).</p>

<p>Expenses related to the admission to trading:</p>	<p>Prospectus fee to the Norwegian FSA: NOK 84,000 Listing fee to the Oslo Stock Exchange: NOK 53,270 Registration fee to the Oslo Stock Exchange: NOK 48,450 Total legal fees (estimated): Approx. NOK 450,000 Manager's fees in connection with the Bond Issue: Approx. NOK 23 million</p>
<p>Bondholders' Meeting:</p>	<p>The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds, and has the power to make all decisions altering the terms and conditions of the Bonds, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes. The Bondholders' Meeting may <i>inter alia</i> resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.</p> <p>If a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders and prevail for all the Bonds. At the Bondholders' Meeting each Bondholder may cast one vote for each Voting Bond owned on the Relevant Record Date (as defined in the Bond Terms). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds. The Issuer's Bonds does not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.</p> <p>A Bondholder that has a Bond registered in the name of a nominee will be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.</p> <p>In order to form a quorum, at least 50% of the Voting Bonds must be represented at a Bondholders' Meeting. As a main rule, resolutions shall be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting. However, a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for any waiver or amendment of any terms of the Bond Terms.</p> <p>Subject to the Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.</p> <p>For further details on the Bondholders' Meeting, please refer to Clause 15 of the Bond Terms.</p>

Taxation:	<p>a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.</p> <p>b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:</p> <ul style="list-style-type: none"> (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, (ii) receive a net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required; and (iii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made. <p>c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p> <p>The tax legislation of the investor's Member State and of IOG's country of incorporation may have an impact on the income received from the Bonds.</p>
Legislation under which the Bonds have been created:	Norwegian law
Availability of the documentation:	This Prospectus and the Bond Terms are available at https://www.iog.co.uk/investors/bond-investors/ .

4.2 Additional information

There are no credit ratings assigned to the Bonds at the request or with the cooperation of the Issuer in the rating process.

The Issuer mandated ABG Sundal Collier ASA, with registered office at Munkedamsveien 45, P.O. Box 1444 Vika, NO-0115 Oslo, Norway, to act as manager, and NT Services AS, with registered office at Kronprinsesse Märthas plass 1, P. O. Box 1470 Vika, NO-0116 Oslo, Norway, to act as paying agent for the Bond Issue.

5 INFORMATION ON THE ISSUER AND THE CURRENT GUARANTORS

5.1 Independent Oil and Gas plc (Issuer)

The legal and commercial name of the Issuer is Independent Oil and Gas plc. The Issuer is a public limited company incorporated on 9 November 2010 under the laws of, and domiciled in, England and Wales with registration number 07434350. The Issuer's legal entity identifier ("LEI") code is 2138005OA2NLZS2NRT74. The Issuer's business office is at 1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY. The Issuer's phone number is +44 (0) 20 3879 0510 and its website is <https://www.iog.co.uk/>.

This Prospectus is published at the Issuer's website. Information presented at the Issuer's website does not form part of the Prospectus, and prospective investors should not rely on such information. However, as an exception from the above, the information incorporated by reference into the Prospectus according to Section 12 below, which is available at the Issuer's website, is part of the Prospectus.

The Issuer is the direct owner of all shares in the Guarantors listed in Section 5.2 to Section 5.4. For more information about the organisational structure of the Group, please see Section 7.1 "*Description of the Group*".

5.2 IOG Infrastructure Limited (Guarantor)

IOG Infrastructure Limited (being its legal and commercial name) is a private limited company incorporated on 13 May 2011 under the laws of, and domiciled in, England and Wales with registration number 07632910. The company's LEI code is 213800XUJFIMA3KV7537. The place of registration of IOG Infrastructure Limited is England and Wales. IOG Infrastructure Limited operates under the Companies Act 2006 of England and Wales.

The registered office, phone number and website of IOG Infrastructure Limited are the same as for the Issuer.

5.3 IOG North Sea Limited (Guarantor)

IOG North Sea Limited (being its legal and commercial name) is a private limited company incorporated on 13 May 2011 under the laws of, and domiciled in, England and Wales with registration number 07632999. The company's LEI code is 213800CCTK9QSNKO6B66. The place of registration of IOG North Sea Limited is England and Wales. IOG North Sea Limited operates under the Companies Act 2006 of England and Wales.

The registered office, phone number and website of IOG North Sea Limited are the same as for the Issuer.

5.4 IOG UK Ltd (Guarantor)

IOG UK Ltd (being its legal and commercial name) is a private limited company incorporated on 22 July 2013 under the laws of, and domiciled in, England and Wales with registration number 08619688. The company's LEI code is 2138008YN3LTS9H58A87. The place of registration of IOG UK Ltd is England and Wales. IOG UK Ltd operates under the Companies Act 2006 of England and Wales.

The registered office, phone number and website of IOG UK Ltd are the same as for the Issuer.

6 BUSINESS OVERVIEW

6.1 General

6.1.1 *The Business of the Group*

IOG is an independent development and production company focused on developing its portfolio of gas fields and delivering into the import-dependent UK market. On 28 October 2019, IOG completed a farm-out to CalEnergy Resources Limited ("**CER**") of 50% working interest in its natural gas portfolio located in the UK section of the Southern North Sea (the "**Farm-Out**"). The Farm-Out comprised all of the Issuer's upstream assets (except for the Harvey licences; see Section 6.2.5 below), as well as the Thames Pipeline and associated Thames Reception Facilities (the "**Core Project**"). In return, IOG received a mixture of upfront consideration, development carry and royalty arrangements.

Following completion of the Farm-Out, IOG owns and operates a 50% working interest in a natural gas portfolio located in the UK section of the Southern North Sea. The Group's portfolio comprises the Blythe, Elgood, Nailsworth, Elland and Southwark gas with net 2P reserves justified for development of 151bcf in total and the Harvey appraisal asset (see Section 6.2.5 below). IOG also owns and operates with a 50% interest the Thames Pipeline which it is planning to use to export its gas into the UK market via the Bacton Gas Terminal. In the 30th UK Continental Shelf Licensing Round, IOG was awarded the Goddard and Abbeydale discoveries, which management estimates to comprise a further 55bcf Mid-case Contingent Resources and 42bcf of Mid-case Prospective Resources.

6.1.2 *The OGA licensing regime¹*

Seaward production licences, as granted by the UK Oil & Gas Authority (the "**OGA**"), normally run for three successive periods or terms. These terms are commonly associated with a particular activity; the initial term with exploration, for example, but the rights conferred by the licence do not vary between them. Accordingly, a licensee who moves fast enough and secures the necessary permissions and consents would not be prevented from starting production during the initial term.

A licence will expire at the end of its initial term unless the licensee has completed an agreed initial term work programme and surrendered a fixed amount of acreage (usually 50%). There is no second term work programme that is specific to a particular licence; instead the licence will expire at the end of its second term unless the OGA has approved a field development plan. The third term is intended for production.

The duration of these terms can be varied, in agreement with the OGA. Historically, licences typically had a 4 year first term, 4 year second term and 18 year third (production) term. More recently, the model has changed to a more flexible arrangement whereby the term is usually decided according to the specific work programme agreed by the licensee. Licences can now have an up to 6 year first term, 4 year second term and 18 year third (production) term, however these can now be more flexible in each case.

6.1.3 *The Joint Phase 1 FDP*

IOG takes a prudent attitude to managing its licences and always requests extensions to those licences where the end of the second term is approaching, but the field development plan relating to such licenses is as yet not approved by the OGA. As of the date of this Prospectus, IOG has two licences in this situation, which are the Southwark licence (P1915), currently expiring on 31 January 2020 (see Section 6.2.2 below), and the Blythe

¹ As described on OGA's website on 4 December 2019, available at <https://www.ogauthority.co.uk/licensing-consents/types-of-licence/>.

licence (P1736), currently expiring on 31 December 2019 (see Section 6.2.3 below). Both of these licences and the Elgood licence (see Section 6.2.4 below) relate to the joint Phase 1 field development plan comprising the development plans for Blythe, Elgood and Southwark (the "**Joint Phase 1 FDP**"), which was originally submitted to the OGA in August 2018. The final investment decision for Phase 1 was taken in October 2019, and first gas from this Phase 1 development is targeted by early Q3 2021. The Joint Phase 1 FDP is expected to be approved by the OGA in the course of December 2019, in which case the licences move into the next term.

To ensure there is no chance of the Southwark and the Blythe licences expiring before the approval of the Joint Phase 1 FDP, IOG has requested short extensions to both licences to end June 2020. There is full expectation that, in the event that the Joint Phase 1 FDP approval is not reached in time, that the OGA will grant the requested extensions. As of the date of this Prospectus, the OGA has never rejected an IOG licence extension request.

Further details on the Group's assets, including on its current licences, are set out below.

6.2 Assets

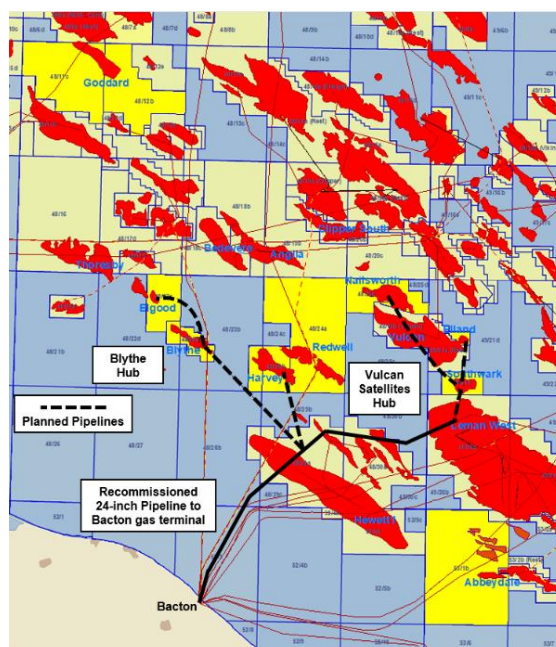
6.2.1 Thames Pipeline

The Thames Pipeline, which is owned and operated by the Group with a 50% interest, previously evacuated gas from the Thames area complex which was decommissioned following cessation of production in 2015. The pipeline was acquired by IOG for a nominal sum in April 2018 from the previous owners who had decommissioned the pipeline and the Thames area fields in 2015. The Thames Pipeline is a 24-inch concrete coated pipeline which runs 90 km from the Thames platform to the Bacton gas terminal on the coast of Norfolk.

Between May and September 2018, IOG carried an extensive programme offshore and onshore at the Bacton terminal to commence the recommissioning of the pipeline to export the entire IOG portfolio of gas in the Southern North Sea from kilometre point 60, which is 6 km south of the proposed Southwark platform location.

Analysis of the three 12-metre sections retrieved from the 60 km offshore point during offshore operations in May 2018 has enabled an assessment of the predicted internal corrosion of the pipeline. This shows the pipeline's condition to be considered suitable for re-use. Inspection of the Bacton end of the pipeline was undertaken in Q3 2018 to further assess the inshore section which proved to be in excellent condition. An elevated hydrostatic pressure test was subsequently completed to confirm pipeline integrity.

An intelligent pig run to aid future pipeline integrity management is planned from kilometre point 60 to the Bacton Terminal in Q2 2020. This is prior to the addition of a 7 km 24-inch extension from the Southwark platform to the Thames Pipeline tie-in location.



IOG Licences and recommissioned Thames Pipeline (PL370)
Source: Wood Mackenzie PetroView/IOG

6.2.2 Vulcan Satellites

IOG is 50% owner and operator of three fields in four licences in the UK sector of the Southern North Sea collectively known as the Vulcan Satellites:

Field	Licence(s)	Block(s)
Nailsworth	P130 & P2342	48/25b & 48/25a
Elland	P039	49/21a
Southwark	P1915	49/21c

Nailsworth was discovered with the 48/25a-4 well drilled by Shell/Exxon in 1987. Two further appraisal wells were drilled in 1989-90 and a further well, 48/25c-6, was drilled by Century Exploration in 2009. Elland was discovered with the 49/21b-10a well drilled by Silverstone Energy (now Verus Petroleum) in 2006 and lies adjacent to the Vulcan field which is operated by Chrysaor. Southwark was discovered with the 49/21-8a well drilled by Conoco Phillips in 2000.

The discoveries are all located in Permian age Rotliegendes Leman Sandstone with reservoir seal provided by the overlying Zechstein evaporates and carbonates. Reservoirs are typically tight and in common with other fields in the area benefit from hydraulic stimulation. Net reserves are estimated as follows:

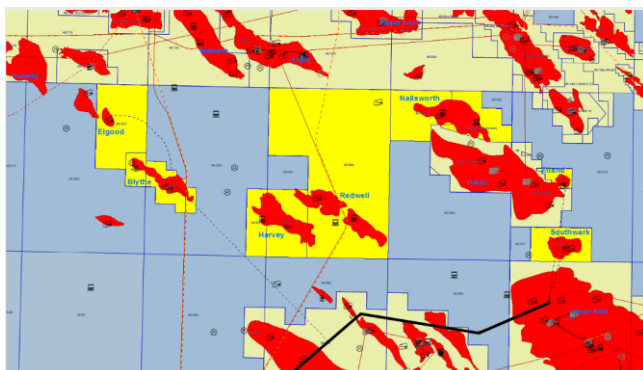
Gas Reserves (BCF)	
Field	2P
Elland	26
Nailsworth	45
Southwark	47
Total*	118

*Arithmetic Sum
Source: Management estimate

The Vulcan Satellites licences have the following current expiry dates:

P039 (Elland):	Extant
P130 (Nailsworth):	31 December 2021
P1915 (Southwark):	31 January 2020
P2342 (Nailsworth):	31 December 2021

The fields lie approximately 30-45 km east of the Blythe field and are ready for development with no further appraisal required.



As part of the acquisition of these assets, IOG assumed liability for the decommissioning of a suspended well on Elland. The Environmental Impact Assessment for the Vulcan Satellites Hub development was submitted in April 2018.

For information on the Joint Phase 1 FDP, comprising the development plans for Blythe, Elgood and Southwark, please refer to Section 6.1.3 above.

Source: Wood Mackenzie PetroView/IOG

6.2.3 Blythe

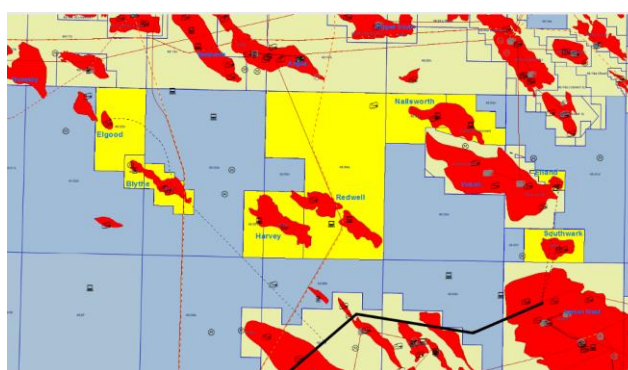
The Blythe Field was discovered in 1966 by well 48/22-1, drilled by Burmah. It is a good quality Rotliegend reservoir. It was subsequently appraised by wells 48/22-2, 48/23-3 and 48/23-4 drilled by Arco between 1987 and 1990 which both tested up to 15 MMscfd. Net reserves are estimated as follows:

Gas Reserves (BCF)	
Field	2P
Blythe	20

Source: Management estimate

In addition to the gas reserves, there is an estimated condensate yield of approximately 10 Bbls/MMcf in the Blythe gas. The current licence, P1736, was awarded in May 2010 in the 25th Licensing Round and is currently held by IOG (50%, operator) and CalEnergy Resources Limited (50%).

For information on the Joint Phase 1 FDP, comprising the development plans for Blythe, Elgood and Southwark, please refer to Section 6.1.3 above.



Blythe – Blocks 48/22b & 48/23a

Source: Wood Mackenzie PetroView/IOG

6.2.4 Elgood

IOG has a 50% working interest as operator in licence P2260 to the west of Blythe containing the Elgood discovery (Block 48/22c), which was awarded in the 28th Licensing Round and expires on 31 January 2023. The remaining 50% interest is held by CER (see Section 6.1.1 above). The Elgood Field was discovered in 1991 by well 48/22-4, drilled by Enterprise Oil, but was not progressed due to its perceived size and gas prices at that time. It is a good quality Rotliegend Leman sandstone reservoir that tested gas to surface at rates in excess of 17 MMscfd. Gas was also tested from the Hauptdolomit interval 700 feet above the Leman interval but at low rates without stimulation.

Net reserves are estimated as follows:

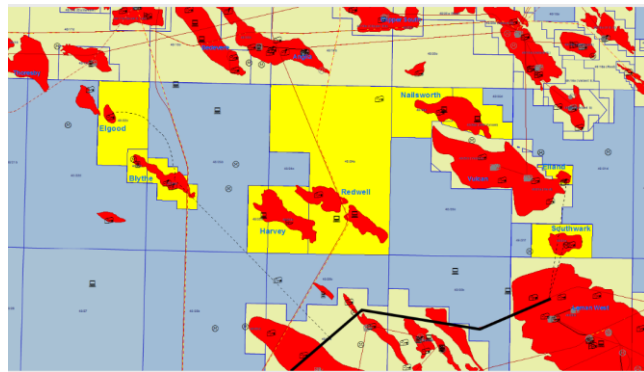
Gas Reserves (BCF)	
Field	2P
Elgood	13

Source: Management estimate

Elgood will be co-developed with Blythe with a single well tied back to the unmanned platform and producing well at Blythe.

In addition to Elgood there are two undrilled gas prospects mapped on this licence, Rebellion and Tetley, with combined net Mid-case Prospective Resources of 13 bcf.

For information on the Joint Phase 1 FDP, comprising the development plans for Blythe, Elgood and Southwark, please refer to Section 6.1.3 above.



Blythe Hub
Source: Wood Mackenzie PetroView/IOG

6.2.5 *Harvey*

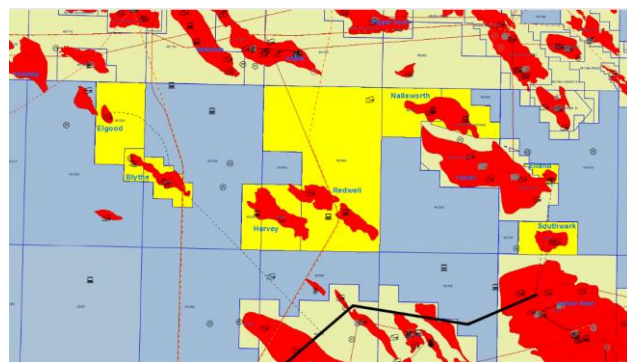
The Harvey licence, P2085, was awarded to IOG at 100% working interest in December 2013 in the 27th Licensing Round. In May 2018, IOG announced the successful application of the licence to the east of Harvey in Block 48/24a, licence P2441. This licence award secured 100% of the Harvey structure on the mid-case and upside cases of the mapped structure.

Harvey is located in the well understood Lemn Sandstone Formation play. In Q3 2019, IOG drilled an appraisal well at the Harvey structure. Data acquired from the well is now undergoing analysis to generate a revised technical assessment of reservoir gas volumes and deliverability.

CER has the option to acquire 50% of the Harvey licences within three months of completion of the well, which occurred on 19 September 2019 (the "**Harvey Option**"). The OGA has confirmed the continuation of the Harvey licence (P2085) into its second term, which contains the Harvey discovery, which ends 19 December 2021 (the expiry date for the Harvey licence).

During 2016, IOG completed a detailed 3D seismic reprocessing and interpretation project across the wider Blythe area and acquired additional 3D seismic data covering an area to the east of the Harvey well (48/23-2) drilled by Arco in 1984.

During 2018 IOG completed further 3D-seismic reprocessing across the Harvey area covering both licences, thereby fulfilling the 30th Licensing Round commitment on licence P2441.



48/23c, 48/24b (P2085) & 48/24a (P2441)
Source: Wood Mackenzie PetroView/IOG

6.2.6 *Goddard*

The Goddard discovery, (previously known as Glein) was proven by well 48/11a-12 drilled by Arco in 1994. The Goddard licence, P2438, was awarded to IOG at 100% working interest in October 2018 in the 30th Licensing Round, of which 50% was farmed-out to CER on 28 October 2019 (see Section 6.1.1 above). A commitment to drill an appraisal well on the Goddard structure has been made within 3 years of licence award, i.e. by October 2021. The expiry date for the Goddard licence (P2438) is 30 September 2021.

IOG has also committed to reprocess 175 sq. km of 3D seismic and undertake reservoir modelling studies.

Net Contingent and Prospective Resources are estimated as follows:

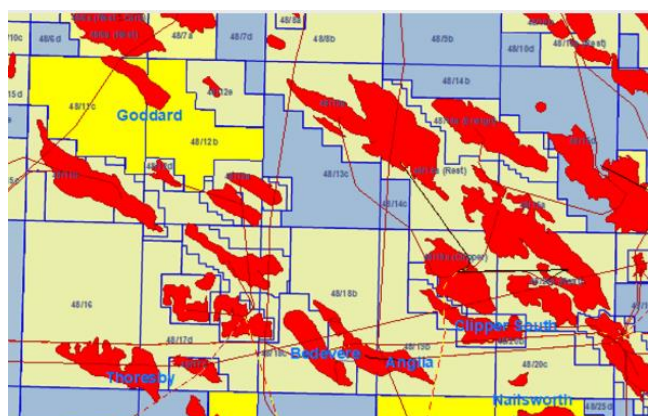
Net Contingent Resources (Bcf)	1C	2C	3C
Goddard Discovery	27.2	53.9	101.4
Net Unrisked Prospective Resources (Bcf)	Low	Best	High
Goddard 'Pop-up 1'	13.9	24.4	40.8
Goddard 'Pop-up 2'	7.0	12.1	15.0
Total Net Unrisked Prospective Resources	20.9	36.5	60.7

Source: Goddard CPR – ERC Equipoise – October 2018

Seismic reinterpretation and re-mapping is underway in order to optimise the appraisal well location. Goddard is located in the well understood Leman Sandstone Formation play. The discovery lies 70 km north of the Norfolk coast in 25m water depth, 5 km to the south of the Perenco operated West Sole field and 11 km north of the Pickerill Field.

The current development plan for Goddard is to develop the field from a total of three wells. These wells are planned to be horizontal hydraulically stimulated wells to achieve maximum flow rates. The three development wells are likely to be drilled by a jack-up unit through a suitable Normally Unmanned Installation. The possibility of sub-sea completions would also be evaluated as part of the field development plan optimisation.

The export of gas is possible via a 45 km pipeline to IOG's Blythe Hub then to a tie-in to the recommissioned Thames pipeline.



48/11c & 48/12b (P2438)
Source: Wood Mackenzie PetroView/IOG

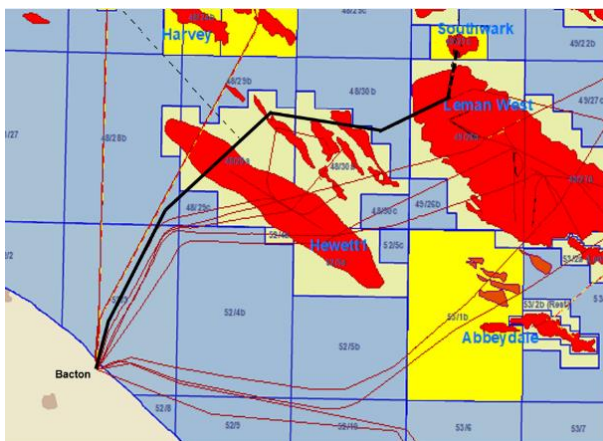
6.2.7 *Abbeydale*

The Abbeydale discovery (previously known as Aberdonia) was proven by well 53/1a-13 drilled by Mobil in 1996. The Abbeydale licence, P2442, was awarded to IOG at 100% working interest in May 2018 in the 30th Licensing Round, of which 50% was farmed-out to CER on 28 October 2019 (see Section 6.1.1 above). IOG committed to reprocess 150 sq. km of 3D seismic and undertake reservoir modelling studies with a drill or drop well commitment by November 2022. The expiry date for the Abbeydale licence (P2442) is 30 September 2022. Management estimates of the proven resources are as follows: -

On Structure:

Net GIIP (Bcf)	P90	P50	P10
Abbeydale	4	7	17
Net Resources (Bcf)	P90	P50	P10
Abbeydale	3	6	15

Source: 30th round licence Application



53/1b (P2442)

Source: Wood Mackenzie PetroView/IOG

Abbeydale lies 48 km East of Bacton in 25m water depth, to the south of the Lemn Field (Shell/Perenco) and the decommissioned Camelot area and approximately 30 km south of the IOG owned Southwark discovery, part of IOG's Vulcan Satellites Hub.

IOG expects the current evaluation of gas resources to increase following improved seismic imaging via reprocessing. IOG therefore has looked at a notional development case of 11 BCF net to IOG (50%). The current plan for Abbeydale is to drill a single development well by a jack-up unit tied back via an unmanned, minimal facility, well head platform structure to the recommissioned Thames pipeline at Southwark.

6.3 The market in which the Group operates

As a UK-based and focused gas developer, IOG will deliver into the UK wholesale gas market and this is the market to which it is fundamentally and exclusively exposed. The main benchmark for this market is the National Balancing Point ("**UK NBP**") marker, which is priced in GBP pence per therm ("**p/th**"). This is highly correlated with the Dutch TTF gas pricing benchmark, which is priced in EUR/MWh, as both are northern European pricing benchmarks and the UK is connected to the mainland European gas market via the Interconnector. The Interconnector is a 40-inch diameter, bi-directional gas pipeline that flows between the Bacton Gas Terminal (where IOG gas will be delivered onshore and into the UK market) and Zeebrugge in Belgium, thereby facilitating gas trading between the UK and the rest of Europe. IOG is in the fairly unique position as a relatively small upstream gas company in that it owns and operates its own gas transportation and reception infrastructure: the 24-inch diameter Thames Pipeline, with a maximum capacity of 550mmcf/d, and the onshore Thames Reception Facilities at the Bacton Gas Terminal (see Section 6.2.1 above).

At the date of this Prospectus, the realised UK NBP gas price has averaged very close to 50p/th over the past decade, and the forward price curve implies a similar level of pricing over the coming years. As with any market, pricing is impacted by both supply and demand and market participants' perceptions of how both will evolve in the future. The demand side is spread across electricity generation, industrial use and domestic use (heating and cooking), with the latter showing explicit seasonality, creating a two-tier pricing mechanism: summer pricing from April to September and winter pricing from October to March. In recent years, approximately 40% of UK electricity generation on average has come from gas as the primary energy source, with the contribution of gas remaining fairly stable while coal has dropped and renewables have increased. At times of low renewable utilisation, the share of gas in this mix can reach over 90%. As such, gas is and will remain of critical importance to the UK energy mix for the foreseeable future across all scenarios. Gas can be seen as a key part of the Energy Transition in the UK, being a significantly cleaner fuel than coal while being able to provide baseload supply alongside intermittent supply from wind, solar and other renewable energy sources.

A further factor in support of the Group's market position is the fact that, less than two decades since it was a net gas exporter, the UK now imports over half of its gas needs, via both pipeline and liquefied natural gas (LNG) imports. This is primarily due to the substantial decline in domestically produced gas from the UK North Sea. Low-cost domestic gas production such as the Group's (with average opex forecast at c.7p/th over project life) will stand at a structural advantage in this context, being both economically advantaged compared to imports but also materially lower in terms of carbon footprint. In terms of the supply side, the increasing exposure to regional and

global gas markets is an important factor in UK gas pricing. Pricing was very strong in 2018, partly driven by high demand in Asian markets, but when a reduction in Asian demand coincided with increased supply coming onto the LNG market in late 2018, prices declined sharply and stayed relatively low throughout 2019. Market expectations are for continued relative price weakness during 2020 as the rest of a new wave of LNG supply comes online, after which the global gas balance is predicted to tighten, pushing prices higher again from 2021 onwards. UK gas prices are likely to be driven substantially by these dynamics, being closely linked to gas prices across the rest of Europe.

6.4 Trend information

There has been no material adverse change in the prospects of the Group since 31 December 2018. Further, there has been no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of the Prospectus.

7 CORPORATE STRUCTURE

7.1 Description of the Group

IOG is a public limited company incorporated and domiciled in England and Wales. IOG is the parent company of the Group.

The Issuer's subsidiaries, all 100% owned by the Issuer and all registered at 10 Arthur Street, London, United Kingdom, EC4R 9AY, are listed in the table below:

Company name	Country of incorporation	Guarantor
1) IOG Infrastructure Limited	United Kingdom	Yes
2) IOG North Sea Limited	United Kingdom	Yes
3) IOG UK Ltd	United Kingdom	Yes
4) Avalonia Energy Limited (dormant)	United Kingdom	No
5) Avalonia Goddard Limited (dormant)	United Kingdom	No
6) Avalonia Abbeydale Limited (dormant)	United Kingdom	No

7.2 Major shareholders

7.2.1 The Issuer

As of the date of this Prospectus, the Issuer's share capital is GBP 4,799,440.44 divided by 479,944,044 shares, each with a nominal value of GBP 0.01. The Issuer has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Issuer. The Issuer's shares are admitted to trading on the multilateral trading facility AIM, operated by the London Stock Exchange ("London AIM").

The Issuer's largest shareholders as of 4 December 2019 are set out in the table below:

Shareholder	Holding	% of the Issuer's issued share capital
1) London Oil & Gas Limited (in administration)	143,011,359	29.80
2) Lombard Odier Asset Management (Europe) Limited	92,270,000	19.23
3) Spreadex Ltd ¹	27,947,720	5.82
4) Burggraben Holding AG	26,464,109	5.51
5) Azvalor Asset Management S.G.I.I.C., S.A.	26,307,242	5.48
6) Richard Griffiths and controlled undertakings ²	24,667,380	5.14
Remainder	139,276,234	29.02
Total	479,944,044	100.00

1) Given the practical difficulties of avoiding double counting trades, the CFD holding of Spreadex Ltd may include holdings related to the same transaction: CFD holding (including holding listed above): 21,358,500 with 4.45% in CFD interest

2) Given the practical difficulties of avoiding double counting trades, the CFD holding of Richard Griffiths and controlled undertakings may include holdings related to the same transaction: CFD holding (including holding listed above): 23,000,000, with 4.79% in CFD interest

7.2.2 *The Guarantors*

IOG Infrastructure Limited, IOG North Sea Limited and IOG UK Ltd are all wholly-owned subsidiaries of the Issuer.

7.3 Arrangements for change of control and dependence upon other entities

Following completion of the Farm-out described in Section 6.1.1, London Oil & Gas Limited (in administration) ("**LOG**") has convertible Loan Notes in the Issuer (as further described in Section 10.3.3 and summarized in Section 9.3) which, if converted, could lead to a change of control in the Issuer. However, as the reason for the existence of the convertible Loan Notes is to prevent such a situation occurring, this is highly unlikely to happen. The maturity date for the convertible Loan Notes are after the Maturity Date for the Bonds, i.e. 20 September 2024 (subject to the Business Day Convention), see Section 4 above. Other than this, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

As the sole owner of the shares in the Guarantors, the Issuer has decisive influence of the outcome of matters submitted for the vote of the shares in the Guarantors, and as such, the Guarantors are dependent on IOG making the right decisions in terms of business strategy, etc. The Guarantors are not aware of any arrangements in place to ensure that the Issuer's control is not abused, nor of any arrangements, the operation of which may at a subsequent date result in or prevent a change in control of the Guarantors.

8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 Board of directors of the Issuer and of the Guarantors

8.1.1 The Issuer

The Board of Directors of the Issuer consists of the persons set out below. The Issuer's business office, 1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY, serves as business address for all Directors.

Fiona MacAulay, Non-Executive Chair

Fiona MacAulay is a Chartered Geologist with over 30 years' experience in the upstream oil and gas sector including key roles in a number of leading oil and gas firms across the large, mid and small cap space including Mobil, British Gas, Amerada Hess and Rockhopper. She is also a Non-Executive Director of both Coro Energy Plc, Ferrexpo PLC and EPI Limited and an advisory role to Cairn India Limited. Fiona is the Past President of the Europe region of the AAPG (American Association of Petroleum Geologists) and sits on the investment committee of the GSL (Geological Society of London).

Esa Ikaheimonen, Non-Executive Director

Esa Ikaheimonen has over 25 years of oil and gas industry experience and strong board level expertise. He is currently the CFO of London listed E&P company Genel Energy plc and a Non-Executive Chairman of Lamor Corporation, a leading environmental service company. Esa's previous non-executive experience includes roles at Ahlstrom Corporation, global supplier of fibre-based products, and at Vantage Drilling International, a major offshore drilling contractor. Previously, in addition to these nonexecutive roles, Esa was Executive Vice President and CFO of Transocean, the world's largest offshore drilling company. Prior to Transocean, Esa enjoyed a 20-year career at Royal Dutch Shell, culminating in the role of Vice President Finance for Shell Africa E&P. He holds a master's degree in Law from the University of Turku, Finland, specialising in tax law and tax planning. As Senior Independent Non-Executive Director, Esa will chair the Issuer's Audit Committee and serve on the Remuneration and Nominations committee.

Neil Hawkings, Non-Executive Director

Neil Hawkings has over 35 years' experience in the upstream oil and gas sector. At ConocoPhillips, Neil led operations at the Britannia gas condensate field and played key roles in the successful development of their Southern North Sea business, culminating in the role of Managing Director of Britannia Operator Limited (BOL). Neil further served as Operations Director at Premier Oil Plc, responsible for operational and development activities across their global portfolio. He holds a Master's Degree in Chemical Engineering from Cambridge University. Neil serves on the Issuer's HSE and Technical Committee of the Board.

Andrew Hockey, Executive Director

Having worked in the industry for 38 years, Andrew Hockey has significant sector experience. He has a degree in geology from Oxford University, and a master's degree in petroleum geology from Imperial College London. Andrew has worked internationally and in the UK North Sea with European majors Fina and Eni and with US and UK independents Triton, Monument and Lasmo. Until the end of 2015 Andrew was General Manager, Business Development at UK Continental Shelf oil and gas exploration and production company Fairfield Energy Limited which he helped to found in 2005. Andrew led the team to acquire the undeveloped Southern North Sea discovery Clipper South from Shell/Esso in 2008 and then managed its development via farm down-and RBL funding through to first gas in 2012. Andrew is a non-executive director of Fairfield Energy Limited, a founder of decommissioning operator Fairfield Decom and a non-executive director at Chariot Oil and Gas, an upstream company with assets in Morocco, Namibia and Brazil. Previously Andrew served on the board of Sound Energy plc, an upstream company with onshore interests in Italy and Morocco, where he was a Non-Executive Director from 2011-2015 and Chairman from 2012-2014.

Mark Hughes, Executive Director

Mark has some 40 years of experience in the oil and gas business. He started his career at Shell International Exploration and Production in a number of roles including Head of Topsides Design for the Sole Pit Compression Project. Mark was Group Development Engineering Manager for Lasmo UK plc and Group E&P Exploration and Operations Manager for Gaz de France, Paris. He was also Managing Director of GDF Britain and GDF Country Manager. He was founder and CEO of Hibernia Energy, an independent Southern North Sea focussed gas developer. Mark was made Head of Development for RWE Dea UK where he was responsible for the RWE operated North Sea Breagh and Clipper South Developments from inception to first gas, representing some £880 million gross investment. Upon the sale of RWE Dea UK to INEOS, Mark was made Commercial Director UK at INEOS Breagh. Mark is a Chartered Member of the Institute of Mechanical Engineers and has a technical background with a first-class Honours degree in Civil Engineering from the University of Southampton.

The Issuer's business office, 1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY, serves as business address for all Directors listed above.

8.1.2 IOG Infrastructure Limited

The board of directors of IOG Infrastructure Limited consists Andrew Hockey and Mark Hughes as Executive Directors, please refer to Section 8.1.1 above.

8.1.3 IOG North Sea Limited

The board of directors of IOG North Sea Limited consists of Andrew Hockey and Mark Hughes as Executive Directors, please refer to Section 8.1.1 above.

8.1.4 IOG UK Ltd

The board of directors of IOG UK Ltd consists of Andrew Hockey and Mark Hughes as Executive Director, please refer to Section 8.1.1 above.

8.2 The management of the Issuer and of the Guarantors**8.2.1 The Issuer**

The management of the Issuer consists of the persons set out below. The Issuer's business office, 1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY, serves as business address for all members of the management.

Andrew Hockey, Chief Executive Officer

Please refer to Section 8.1.1 for Andrew Hockey's biography.

Rupert Newall, Chief Financial Officer

Rupert Newall joined IOG in November 2018 as Head of Corporate Finance and was appointed Chief Financial Officer in November 2019. He has over 25 years of finance and advisory experience in the upstream oil and gas industry, primarily in investment banking where he has provided strategic, transactional and financing advice to a broad range of E&P companies and majors. His investment banking career included roles at Deutsche Bank, Bank of America and BMO Capital Markets where he was Co-Head of Investment & Corporate Banking EMEA. Rupert's extensive upstream experience includes corporate and asset transactions, strategic advisory, equity and debt capital markets and restructuring. Rupert has a BA in Economics from Cambridge University.

Mark Hughes, Chief Operating Officer

Please refer to Section 8.1.1 above for Mark Hughes's biography.

James Chance, Head of Corporate Finance and Investor Relations

James Chance has been with the Issuer for four years and took on the role of CFO in September 2017, before he was appointed Head of Corporate Finance and Investor Relations in November 2019. Previously, he spent five years with Standard Chartered Bank, most recently as a director managing the bank's relationships with E&P companies and integrated energy companies across corporate finance, advisory, financial markets and transaction banking. He previously held an equivalent role at Standard Bank. Prior to that he was co-head of the MENA Division at EA, a leading risk advisory firm subsequently acquired by IHS, where he consulted to financial and energy clients on commercial risks & opportunities in the MENA region and was a regular commentator on financial news networks. James was previously a speechwriter and advisor to Prince Hassan of Jordan. He holds an MBA from London Business School, a 1st Class BA from Oxford and an MA and PhD from London University.

Robin Storey, General Counsel and Company Secretary

Robin Storey has more than 20 years of legal and management experience in BP, as well as listed mid and small-cap companies, with assets in both OECD and emerging markets. Since 2007, he has held this role in companies listed on London AIM, Toronto TSX-V and Euronext Paris Marché Libre exchanges; Stratic Energy Corporation, Aurelian Oil & Gas PLC, pre-IPO Equus Petroleum Plc, Sequa Petroleum N.V. before joining IOG. Assets held were in Western and Central Europe, Turkey, Kazakhstan, Syria and North Africa. He has extensive experience of major international oil and gas projects. 1997-2003 he worked at BP on major Russian upstream investments in East Siberia and Sakhalin, as well as the Kashagan PSA in Kazakhstan. 2003-2006- he was based in Almaty for PetroKazakhstan Inc., which was successfully sold to China's CNPC.

8.2.2 IOG Infrastructure Limited

IOG Infrastructure Limited has the same management composition as the Issuer. See Section 8.2.1 above for further information.

8.2.3 IOG North Sea Limited

IOG North Sea Limited has the same management composition as the Issuer. See Section 8.2.1 above for further information.

8.2.4 IOG UK Ltd

IOG UK Ltd has the same management composition as the Issuer. See Section 8.2.1 above for further information.

8.3 Audit committee

The Issuer has established an audit committee currently consisting of Esa Ikaheimonen (Chair) and Fiona MacAulay.

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. In addition, the committee receives and reviews reports from the Issuer's management and auditors. The audit committee meets at least twice a year and has unrestricted access to the Issuer's auditors.

8.4 Conflict of interests

There are no potential conflicts of interests between any duties carried out on behalf of the Issuer or the Guarantors of the persons referred to in Section 8.1, 8.2 and 8.3 and their private interests and/or other duties.

9 FINANCIAL INFORMATION

9.1 Historical financial information on the Issuer and the Group

9.1.1 Historical financial information

The financial statements of Independent Oil and Gas plc and the Group have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively, "IFRS") issued by the International Accounting Standards Board (IASB) as adopted by the European Union and those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRS.

In accordance with Section 408 of the Companies Act 2006, a separate income statement for the Issuer is not presented.

In accordance with Article 19 of the EU Prospectus Regulation, the [audited annual financial statements for 2018](#) and the [unaudited interim results for the six months' period ended 30 June 2019](#) for the Issuer and the Group are incorporated by reference in this Prospectus. The annual report for 2018 and the interim report for H1 2019 are available at the Issuer's website, <https://www.iog.co.uk/investors/results-reports-and-presentations/#currentPage=1>. Please refer to Section 12 "Cross Reference List" for complete references.

In the independent auditor's statement to the annual financial statements for 2018, BDO LLP expressed the following material uncertainty related to the ability of the Group and IOG (referred to as the 'Parent Company') to continue as a going concern, please refer to page 41 in the annual report for 2018:

"Material uncertainty related to going concern

We draw attention to Note 1 of the financial statements concerning the Group and the Parent Company's ability to continue as a going concern. The matters explained in Note 1 relating to the uncertainty around the Group and Parent Company's ability to fund its working capital needs, development plans and loan repayments indicate the existence of a material uncertainty which may cast significant doubt over the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We have highlighted going concern as a key audit matter based on our assessment of the significance of the risk and the effect on our audit strategy."

Historical financial information is available on the pages set out below, which also include comparative figures for the previous year/period:

	Annual report 2018 <i>page(s)</i>	Interim report H1 2019 <i>page(s)</i>
Independent Oil and Gas plc:		
Balance sheet	49	-
Statement of cash flow	51	-
Notes	52-89	-
Accounting policies (note 1)	52-63	-
The Group:		
Consolidated income statement	46	1

Consolidated balance sheet	48	3
Consolidated statement of cash flow	50	4
Notes	52-89	5
Accounting policies (note 1)	52-63	5

9.1.2 Statutory auditor of the Issuer

The Issuer's statutory auditor is BDO LLP, a limited liability partnership registered in England and Wales with registration number OC305127 and registered business address at 55 Baker Street, London W1U 7EU, UK. BDO LLP is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

The historical financial information relating to the Group for the financial year ended 31 December 2018 has been audited by BDO LLP. The audit has been conducted in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

A statement of audited historical financial information is given by BDO LLP in the annual report for 2018, page 41-45, available at the Issuer's website, <https://www.iog.co.uk/investors/results-reports-and-presentations/#currentPage=1>. Please refer to Section 12 "Cross Reference List" for complete references.

9.2 Historical financial information on the Guarantors

9.2.1 IOG Infrastructure Limited

The financial statements for the year ended 31 December 2018 of IOG Infrastructure Limited have been prepared in accordance with United Kingdom Accounting Standards – Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and with those parts of Companies Act 2006 applicable to companies preparing their accounts using FRS 101 for the first time. Previous accounts were prepared in accordance with FRS 102 Section 1A – Small Entities (effective 1 January 2016). The first-time adoption of FRS 101 did not have an impact on the reported financial position or financial performance of the company and therefore no transition adjustments were made to the financial statements for 2018.

No cash flow statement has been presented in the financial statements as the company does not hold any cash and has not held any during the period.

The [annual report for 2018 for IOG Infrastructure Limited](#) is incorporated by reference in this Prospectus. Please refer to Section 12 "Cross Reference List" for complete references.

The financial statements for the year ended 31 December 2018 of IOG Infrastructure Limited have been audited by BDO LLP in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Historical financial information is available on the pages set out below, which also include comparative figures for the previous year/period:

	Annual report 2018	
	<i>page(s)</i>	
IOG Infrastructure Limited:		
Income statement	11	
Balance sheet	13	
Notes	14-23	

Accounting policies (note 1)	14
Independent auditor's report	8-10

9.2.2 IOG North Sea Limited

The financial statements for the year ended 31 December 2018 of IOG North Sea Limited have been prepared in accordance with United Kingdom Accounting Standards – Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and with those parts of Companies Act 2006 applicable to companies preparing their accounts using FRS 101.

No cash flow statement has been presented in the financial statements as the company does not hold any cash and has not held any during the period.

The [annual report for 2018 for IOG North Sea Limited](#) is incorporated by reference in this Prospectus. Please refer to Section 12 "Cross Reference List" for complete references.

The financial statements for the year ended 31 December 2018 of IOG North Sea Limited have been audited by BDO LLP in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Historical financial information is available on the pages set out below, which also include comparative figures for the previous year/period:

Annual report 2018	
<i>page(s)</i>	
IOG North Sea Limited:	
Income statement	11
Balance sheet	13
Notes	14-23
Accounting policies (note 1)	14
Independent auditor's report	10-12

9.2.3 IOG UK Ltd

The financial statements for the year ended 31 December 2018 of IOG UK Ltd have been prepared in accordance with United Kingdom Accounting Standards – Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and with those parts of Companies Act 2006 applicable to companies preparing their accounts using FRS 101.

No cash flow statement has been presented in the financial statements as the company does not hold any cash and has not held any during the period.

The [annual report for 2018 for IOG UK Ltd](#) is incorporated by reference in this Prospectus. Please refer to Section 12 "Cross Reference List" for complete references.

The financial statements for the year ended 31 December 2018 of IOG UK Ltd have been audited by BDO LLP in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Historical financial information is available on the pages set out below, which also include comparative figures for the previous year/period:

Annual report 2018	
	<i>page(s)</i>
IOG UK Ltd:	
Income statement	11
Balance sheet	13
Notes	14-28
Accounting policies (note 1)	14
Independent auditor's report	8-10

9.3 Significant changes in the Group's financial position

Other than the following, as announced by IOG on 28 October 2019, there have been no (i) significant changes in the financial or trading position of the Group since 26 September 2019; (ii) recent events particular to the Guarantors which are to a material extent relevant to an evaluation of the solvency of each Guarantor or (iii) material changes in the borrowing and funding structure of each Guarantor since 31 December 2018:

- Completion of the Farm-Out to CER of 50% of its SNS upstream Assets (excluding the Harvey licence), the Thames Pipeline and associated Thames Reception Facilities as announced on 26 July 2019, please refer to Section 10.3.2. CER has the option to acquire 50% of the Harvey licences within three months of completion of the Harvey appraisal well 48/24b-6, see Section 6.2.5 above.
- Completion of the acquisition of the Thames Reception Facilities ("**TRF**"), please see Section 10.3.2.
- The repayment in full by IOG of the £17.1 million non-convertible debt held by London Oil & Gas Limited (in administration) ("**LOG**"), please see Section 10.3.3.
- The full conversion by LOG of its £10.9 million 2016 8 pence convertible loan principal and accrued interest into 135,464,155 new ordinary shares of 1 penny each in the capital of the Issuer, subject to orderly market restrictions for 12 months, please see Section 10.3.3.
- The restructuring in full by LOG of £11.6 million of its 2018 19 pence convertible loan principal and accrued interest into long-term, unsecured, non-interest bearing loan notes, convertible at 19 pence into 60,872,631 ordinary shares, please see Section 10.3.3.
- The contemplated submission by IOG and CER of a joint application for certain blocks in the UK Offshore 32nd Round under the Area of Mutual Interest ("**AMI**") agreement to pursue business development opportunities around the Thames Pipeline on a 50:50 basis

The Issuer believes that the following material factors may have effects on the Group's results:

- Changes in national and international economic conditions, including, for example interest rate levels, inflation and employment levels, may influence the valuation of real and financial assets. In turn, this may impact the demand for goods, services and assets globally and thereby the macro economy. The current macroeconomic situation is uncertain and there is a risk of negative developments. Such changes

and developments – none of which will be within the control of the Issuer – may negatively impact the Issuer's activities.

- The values of the Group's assets are outside of the Issuer's control and depend, among other things, on the global economy and gas prices.
- The technical operation of a gas producing asset has a significant impact on the asset's economic life. Technical risks will always be present. Failure to adequately maintain the technical operation of a gas producing asset may adversely impact the revenue and operating expenses of the asset.
- The Group's performance depends heavily on its counterparties' ability to perform their obligations under sales and offtake agreements. Default by a counterparty of its obligations under its agreements with a Group Company may have adverse consequences for the overall Group. The counterparty's financial strength will thus be very important.

9.4 Expected financing of the Guarantors' activities

Each Guarantor is a wholly-owned subsidiary of the Issuer, and their activities are financed by the Group's available sources of financing, which primarily consist of the Farm-Out (see Section 6.1.1 and Section 10.3.2) and the Bonds.

10 LEGAL MATTERS

10.1 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

10.2 Material contracts

The Group has not entered into any material contracts that are not in the ordinary course of business, which could result in any Group member being under an obligation or an entitlement that is material to the Issuer's or the Guarantors' ability to meet its obligations to security holders in respect of the Bonds.

10.3 Regulatory disclosures by the Issuer in the last 12 months

Please find below a summary of the information disclosed by the Issuer under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") over the last 12 months which is relevant as at the date of the Prospectus.

10.3.1 Financial reports

Date of announcement	Key content
4 April 2019	Annual accounts 2018
26 Sept 2019	Interim report H1 2019

10.3.2 Regulatory disclosures regarding the Group's business

Date of announcement	Key content
24 July 2019	<p>Acquisition of the Thames Reception Facilities</p> <p>IOG announced that it had signed a Sales and Purchase Agreement with Perenco UK Limited, Tullow Oil SK Limited and Spirit Energy Resources Limited for the acquisition of the Thames Reception Facilities ("TRF") at the Bacton Gas Terminal. The TRF comprises an area of land within the Perenco part of Bacton Gas Terminal where IOG's fully-owned Thames Pipeline connects to the terminal.</p>
26 July 2019	<p>Farm-Out and AMI agreement with CER</p> <p>The Issuer announced that it had entered into the agreement for the Farm-Out with CalEnergy Resources Limited ("CER"), see Section 6.1.1 above. The Issuer further announced that in addition to the Farm-out, IOG and CER had signed an Area of Mutual Interest ("AMI") Agreement to allow for future co-operation in further Southern North Sea business development activities on a 50:50 basis.</p>
7 Aug 2019	<p>Spudding of Harvey Appraisal Well</p> <p>The Issuer announced that the Maersk Resilient rig had spudded the Harvey appraisal well at 2230hrs BST on 6 August 2019 and provided additional updates on the Harvey development.</p>
14 Aug 2019	<p>Final Pre-FID Project Optimisation – update</p>

The Issuer noted that in line with its target schedule for Core Project Phase 1 Final Investment Decision ("FID"), the Issuer was in the advanced stages of retendering certain key project contracts and preparing to recommend final awards.

11 Sept 2019	<p>Update on the Harvey appraisal well</p> <p>The Issuer provided an update on the Harvey appraisal well 48/24b-6 in the UK Southern North Sea Gas Basin, including that the well had reached a total depth of 7,537 ft Measured Depth (MD) in the Permian Leman Sandstone reservoir, meeting the work commitment for Licence P2085.</p>
23 Sept 2019	<p>The Issuer confirmed that the Maersk Resilient jack-up rig went off contract on 19 September 2019. It was further noted that the Harvey appraisal well was drilled in under two months with no HSE or Lost Time Incidents and confirmed a 49ft gas column.</p>
28 Oct 2019	<p>Completion of Farm-Out and Phase 1 FID and TRF</p> <p>The Issuer announced that it had completed the Farm-Out to CER and taken FID on Phase 1 of its Core Project. IOG further noted that it had completed the acquisition of the TRF, as announced on 24 July 2019. It was also announced that IOG and CER were contemplating to submit a joint application for certain blocks in the UK Offshore 32nd Round under the AIM agreement.</p>

10.3.3 Regulatory disclosures regarding the Bonds and other non-equity securities

Date of announcement	Key content
5 March 2019	<p>Rejection of proposal from Rockrose Energy plc</p> <p>On 5 March 2019, the Board of Directors confirmed that it had received and promptly rejected an unsolicited pre-conditional proposal from Rockrose Energy plc (LSE: RRE, "RockRose") in respect of a possible cash offer for the entire issued share capital of the Issuer at a price of 20 pence per IOG share. The Board stated its belief that this proposal was opportunistic and materially undervalued the Issuer and did not attribute fair value to IOG's assets, nor their significant future upside. The Board therefore unanimously concluded to reject this proposal unequivocally.</p>
19 March 2019	<p>Appointment of joint administrators of LOG</p> <p>The Issuer noted the appointment of joint administrators of the Issuer's main creditor London Oil & Gas Limited ("LOG") and of London Capital and Finance Plc ("LCF"), a lender to LOG. The Board of Directors noted that the administrators had confirmed that the terms of the loans between LOG and IOG would remain unchanged and that no event of default would be triggered as a result of LOG's administration.</p>
25 March 2019	<p>Offer for IOG's outstanding debt to LOG</p> <p>On 25 March 2019, the Board of Directors noted that RockRose had made a formal approach to the administrators of LOG, to acquire the entire debt due to LOG from IOG, with accrued interest, for the sum of £40,000,000 in cash. The Board advised that it considered the proposal inter alia to be a transparent attempt by RockRose to deny the creditors of LOG and LCF (under administration), and by extension mini-bond holders, of fundamental value. The debt offer was withdrawn by RockRose on 1 April 2019.</p>
26 July 2019	<p>Bond Issue</p> <p>The Issuer disclosed its contemplated issue of the Bonds.</p> <p>Repayment and restructuring of LOG debt facilities</p> <p>The Issuer further announced that it had entered into definitive documentation with the LOG superseding the debt restructuring agreed with LOG in April 2019, under which IOG, on completion of the Farm-Out (see Section 6.1.1 above), were to repay in full LOG's non-convertible debt (at that time, £16.6 million including accrued interest). In</p>

addition, LOG's convertible loans signed in February 2016 and February 2018 (at that time, £22.0 million including accrued interest) were to, based at LOG's election, either be (i) repaid, (ii) converted into IOG ordinary shares at the relevant exercise prices, up to a maximum holding of 29.9% of IOG's issued share capital, or (iii) exchanged for long-term unsecured debt convertible at the equivalent price.

12 Aug 2019	<p>Update on the Issuer's capital structure</p> <p>IOG provided an update on its capital structure, including on the repayment and restructuring of the LOG debt facilities, further to the announcement on 26 July 2019. LOG had informed the Issuer of its intention to:</p> <ul style="list-style-type: none"> i) Convert the February 2016 Loan principal and interest up to a 29.99% holding in the Issuer; ii) exchange the balance of the February 2016 Loan into long-term, unsecured, non-interest bearing loan notes convertible at 8 pence, to take effect on completion of the Farm-Out; and iii) exchange the February 2018 Loan principal and accrued interest into long-term, unsecured, non-interest bearing loan notes convertible at 19 pence.
9 Sept 2019	The Issuer confirmed the successful arrangement of the Bonds and provided details of the key Bond Terms.
23 Sept 2019	The Issuer provided information on the settlement of the Bonds.
28 Oct 2019	<p>Repayment of non-convertible debt held by LOG and conversion</p> <p>The Issuer announced that it had repaid in full the £17.1 million non-convertible debt held by LOG and that LOG had converted the full £10.9 million of its 2016 8 pence convertible loan principal and accrued interest into 135,464,155 new ordinary shares of 1 penny each in the Issuer. Further to the announcement of 12 August 2019, IOG noted that the full £11.6 million of LOG's 2018 19 pence convertible loan principal and accrued interest had been restructured into long-term, unsecured, non-interest bearing loan notes, convertible at 19 pence into 60,872,631 ordinary shares.</p>
2 Dec 2019	<p>Statement by Joint Administrators to LCF bondholders</p> <p>Further to the announcement on 19 March 2019, IOG announced that it had been informed that the joint administrators of LCF (under administration) had issued an update to LCF bondholders after market close on 29 November 2019, which on certain terms referred to IOG. The statement is available at https://smithandwilliamson.com/en/services/restructuring-and-recovery-services/london-capital-finance-plc/.</p>

10.3.4 Notifications on major shareholdings

Date threshold crossed/reached	Person subject to the notification obligation	Reason for notification	Voting rights in IOG after transaction	
			Number	%
23 April 2019	Azvalor Asset Management S.G.I.I.C., S.A.	Acquisition/disposal of voting rights	13,225,762	3.923
24 April 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	60,150,000	17.84
	London Oil & Gas Limited (in administration)	Acquisition/disposal of voting rights	20,497,204	6.08
25 April 2019	Burggraben Holding AG	Acquisition/disposal of voting rights	50,826,733	15.08
26 April 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	60,900,000	18.06
23 May 2019	Azvalor Asset Management S.G.I.I.C., S.A.	Acquisition/disposal of voting rights	16,912,715	5.016
21 June 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	60,825,000	17.99
26 July 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	61,694,159	18.25

2 Aug 2019	Azvalor Asset Management S.G.I.I.C., S.A.	Acquisition/disposal of voting rights	20,596,721	6.0342
21 Aug 2019	Azvalor Asset Management S.G.I.I.C., S.A.	Acquisition/disposal of voting rights	24,479,853	7.1718
22 Aug 2019	London Oil & Gas Limited (in administration)	Acquisition/disposal of voting rights	8,097,204	2.372
17 Sept 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	66,075,000	19.36
18 Sept 2019	Spreadex Ltd	Acquisition/disposal of financial instruments	10,456,220	3.06 ²
23 Sept 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	73,225,000	21.45
	Spreadex Ltd	Acquisition/disposal of financial instruments	14,531,220	4.25 ³
24 Sept 2019	Burggraben Holding AG	Acquisition/disposal of voting rights	31,464,109	9.22
	Spreadex Ltd	Acquisition/disposal of financial instruments	28,531,220	8.35 ⁴
	Richard Griffiths and controlled undertakings	Acquisition/disposal of voting rights	22,667,380	6.64 ⁵
26 Sept 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	76,890,000	22.53
27 Sept 2019	Richard Griffiths and controlled undertakings	Acquisition/disposal of voting rights	24,667,380	7.23 ⁶
	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	78,890,000	23.11
30 Sept 2019	Burggraben Holding AG	Acquisition/disposal of voting rights	26,464,109	7.75
1 Oct 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	84,090,000	24.64
28 Oct 2019	Lombard Odier Asset Management (Europe) Limited ¹	Event changing the breakdown of voting rights	84,515,000	17.73
	London Oil & Gas Limited (in administration)	Acquisition/disposal of voting rights	143,011,359	29.99
	Azvalor Asset Management S.G.I.I.C., S.A.	Event changing the breakdown of voting rights	26,307,242	5.5175
29 Oct 2019	Burggraben Holding AG	Event changing the breakdown of voting rights	26,464,109	5.55
	Richard Griffiths and controlled undertakings	Dilution on further issue of shares	24,667,380	5.17 ⁷
30 Oct 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	86,415,000	18.12
	Spreadex Ltd	Event changing the breakdown of voting rights	30,597,720	6.42 ⁸
14 Nov 2019	Lombard Odier Asset Management (Europe) Limited ¹	Acquisition/disposal of voting rights	92,270,000	19.35
	Spreadex Ltd	Acquisition/disposal of voting rights	27,947,720	5.82 ⁹

1) On behalf of accounts managed on a discretionary basis by Lombard Odier Investment Managers group.

2) Includes 1,942,000 (0.57%) voting rights that may be acquired if 1,942,000 other financial instruments (CFD/Spreadbet) are exercised/converted.

3) Includes 6,017,000 (1.76%) voting rights that may be acquired if 6,017,000 other financial instruments (CFD/Spreadbet) are exercised/converted.

4) Includes 20,017,000 (5.86%) voting rights that may be acquired if 20,017,000 other financial instruments (CFD/Spreadbet) are exercised/converted.

5) Includes 21,000,000 (6.15%) voting rights that may be acquired if 21,000,000 other financial instruments (CFD) are exercised/converted.

6) Includes 23,000,000 (6.74%) voting rights that may be acquired if 23,000,000 other financial instruments (CFD) are exercised/converted.

7) Includes 23,000,000 (4.82%) voting rights that may be acquired if 23,000,000 other financial instruments (CFD) are exercised/converted.

8) Includes 22,358,500 (4.69%) voting rights that may be acquired if 22,358,500 other financial instruments (CFD/Spreadbet) are exercised/converted.

9) Includes 21,358,500 (4.45%) voting rights that may be acquired if 21,358,500 other financial instruments (CFD/Spreadbet) are exercised/converted.

10.3.5 Notifications by persons discharging managerial responsibilities ("PDMR") within IOG and their persons closely associated according to Article 19 of the Market Abuse Regulation

Date of transaction	Name of PDMR	Position	Price (pence)	Volume	Nature of transaction	Holding in IOG after transaction	
						Number	%
6 Dec 2018	Mark Routh	Former chairman	1	162,114	Exercise of options	7,399,070	5.83
24 April 2019	Fiona MacAulay	Non-Executive Chair	10	200,000	Subscription for ordinary shares	200,000	0.06
	Andrew Hockey	Chief Executive Officer	10	100,000	Subscription for ordinary shares	100,000	0.03
	James Chance	Head of Corporate Finance and IR ¹	10	100,000	Subscription for ordinary shares	100,000	0.03
	Esa Ikaheimonen	Non-Executive Director	10	500,000	Subscription for ordinary shares	500,000	0.15
	Rupert Newall	Chief Financial Officer ²	10	300,000	Subscription for ordinary shares	300,000	0.09
	Gavin Milne	Financial Controller	10	100,000	Subscription for ordinary shares	100,000	0.03
	Mark Hughes	Chief Operating Officer	10	128,105	Subscription for ordinary shares	306,105	0.09
	1 May 2019	Fiona MacAulay	Non-Executive Chair	12.75	1,000,000	Grant of options over ordinary shares ³	1,000,000 options
Andrew Hockey		Chief Executive Officer	12.75	1,600,000	Grant of options over ordinary shares ³	3,688,767 options	-
Mark Hughes		Chief Operating Officer	12.75	1,000,000	Grant of options over ordinary shares ³	2,162,193 options	-
James Chance		Head of Corporate Finance and IR ¹	12.75	1,000,000	Grant of options over ordinary shares ³	3,116,729 options	-
Esa Ikaheimonen		Non-Executive Director	12.75	600,000	Grant of options over ordinary shares ³	600,000 options	-
Rupert Newall		Chief Financial Officer ²	12.75	1,200,000	Grant of options over ordinary shares ³	1,294,911 options	-
23 May 2019	Rupert Newall	Chief Financial Officer ²	1	94,911	Exercise of options	394,911	0.12
24 May 2019	Neil Hawkings	Non-Executive Director	13.5	600,000	Grant of options over ordinary shares ³	600,000 options	-
29 July 2019	Andrew Hockey	Chief Executive Officer	1	488,767	Exercise of options	588,767	0.17
30 July 2019	Mark Hughes	Chief Operating Officer	1	162,193	Exercise of options	468,298	0.14
31 July 2019	Rupert Newall	Chief Financial Officer ²	0	94,911	Transfer of shares to spouse	394,911	0.16 ⁴
18 Nov 2019	Edimis Energy Limited	Wholly owned by Rupert Newall ²	14.68	3,147,139	Issue of ordinary shares	3,542,050	0.74 ⁵

1) Appointed Head of Corporate Finance and Investor Relations in November 2019, former Chief Financial Officer

2) Appointed Chief Financial Officer in November 2019, former Head of Corporate Finance

3) Vesting period of 3 years, exercise period of 10 years

4) Includes Mr Newall's direct holding of 300,000 shares and indirect holding of 94,911 shares held by his wife as person closely associated

5) Includes Mr Newall's direct holding of 300,000 shares and indirect holding of 94,911 shares held by his wife and 3,147,139 held by Edimis as persons closely associated

10.3.6 Other regulatory disclosures regarding the Issuer's share capital

Date of announcement	Key content
6 Dec 2018	<p>Issue of new shares – exercise of options</p> <p>IOG announced the issue of 162,114 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by Mark Routh, former chairman of IOG, see Section 10.3.5 above. The options had been awarded to pursuant to a share option agreement dated 19 November 2014.</p> <p>Following admission to trading on London AIM of the new shares, there were 126,868,156 ordinary shares in issue.</p>
26 March 2019	<p>Issue of new shares – exercise of options</p> <p>IOG announced the issue of 612,856 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by a former officer and employee of IOG. The options had been awarded to the officer pursuant to share option agreements dated 1 March 2015, 31 August 2015, 1 March 2016 and 31 August 2016.</p> <p>Following admission to trading on London AIM of the new shares, there were 127,481,012 ordinary shares in issue.</p>
1 April 2019	<p>Placing, subscription and proposed open offer and restructuring of agreements with LOG</p> <p>IOG announced that it had conditionally placed 165,795,050 new ordinary shares in the capital of the Issuer by way of a placing at a price of 10 pence per share to raise gross proceeds of approx. £16.6 million. In addition, IOG announced:</p> <ol style="list-style-type: none"> i) the proposed issue of 2,750,000 new ordinary shares by way of a subscription at a price of 10 pence per share by certain Directors and key executives to raise £0.275 million; ii) its intention to launch an open offer to shareholders to raise approximately £2 million through the issue of approx. 20,000,000 new ordinary shares at a price of 10 pence per share (the "Open Offer"). <p>Concurrent with and inter-conditional on the placing, the Issuer proposed to restructure its existing arrangements with LOG, conditional on certain conditions, through:</p> <ol style="list-style-type: none"> i) the rescheduling by 12 months of £7.1 million of debt service due to LOG over the course of 2019 pursuant to the LOG Debt; ii) the conversion of £1.64 million in interest due from LOG's existing convertible debt into new ordinary shares; iii) a 12 month maturity extension of the existing warrants to subscribe for 7,500,000 ordinary shares at a strike price of 8 pence per share and 5,777,310 ordinary shares at a strike price of 11.9 pence per share which were granted by IOG to LOG in 2015 as part of the provision of certain loans to IOG by LOG and which comprise part of the warrants to subscribe for ordinary shares granted to LOG as part of the LOG Debt.
3 April 2019	<p>Open Offer, posting of circular and notice of general meeting</p> <p>Further to the announcement of 1 April 2019, IOG announced further details regarding the Open Offer, inter alia that the net proceeds of the Open Offer were to be used to fund IOG's working capital requirements and ongoing project management costs.</p> <p>IOG further informed that the Open Offer was conditional on the passing of certain resolutions by the general meeting to be held on 23 April 2019.</p>
5 April 2019	<p>Conversion of Salaries/Fees into share options</p> <p>IOG announced that certain directors and other members of the IOG management and technical teams have accepted all or part of their salaries and fees, in exchange for options over ordinary shares in the Issuer, accepting 1 penny options in lieu of salaries or fees due between 1 September 2018 and 28 February 2019. All options have a five-year term from 1 March 2019 and are issued by reference to the volume weighted average price per ordinary share over the period to which they relate. The conversion of salaries and fees into options was consistent with previous salary and fee sacrifice transactions. A total of 628,496 new options were issued for this period, each with an exercise price of 1 penny, representing 0.49% per cent of the Issuer's share capital.</p>
10 April 2019	<p>Confirmation of Subscription and related party transactions</p> <p>Further to the announcement of 1 April 2019, IOG confirmed that directors and key executives of IOG had conditionally subscribed for shares to raise £0.275 million. IOG further announced that one of its advisers had agreed to subscribe for 500,000 shares in lieu of fees, and thus, the subscription would comprise a total of 3,250,000 shares. It was noted that the subscription was conditional on the passing of certain resolutions by the general meeting to be held on 23 April 2019.</p> <p>IOG noted the participation by Fiona MacAulay (Non-Executive Chair), Andrew Hockey (CEO), Mark Hughes (COO), Esa Ikaheimonen (Non-Executive Director) and Martin Ruscoe (Non-Executive Director) were related party transactions as they are Directors of IOG. The independent Non-Executive Director, Charles Henry, having consulted with IOG's</p>

nominated adviser for the purposes of the AIM Rules, considered the terms on which the participating Directors had participated were fair and reasonable insofar as the Issuer's shareholders were concerned.

18 April 2019 **Results of the Open Offer**

With reference to the announcement on 1 April 2019, IOG announced that it had received valid acceptances from shareholders in respect of 20,141,129 shares in the Open Offers, including applications for 6,078,743 shares in the Open Offer under an excess application facility. This represented 100.06% of the maximum Open Offer shares available under the Open Offer.

It was noted that the Open Offer was conditional on the passing of certain resolutions by the general meeting to be held on 23 April 2019.

23 April 2019 **Results of the general meeting**

Further to the announcement on 1 April 2019, IOG announced that all resolutions had been duly passed at the Issuer's general meeting, including those relating to the placing and the Open Offer.

Following admission to trading on London AIM of the 165,795,050 placing shares, the 3,250,000 subscription shares, the 20,497,204 LOG shares and the 20,128,580 Open Offer shares, there were 337,151,846 ordinary shares in issue (see Section 10.3.5 above).

23 May 2019 **Issue of new shares – exercise of options**

IOG announced the issue of 94,911 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by Rupert Newall, former Head of Corporate Finance and currently CFO of IOG, see Section 10.3.5 above. The options had been awarded to him pursuant to salary sacrifice share option agreements dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 337,246,757 ordinary shares in issue.

1 May 2019 **Grant of share options**

IOG announced that it had granted options over, in aggregate, 6,700,000 ordinary shares in IOG to its directors, senior management and employees at an exercise price payable of 12.75 pence per share (see Section 10.3.5 above). The option awards were issued under the Issuer's share option plan replacing the cancelled long term incentive plan, and cancelling all options to have been granted under that plan scheduled in 2019 and 2020.

As approved by the Issuer's general meeting on 8 May 2019, the options will vest three years from the date of grant and additionally subject to the sanction of the development of Phase 1 of IOG's Core Project in the Southern North Sea; the 30 day volume weighted average price per ordinary share in the capital of IOG being not less than 25 pence at the time of vesting; and certain health and safety targets having been met.

10 June 2019 **Issue of new shares – exercise of options**

IOG announced the issue of 218,672 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by a former officer of IOG. The options had been awarded to the officer pursuant to a salary sacrifice share option agreement dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 337,465,429 ordinary shares in issue.

17 June 2019 **Issue of new shares – exercise of options**

IOG announced the issue of 638,361 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by a former officer of IOG. The options had been awarded to the officer pursuant to a salary sacrifice share option agreement dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 338,103,790 ordinary shares in issue.

22 July 2019 **Issue of new shares – exercise of options**

IOG announced the issue of 1,500,095 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by a former officer of IOG. The options had been awarded to the officer pursuant to a salary sacrifice share option agreement dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 339,603,885 ordinary shares in issue.

26 July 2019 **Issue of new shares – exercise of options**

IOG announced the issue of 1,077,905 ordinary shares in the capital of the Issuer in connection with the exercise of the remaining options over ordinary shares by a former officer of IOG. The options had been awarded to the officer pursuant to a salary sacrifice share option agreement dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 340,681,790 ordinary shares in issue.

30 July 2019 **Issue of new shares – exercise of options**
 IOG announced the issue of 650,960 ordinary shares in the capital of the Issuer in connection with the exercise of options over ordinary shares by Andrew Hockey, the Chief Executive Officer of IOG, and Mark Hughes, the Chief Operating Officer of IOG, see Section 10.3.5 above. The options had been awarded to them pursuant to salary sacrifice share option agreements dated 1 March 2019.

Following admission to trading on London AIM of the new shares, there were 341,332,750 ordinary shares in issue.

31 Oct 2019 **Conversion of salaries/fees into share options**
 The Issuer announced that certain directors and other members of the IOG management and technical teams had accepted all or part of their salaries and fees as options over ordinary shares in the Issuer, accepting 1 penny options in lieu of salaries or fees due between 1 March 2019 and 31 August 2019. All options have a five-year term from 1 September 2019 and are issued by reference to the volume weighted average price per ordinary share over the period to which they relate. The conversion of salaries and fees into options was consistent with previous salary and fee sacrifice transactions. A total of 1,223,611 new options were issued for this period, each with an exercise price of 1 penny, representing 0.26% per cent of the Issuer's share capital.

Including these options, the aggregate total salaries and fees sacrificed by IOG personnel during the five-year duration of the scheme stood at £ 1.36 million.

18 Nov 2019 **Issue of new shares in connection with the Farm-Out**
 IOG announced the issue of 3,147,139 ordinary shares in the capital of the Issuer. The shares were issued to Edimis Energy Limited, a company wholly owned by Rupert Newall (see Section 10.3.5 above), further to an engagement letter for strategic advisory services in connection with the Farm-Out.

Following admission to trading on London AIM of the new shares, there were 479,944,044 ordinary shares in issue.

10.3.7 Other regulatory disclosures related to IOG

Date of announcement	Key content
18 Dec 2018	IOG announced the appointment of Fiona MacAulay as independent Non-Executive Chair of the Board, succeeding Mark Routh
14 March 2019	IOG announced the appointment of Esa Ikaheimonen as senior independent Non-Executive Director of the Board
9 April 2019	IOG announced that further to the establishment of a new relationship agreement with LOG announced on 1 April 2019 (see Section 10.3.6 above), Martin Ruscoe and Charles Hendry, would be standing down from IOG's Board following the general meeting on 23 April, conditional on certain resolutions, including on the fundraising and associated elements such as the relationship agreement, being passed at that meeting. It was noted that LOG's Joint Administrators reserved the option to appoint a LOG representative to the Board of IOG at some point in the future.
24 May 2019	IOG announced the appointment of Neil Hawkings as independent Non-Executive Director
26 Nov 2019	IOG announced that Rupert Newall had been appointed Chief Financial Officer with immediate effect and that the current CFO, James Chance, had been appointed Head of Corporate Finance and Investor Relations
	IOG announced its intention to be known henceforth simply as IOG and the release of a new website and corporate presentation

11 DOCUMENTS AVAILABLE

For the terms of the Prospectus, the following documents, where applicable, can be inspected at the website of the Issuer, <https://www.iog.co.uk/investors/bond-investors/>:

- a) The up to date memorandum and articles of association of the Issuer and of the Guarantors; and
- b) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's or the any Guarantor's request, any part of which is included or referred to in the Prospectus.

12 CROSS REFERENCE LIST

References to the below mentioned documents are limited to the information given in "Details", e.g. that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the Prospectus.

Reference in Prospectus:	Refers to:	Details:
Section 9.1.1 Historical financial information on the Issuer and the Group and auditing	Annual report for 2018, available at https://www.iog.co.uk/media/1232/2018-12-dec31-annual-report-final-clean.pdf Interim report for the six months' period ended 30 June 2019, available at https://www.iog.co.uk/media/1210/2019-interim-report.pdf	<u>The Issuer:</u> Balance sheet: Page 49 Statement of cash flow: Page 51 Notes: Page 52-89 Accounting policies (note 1): Page 52-63 <u>The Group:</u> Consolidated income statement: Page 46 Consolidated balance sheet: Page 48 Consolidated statement of cash flow: Page 50 Notes: Page 52-89 Accounting policies (note 1): Page 52-63 Independent auditor's report: Page 41-45 <u>The Group:</u> Consolidated income statement: Page 1 Consolidated balance sheet: Page 3 Consolidated statement of cash flow: Page 4 Notes: Page 5 Accounting policies (note 1): Page 5
Section 9.2.1 Historical financial information on IOG Infrastructure Limited and auditing	Annual report for 2018, available at https://www.iog.co.uk/media/1233/2018-12-december-31-iogil-financial-statements-final-companies-house-10-may-19.pdf	Income statement: Page 11 Balance sheet: Page 13 Notes: Page 14-23 Accounting policies (note 1): Page 14 Independent auditor's report: Page 8-10
Section 9.2.2 Historical financial information on IOG North Sea Limited and auditing	Annual report for 2018, available at https://www.iog.co.uk/media/1234/2018-12-december-31-iognsl-financial-statements-final.pdf	Income statement: Page 11 Balance sheet: Page 13 Notes: Page 14-23 Accounting policies (note 1): Page 14 Independent auditor's report: Page 10-12
Section 9.2.3 Historical financial information on IOG UK Ltd and auditing	Annual report for 2018, available at https://www.iog.co.uk/media/1235/2018-12-december-31-iogukl-financial-statements-final.pdf	Income statement: Page 11 Balance sheet: Page 13 Notes: Page 14-28 Accounting policies (note 1): Page 14 Independent auditor's report: Page 8-10

13 DEFINITIONS

2C:	the Best Estimate of Contingent Resources;
2p:	the sum of Proved Reserves + Probable Reserves;
bcf:	billion (10 ⁹) standard cubic feet; 1 BCF is approximately equal to 172,414 Boe or 23,618 tonnes of oil equivalent, using a factor of 5.8 BCF per MMBbls;
Best Estimate:	the middle value in a range of estimates considered to be the most likely. If based on a statistical distribution, can be the mean, median or mode depending on usage;
Board of Directors or Board:	the board of directors of the Issuer which as at the date of this Prospectus consists of the persons set out in Section 8.1.1;
Bonds:	the bonds issued under the Bond Issue;
Bond Terms:	the bond terms and conditions entered into by the Issuer and the Bond Trustee acting as the Bondholders' representative on 19 September 2019, including all attachments, in each case as amended and/or supplemented from time to time. The Bond Terms regulates the Bondholders' rights and obligations with respect to the Bonds and are attached to this Prospectus as Appendix 1;
Bond Trustee:	Nordic Trustee ASA, Postboks 1470 Vika, NO-0116 Oslo, Norway;
Bondholder:	a holder of Bond(s), as registered in the CSD, from time to time;
Brexit:	United Kingdom's potential withdrawal from the European Union;
Call Option Repayment Date:	the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2, Clause 10.3 (d) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds;
CER:	CalEnergy Resources Limited (reg. no. 04508881), a subsidiary of Berkshire Hathaway Energy Company (owned through its UK subsidiary, Northern Powergrid Holdings Company);
Companies Act 2006:	the Act of the Parliament of the United Kingdom which forms a primary source of UK company law;
Contingent Resources:	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies;
Core Project:	comprising 410 BCF ^{1,2} of 2P+2C reserves and resources across six discovered Southern North Sea (SNS) gas fields. Please refer to Section 6.1.1 for a description of the Farm-Out to CER;
Creditors:	the Junior Creditors (being each person owed a Junior Debt) and the Senior Creditors (being the Bond Trustee, the Bondholders and each Hedging Provider), each term having the meaning ascribed to such term in the Bond Terms;
CSD:	the central securities depository in which the Bonds are registered in accordance with the Norwegian Act of 2002 no. 64 regarding Securities Depository, being Verdipapirsentralen ASA, with registered address at Fred. Olsens gate 1, NO-0152 Oslo, Norway;
Decisive influence:	any person or group of persons acting in concert gains direct or indirect control of any Obligor, where "control" of any Obligor means: <ul style="list-style-type: none"> (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: <ul style="list-style-type: none"> (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of an Obligor;

- (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of an Obligor; or
 - (iii) give directions with respect to the operating and financial policies of an Obligor with which the directors or other equivalent officers of an Obligor are obliged to comply;
- (b) the holding beneficially of more than 50% of the issued share capital of an Obligor (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

and where "acting in concert" means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of any Obligor;

EU:	the European Union;
EU Prospectus Regulation:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as implemented in Norway;
EUR, Euro or €:	the lawful common currency of the EU member state who have adopted the Euro as their sole national currency (the Euro area);
farm-in:	when a company acquires an interest in a block, by taking over all, or part of, the financial commitment for drilling an exploration well;
farm-out:	to assign an interest in a licence to another party;
Farm-Out:	the farm-out transaction entered into with CER in July 2019 and completed 28 October 2019, under which the Issuer has farmed out 50% of the Core Project portfolio to CER in return for a mixture of upfront consideration, development carry and royalty arrangements;
Finance Documents:	has the meaning ascribed to such term in the Bond Terms;
FRS 101:	United Kingdom Accounting Standards – Financial Reporting Standard 101 Reduced Disclosure Framework;
GBP or £:	British Pound Sterling, the lawful currency of the United Kingdom;
GIIP:	gas initially in place;
Group:	the Issuer and each of its Subsidiaries (other than a Ring-fenced Group Company) for the time being, which term shall also include the Guarantors;
Group Company:	any person which is a member of the Group;
Guarantee:	the stand-alone guarantee agreement entered into on 30 October 2019 in connection with the Bond Terms, available at https://www.iog.co.uk/investors/bond-investors/ ;
Guarantors:	<p>from time to time, any Group Company other than the Issuer and the Ring-fenced Group Companies, which at the Issue Date is the following Subsidiaries of the Issuer:</p> <ul style="list-style-type: none"> i) <u>IOG Infrastructure Limited</u>, a private limited company incorporated and domiciled in England and Wales (reg. no. 07632910) ii) <u>IOG North Sea Limited</u>, a private limited company incorporated and domiciled in England and Wales (reg. no. 07632999) iii) <u>IOG UK Ltd</u>, a private limited company incorporated and domiciled in England and Wales (reg. no. 08619688)

Any (directly or indirectly owned) Subsidiary of the Issuer, from time to time (being existing and future), not being a Ring-fenced Group Company, shall become a guarantor on the same basis as the Guarantors listed above;

Harvey Option:	the option granted to CER as part of the Farm-out to acquire 50% of the Harvey licences within three months of completion of the Harvey appraisal well, see Section 6.1.1 and 6.2.5 above;
IFRS:	International Financial Reporting Standards as adopted by the EU;
Intercreditor Agreement:	the intercreditor agreement entered into in connection with the Bond Issue by, inter alia, the Obligors, the Security Agent and the other Secured Parties;
Issuer or IOG:	Independent Oil and Gas plc, a public limited company incorporated and domiciled in England and Wales with registration number 07434350 and business office at 1 st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY;
Joint Phase 1 FDP:	the joint phase 1 field development plan comprising the development plans for Blythe, Elgood and Southwark, expected to be approved by the OGA in the course of December 2019, please refer to Section 6.1.3 above;
LEI:	Legal Entity Identifier;
Licence:	an exclusive right to search for or to develop and produce hydrocarbons within a specific area. Usually granted by the State authorities and may be time limited;
LOG:	London Oil & Gas Limited (in administration), the Issuer's former main creditor and currently, its largest shareholder, further to the convertible debt conversion confirmed on 28 October 2019. LOG is controlled by its administrators, Finbarr O'Connell, Adam Stephens and Colin Hardman of Smith and Williamson LLP and Lane Bednash of CMB Partners UK Limited;
London AIM:	the multilateral trading facility AIM, operated by the London Stock Exchange;
Make Whole Amount:	has the meaning ascribed to such term in the Bond Terms;
Manager:	the manager for the Bond Issue, being ABG Sundal Collier ASA;
Marked Abuse Regulation:	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
Maturity Date:	20 September 2024 (subject to the Business Day Convention);
MMcfd:	million (10 ⁶) cubic feet per day;
MMscfd:	million (10 ⁶) standard cubic feet per day;
Nominal Amount:	the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 of the Bond Terms), or any other amount following a split of Bonds pursuant to Clause 16.2 paragraph (j) of the Bond Terms;
Norwegian FSA:	the Financial Supervisory Authority of Norway;
Obligor(s):	the Issuer and any Guarantor(s), together the " Obligor Group ";
OGA:	the UK Oil and Gas Authority;
Oslo Stock Exchange:	Oslo Børs, a Norwegian regulated market operated by Oslo Børs ASA;
Outstanding Bonds:	any Bonds issued in accordance with the Bond Terms to the extent not redeemed or otherwise discharged;
Probable Reserves:	those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there

should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated Proved + Probable reserves;

Project:	with respect to the Project Licences, the development, construction, completion and operation (as operator) of fully operational and commercial gas production and transport facilities and associated infrastructure, including (if relevant) onshore gas processing facilities;
Prospectus:	this document dated 6 December 2019;
Proved Reserves:	those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. Proved reserves can be categorised as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate;
Put Option Repayment Date:	the settlement date for the Put Option pursuant to Clause 10.3 of the Bond Terms;
P10:	in the probabilistic estimation of hydrocarbon reserves, a term referring to the quantity of recoverable hydrocarbons from a reservoir having a 10% probability of being produced;
P50:	in the probabilistic estimation of hydrocarbon reserves, a term referring to the quantity of recoverable hydrocarbons from a reservoir having a 50% probability of being produced;
P90:	in the probabilistic estimation of hydrocarbon reserves, a term referring to the quantity of recoverable hydrocarbons from a reservoir having a 90% probability of being produced;
Ring-fenced Group Company:	Avalonia Energy Limited, company number 11475497, a directly wholly-owned subsidiary of the Issuer, and any of its (directly or indirectly owned) subsidiaries;
Rotliegende(s):	a lithostratigraphic geological unit of early Permian age (beneath the Zechstein and above the Carboniferous) that is found in the subsurface of large areas in western and central Europe;
Securities Act:	the U.S. Securities Act of 1933, as amended;
Securities Trading Act:	the Norwegian Securities Trading Act of 2007 no.75;
SNS:	Southern North Sea;
TRF or Thames Reception Facilities:	the Thames reception facilities at the Bacton Gas Terminal, comprising an area of land within the Perenco part of Bacton Gas Terminal where IOG's fully-owned Thames Pipeline connects to the terminal. IOG's acquisition of the TRF was completed in October 2019;
UK:	the United Kingdom;
UK NBP:	National Balancing Point, the main benchmark for the UK wholesale gas market which is priced in GBP pence per therm (p/th)
U.S. or United States:	the United States of America;
Voting Bonds:	the Outstanding Bonds less the Issuer's Bonds;
Written Resolution:	a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 of the Bond Terms;

Independent Oil and Gas plc

1st Floor 10 Arthur Street, London, United Kingdom, EC4R 9AY

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Website: <https://www.iog.co.uk/>

APPENDIX 1 | BOND TERMS

EXECUTION VERSION

BOND TERMS

FOR

**Independent Oil and Gas plc. FRN senior secured EUR 130,000,000 bonds
2019/2024**

ISIN NO0010863236

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

ATTACHMENT 3 RELEASE NOTICE – DEBT SERVICE RETENTION ACCOUNT

ATTACHMENT 4 MERLIN TRANSACTION DOCUMENTS

BOND TERMS between	
ISSUER:	Independent Oil and Gas plc., a company existing under the laws of England and Wales with registration number 07434350 and LEI-code 2138005OA2NLZS2NRT74 and
BOND TRUSTEE:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
DATED:	19 September 2019.
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Account Bank**” means (i) National Westminster Bank plc; or (ii) any other bank in which any of the Obligor Group’s bank accounts are held, such bank to be a commercial bank, savings bank, treasury branch, trust company or other commercial lender with at least A- rating from S&P Global Ratings or Fitch Ratings Ltd or A3 rating from Moody's Investors Services Limited or a comparable rating from a recognised credit ranking agency for its long-term debt obligations.

“**Additional Bonds**” means Bonds issued under a Tap Issue.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over that person.

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and management commentary or report of the board of directors.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds.

“**BP Offtake Agreement**” means the existing offtake contract for gas production from the Blythe field with BP Gas Marketing Limited dated 21 February 2014.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and which is a TARGET Day.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), Clause 10.3(d) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Change of Control Event**” means (i) if the shares of the Issuer cease to be listed on London AIM or another regulated market or (ii) the occurrence of an event or a series of events whereby a person, or group of persons acting in concert gain Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**Creditors**” means the Junior Creditor and the Senior Creditors.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Cure Amount**” has the meaning ascribed to such term in Clause 14.2 (*Equity Cure*).

“**Debt Service Retention Account**” means an account to be established by the Issuer with a Norwegian Account Bank or NT Services AS prior to the First Escrow Account Release, pledged and blocked on first priority in favour of the Security Agent (on behalf of the Bondholders), and to which the relevant Account Bank has waived any set-off rights.

“**Decisive Influence**” means any person or group of persons acting in concert gains direct or indirect control of any Obligor, where “**control**” of any Obligor means:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of an Obligor;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of an Obligor; or
 - (iii) give directions with respect to the operating and financial policies of an Obligor with which the directors or other equivalent officers of an Obligor are obliged to comply;
- (b) the holding beneficially of more than 50 per cent. of the issued share capital of an Obligor (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

and where “**acting in concert**” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition, directly or indirectly, of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of any Obligor.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.3 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**DSR Account Pledge**” means the Norwegian law pledge over the Debt Service Retention Account, where the bank operating the account has waived any set-off rights.

“**Equity Cure**” has the meaning set out in Clause 14.2 (*Equity Cure*).

“**Escrow Account**” means an account in the name of the Issuer established with a Norwegian Account Bank or NT Services AS, pledged and blocked on first priority in favour of the Security Agent (on behalf of the Bondholders) as security for the Issuer’s obligations under the Finance Documents, and to which the relevant Account Bank has waived any set-off rights..

“**Escrow Account Pledge**” means the Norwegian law pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means Oslo Børs (the Oslo Stock Exchange).

“**Exempted Accounts**” means any account with an Account Bank designated by the Issuer to be an *Exempted Account* and which is in the name of the Issuer and established for the sole purpose of placing Security as set out in the definition of “Permitted Encumbrances” herein.

“**Existing Financial Indebtedness**” means all financial indebtedness of the Group on the Issue Date.

“**Finance Documents**” means the Senior Finance Documents and the Junior Finance Documents.

“**Financial Covenants**” means as set out in Clause 13.20 (*Financial Covenants*).

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP as of 6 September 2019, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not an Obligor which liability would fall within one of the other paragraphs of this definition;

- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance and the deferred payment period is 180 calendar days or more (b) the agreement is in respect of the supply of assets or services and payment is due more than 180 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means loans, guarantees or other financial assistance (including, but not limited to granting of Security securing the obligations of a third party).

“First Call Date” means the Interest Payment Date falling in September 2022.

“First Disbursement” has the meaning ascribed to such term in Clause 6.1 (b).

“Free Cash” means all monies raised by the Issuer in the form of new cash equity raised after the First Disbursement.

“GAAP” means the International Financial Reporting Standards (“IFRS”) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

“General Account” means a sterling denominated current account (in the name of the Issuer).

“Group” means the Issuer and each of its Subsidiaries (other than a Ring-fenced Group Company) for the time being.

“Group Company” means any person which is a member of the Group.

“Guarantee” means the deed of guarantee dated on or about the date hereof between IOG Infrastructure Limited, IOG UK Limited, IOG North Sea Limited and the Security Agent.

“Guarantor” means, from time to time, any Group Company other than the Issuer and the Ring-fenced Group Companies, which at the Issue Date will be the following Subsidiaries of the Issuer:

- (a) IOG Infrastructure Limited;
- (b) IOG North Sea Limited; and

(c) IOG UK Limited.

Any (directly or indirectly owned) Subsidiary of the Issuer, from time to time (being existing and future), not being a Ring-fenced Group Company, shall become a Guarantor on the same basis as the Guarantors listed above.

“Half Year Date” means each of 30 June and 31 December.

“Hedging Provider” means any hedging counterparty owed any Senior Secured Hedging Liabilities (as defined in the Intercreditor Agreement).

“Hydrocarbon Licences” means, from time to time, the Project Licences and each other hydrocarbon licence and block in which an Obligor holds an ownership interest (either directly or through interests in a legal entity or a production sharing contract or similar).

“Initial Bond Issue” means the aggregate Nominal Amount of all Bonds issued on the Issue Date.

“Initial Nominal Amount” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its center of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

“Intercompany Loans” means any existing and future loan provided by a member of the Obligor Group to another member of the Obligor Group, provided that such loans are subject to a first priority assignment by way of Transaction Security in favour of the Security Agent and secures all amounts outstanding under the Finance Documents.

“Intercreditor Agreement” means the intercreditor agreement dated on or about the date hereof and entered into by, inter alia, the Obligors, the Security Agent and the other Secured Parties.

“Interest Payment Date” means the last day of each Interest Period, the first Interest Payment Date being 20 December 2019 and the last Interest Payment Date being the Maturity Date.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, the period between 20 March, 20 June, 20 September and 20 December each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Quotation Day” means, in relation to any period for which Interest Rate is to be determined, two (2) Quotation Business Days before the first day of the relevant Interest Period.

“**Interest Rate**” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“**Interim Accounts**” means the unaudited consolidated semi-annual financial statements of the Issuer for the semi-annual period ending on 30 June and 31 December in each year prepared in accordance with GAAP, including a report on construction progress and activities.

“**ISIN**” means International Securities Identification Number, being the identification number of the Bonds.

“**Issue Date**” means 20 September 2019.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Junior Creditor**” means each person owed a Junior Debt.

“**Junior Debt**” means any Financial Indebtedness borrowed from a third party in connection with funding of assets that will be subject to Security and where no payment of interest and service of such debt may take place before the Senior Discharge Date and at the earliest 6 months after the Maturity Date.

“**Junior Finance Documents**” means all documents documenting the Junior Debt and any other document a Junior Creditor and the Issuer designate in writing as a Junior Finance Document.

“**Licence Documents**” means:

- (a) the Hydrocarbon Licences and any authorisation required for the lawful exploration, exploitation, development or operation of the Hydrocarbon Licences or the production, transportation or sale of production therefrom;
- (b) any development plan with all required approvals from any relevant operating committee and any relevant governmental or other regulatory authority relating to the Project Licences;
- (c) each present and future contract or policy of insurance and reinsurance in respect of the Hydrocarbon Licences in which an Obligor has or may from time to time have an interest;
- (d) each material agreement (other than the agreements set forth in item (a), (b) and (c) above) related to the Hydrocarbon Licences, including the BP Offtake Agreement, any material decommissioning security agreement, any material pipeline transmission agreement, any material drilling agreement, any material equipment supply agreement, any material installation and/or supply contract or material maintenance and management agreement; and
- (e) any other document designated as such by the Issuer and the Bond Trustee.

“**Listing Failure Event**” means that the Bonds have not been admitted to listing on the Exchange within nine (9) months following the Issue Date.

“**Longstop Date**” means the date falling 90 calendar days after the Issue Date.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 104.75 per cent. of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and
- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to and including the First Call Date,

where the present value shall be calculated by using a discount rate of 50 basis points per annum.

“**Manager**” means ABG Sundal Collier ASA.

“**Margin**” means 9.50 per cent. per annum.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the financial condition of the Issuer and of the Obligor Group taken as a whole;
- (b) the Issuer and/or any Guarantor’s ability to perform and comply with its respective obligations under the Finance Documents; or
- (c) the validity or enforceability of any of the Finance Documents.

“**Maturity Date**” means 20 September 2024, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Merlin Transaction Documents**” means the documents as listed in Attachment 4 as they exist on the Issue Date or come into existence as contemplated and described in Attachment 4.

“**Merlin Transactions**” means Project Merlin I and Project Merlin II.

“**Net Profit**” means, for any financial year, the annual net profit after taxes as stated in the Issuer’s Annual Financial Statements for that year and disregarding all effects of any the Ring-fenced Group Companies other than any cash dividend payment made within the relevant year from a Ring-fenced Group Company to the Issuer.

“**Nominal Amount**” means the Initial Nominal Amount (less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 10 (*Redemption and*

repurchase of Bonds)), or any other amount following a split of Bonds pursuant to Clause 16.2, paragraph (j).

“**Obligor**” means the Issuer and any Guarantor(s).

“**Obligor Group**” means the Obligors.

“**Operating Accounts**” means any other account held by an Obligor under Pledged Accounts which is not an Escrow Account, DSR Account or a General Account.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by an Obligor under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Encumbrances**” means any encumbrances or Security provided by an Obligor to secure or guarantee the obligations of itself or another Obligor as follows:

- (a) Security or quasi-Security provided under the Finance Documents, including in connection with the Permitted Hedging and in connection with the Junior Debt, or under the Merlin Transaction Documents;
- (b) Security provided in respect of the Existing Financial Indebtedness as at the Issue Date, provided that all such Security is discharged and released on or prior to First Disbursement Date;
- (c) any Security arising by operation of law in the ordinary course of business;
- (d) any cash pooling, netting or set-off arrangement entered into by any Obligor in the ordinary course of its regular banking arrangements for the purpose of netting debit and credit balances of Group Companies, provided always that no Ring-fenced Group Company participate in the arrangement at any time and no netting of hedging exposure takes place at any time unless permitted under the Intercreditor Agreement;
- (e) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor in the ordinary course of business and not arising as a result of a default or omission by any Obligor that is continuing for a period of more than 60 calendar days;
- (f) cash deposit on an account as security for counter-indemnity obligations in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument, issued

by a bank or financial institution in respect of any underlying liability of an Obligor up to a maximum of EUR 5,000,000 and in the ordinary course of business of the Group;

- (g) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;
- (h) any abandonment collateral or collateral for other environmental liabilities, each in form of cash collateral provided directly or as security for a guarantee, bond or letter of credit in respect of such abandonment collateral or other environmental liability, up to maximum of EUR 20,000,000 and in the ordinary course of business of the Group;
- (i) cash collateral in the form of one or more Exempted Accounts to secure any Excess Permitted Hedging; and
- (j) any Security in form of cash collateral created for the benefit of the providers of financing for the refinancing of the Bonds in full, provided that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such Financial Indebtedness.

“Permitted Financial Indebtedness” means:

- (a) any Existing Financial Indebtedness, provided, however so that all Existing Financial Indebtedness shall be repaid in full on or prior to the First Disbursement Date;
- (b) any Financial Indebtedness owed to London Oil & Gas Limited (in administration) (and its successors, assigns and transferees) pursuant to one or more issues of unsecured, non-interest bearing and convertible loan notes (the “**LOG Debt**”), provided such loan notes are fully subordinated to the interests of the Secured Parties pursuant to a subordination agreement entered into as a condition precedent to First Disbursement between inter alia the Issuer and London Oil & Gas Limited (in administration) (and its successors, assigns and transferees) (the “**Subordination Agreement**”);
- (c) any Financial Indebtedness incurred under the Finance Documents;
- (d) any Financial Indebtedness incurred under any Intercompany Loans between two Obligors;
- (e) any Financial Indebtedness incurred under any pension and tax liabilities incurred in the ordinary course of business;
- (f) any Financial Indebtedness arising under the Permitted Hedging;
- (g) any Financial Indebtedness arising under any Junior Finance Documents entered into on or after the First Disbursement Date for the purpose of funding the Project and/or any investments permitted by the terms of the Finance Documents, provided that the aggregate principal amount outstanding under such debt does not exceed EUR 25,000,000 or its equivalent at any time;

- (h) any Financial Indebtedness arising in connection with decommissioning liabilities;
- (i) any Permitted Shareholder Loans; and
- (j) any Financial Indebtedness not included under (a) to (i) above of which the outstanding amount does not exceed EUR 5,000,000 or its equivalent at any time.

“Permitted Financial Support” means any Financial Support provided by an Obligor as follows:

- (a) guarantees and Transaction Security provided in connection with the Bonds and in accordance with the Intercreditor Agreement or Financial Support that is a Permitted Encumbrance;
- (b) Financial Support under the Merlin Transaction Documents;
- (c) unsecured Intercompany Loans to another Obligor;
- (d) guarantees, if any, in the ordinary course of business that may be given by the Issuer to contractors or other persons (including the Oil and Gas Authority) and related to the Project or related to Hydrocarbon Licences acquired or invested in in accordance with Clause 13.19(b);
- (e) any Financial Support granted in connection with decommissioning liabilities of an Obligor;
- (f) a guarantee granted to Alpha Petroleum Resources Limited by Independent Oil and Gas Plc in connection with the Sale and Purchase Agreement dated 18 April 2016 in respect of certain interests under Kingdom Continental Shelf Seaward Production Licence No. P. 1736 or a replacement of such guarantee;
- (g) a guarantee not exceeding GBP 2,000,000 granted to Her Majesty the Queen and The Crown Estate Commissioners by Independent Oil and Gas Plc relating to the Thames Pipeline; and
- (h) intercompany loans, share capital injections and payments to a Ring-fenced Group Company conditional upon:
 - (i) the Financial Support not exceeding GBP 2,500 per year per entity to cover payment of administrative expenses; or
 - (ii) the amount corresponding to the aggregate amount of such Financial Support being injected in form of Free Cash.

“Permitted Hedging” means any hedging or derivative arrangements entered into to manage or hedge, directly or indirectly, actual or anticipated exposures arising in the ordinary course of business and on a non-speculative basis, and relating to (i) hydrocarbon production, (ii) interest rates and/or (iii) currency, in each instance: (A) up to an aggregate and maximum exposure of EUR 10,000,000 based on a mark-to-market value and where any Security will be shared and rank *pari passu* pursuant to the terms of the Intercreditor Agreement, or (B) in

excess of EUR 10,000,000 if such excess exposure is secured by cash collateral only placed in the form of one or more Exempted Accounts (“**Excess Permitted Hedging**”).

“**Permitted Shareholder Loan**” has the meaning ascribed to such term in Clause 14.2 (*Equity Cure*), whether made in the context of an equity cure or otherwise.

“**Pledged Accounts**” means, save for the Exempted Accounts, the following accounts:

- (a) the Escrow Account (in the name of the Issuer) in connection with the settlement of the Bonds;
- (b) a Debt Service Retention Account (in the name of the Issuer) denominated in Euro;
- (c) a sterling denominated current General Account (in the name of the Issuer); and
- (d) any other Operating Accounts held by an Obligor,

and each such account, save for the Escrow Account and the Debt Service Retention Account, to be maintained with Account Banks, which initially will be National Westminster Bank plc.

“**Project**” means, with respect to the Project Licences, the development, construction, completion and operation (as operator) of fully operational and commercial gas production and transport facilities and associated infrastructure, including (if relevant) onshore gas processing facilities.

“**Project Licences**” means, the hydrocarbon production licence relating to the following licenses on the UK Continental Shelf:

- (a) Blythe & Elgood Hub located offshore in the North Sea basin, part of blocks 48/22b ALL, 48/23a ALL, 28/22c ALL, 48/23c ALL and 28/24b, and covered by UK seaward production licence P1736, P2260 and P2085;
- (b) Vulcan Satellites Hub located offshore in the North Sea basin, part of blocks 29/21a J, 28/25a ALL, 28/25b NEW VULCAN and 29/21c ALL, and covered by the UK seaward licences P039, P2342, P130 and P1915;
- (c) Goddard located offshore in the North Sea basin, part of blocks 48/11c and 48/12b; and covered by UK seaward production licence P2438; and
- (d) the Harvey field located offshore in the North Sea basin, part of blocks 48/23c & 48/24b and covered by UK seaward production P.2085.

“**Project Merlin I**” means the farm-out transaction between the Issuer and CalEnergy Resources Limited, as announced to the market by the Issuer on 26 July 2019.

“**Project Merlin II**” means the disposal of up to 50 per cent. working interest of the assets connected to the Harvey field located offshore in the North Sea basin, part of blocks 48/23c &

48/24b and covered by UK seaward production P.2085 to a third party in accordance with the Project Merlin II steps plan disclosed to the Bond Trustee in advance of the Issue Date.

“**Project Milestone**” means each of the milestones set out below:

#	Project Milestone	Maximum amount ¹
1.	Issue Date	Funding of the Debt Service Retention Account, subject to satisfaction of the conditions set out in Clause 6.1 (b), with the balance remaining in the Escrow Account after this Project Milestone having been met being the “ Project Balance ”
2.	Initiation of Phase 1 platform construction	15% of Project Balance
3.	Phase 1 Development carry fully utilised	35% of Project Balance
4.	Phase 1 platform construction completed	25% of Project Balance
5.	Rig on location at Southwark field	25% of Project Balance

“**Put Option**” shall have the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Put Option Event**” means a Change of Control Event or a Listing Failure Event.

“**Put Option Repayment Date**” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Quotation Business Day**” means a day which is a Target Day.

“**Reference Rate**” shall mean:

- (a) the interest rate displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period:
 - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or

¹ For the avoidance of doubt; excluding the amount paid into the Debt Service Retention Account.

- (ii) a rate for deposits in the Bond currency for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
 - (i) any relevant replacement reference rate generally accepted in the market; or
 - (ii) such interest rate that best reflects the interest rate for deposits in the Bond currency offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Norway.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“Repayment Date” means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date, the Longstop Date or the Maturity Date.

“Ring-fenced Group Companies” means Avalonia Energy Limited, company number 11475497, a directly wholly-owned subsidiary of the Issuer, and any of its (directly or indirectly owned) Subsidiaries, each a **“Ring-fenced Group Company”**.

“Secured Obligations” means all present and future obligations and liabilities of the Issuer and each relevant Obligor under the Finance Documents, together with such parties’ obligations owed in respect of the Permitted Hedging and all liabilities owed to the other Creditors.

“Secured Parties” means the Security Agent on behalf of itself and on behalf of the Creditors.

“Securities Trading Act” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“Security” means any encumbrance, mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with the Intercreditor Agreement or any other Finance Document.

“**Senior Creditors**” means the Bond Trustee, the Bondholders and each Hedging Provider.

“**Senior Discharge Date**” has the meaning set out in the Intercreditor Agreement.

“**Senior Finance Documents**” means these Bond Terms, the Bond Trustee Fee Agreement, the Intercreditor Agreement, the Guarantee, any Transaction Security Documents, any document executed in connection with Permitted Hedging, the Subordination Agreement and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“**Subordinated Debt**” means the Intercompany Loans and any Permitted Shareholder Loan.

“**Subordination Agreement**” has the meaning ascribed to such term in paragraph (b) of the definition of Permitted Financial Indebtedness.

“**Subsidiary**” means a company over which another company has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tap Issue**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” shall have the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“**Tax Event Repayment Date**” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the maximum amount of EUR 130,000,000 (the “**Maximum Issue Amount**”). The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of up to EUR 100,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

The Bonds are denominated in Euro (EUR), being the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

- (b) The Initial Nominal Amount of each Bond is EUR 100,000.
- (a) The ISIN of the Bonds is NO 0010863236. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The proceeds from the Initial Bond Issue (net of legal costs, fees of the Manager and the Bond Trustee, the Security Agent and any other agreed costs and expenses incurred in the period until the final release of funds from the Escrow Account) shall be applied to:

- (i) fund the Debt Service Retention Account with an amount equal to the amount required pursuant to Clause 13.21 (a) (*Debt Service Retention Account*);
- (ii) fund the Project; and
- (iii) up to EUR 5,000,000 toward general corporate purposes (for the avoidance of doubt, not to be used to finance / capitalise the Ring-fenced Group Companies).

2.4 Status of the Bonds

The Bonds and each other payment obligation under or in relation to the Senior Finance Documents (including under the Guarantee) shall, together with the obligations owed in respect of the Permitted Hedging (but not including the Excess Permitted Hedging) constitute senior debt obligations of the Issuer and each relevant Obligor. These obligations, together with all liabilities owed to the other Creditors, shall be secured by certain assets of the Obligors on the terms set out herein and in the Intercreditor Agreement.

The Bonds and each other payment obligation under or in relation to the Finance Documents (including the Guarantee) shall otherwise rank at least *pari passu* with all other obligations of the relevant Obligor (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

All payment obligations under or in relation to the Senior Finance Documents and the Permitted Hedging (but not including the Excess Permitted Hedging) shall, subject to the terms of the Intercreditor Agreement, rank ahead of any liabilities owed to the Junior Creditors and the Subordinated Debt.

2.5 Transaction Security

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent within the times agreed in Clause 6 (*Conditions for disbursement*):

- (i) each of the Escrow Account Pledge and the DSR Account Pledge granted by the Issuer;
 - (ii) the Guarantee;
 - (iii) from the Issuer and each of the Guarantors, an English law composite debenture including further English law security granted by the Issuer and each of the Guarantors over all of their respective assets and undertaking, including security over the following:
 - (A) fixed security over all existing and future Hydrocarbon Licences;
 - (B) fixed charges granted by the Issuer and each Guarantors (as relevant) over any shares it owns in any of its direct Subsidiaries;
 - (C) fixed charges over upstream and mid-stream assets, including, but not limited to, plant and machinery, onshore assets facilities and real estate;
 - (D) floating charges over all Pledged Accounts (other than the Escrow Account and the Debt Service Retention Account) and floating charges over all Exempted Accounts (for the avoidance of doubt, these charges will be expressed to take effect as fixed charges, although in practice they may take effect as floating charges);
 - (E) assignment by way of security of all intra-group receivables owing to, and Intercompany Loans made by, the Issuer and each Guarantor;
 - (F) assignment by way of security of the Issuer and all of the Guarantors' rights under:
 - (1) any agreement documenting hedging;
 - (2) any material agreements relating to the Merlin Transactions or other permitted joint ventures, including but not limited to the JOAs and the group carry development agreements; and
 - (3) any offtake, royalty or other revenue agreement;
 - (G) assignment of relevant insurances by the Issuer and each of the Guarantors; and
 - (H) floating charge over all assets of the Issuer and each Guarantor.
- (b) The Transaction Security will be common and secured in favour of all Creditors, subject to the terms of the Intercreditor Agreement. The Security Agent will act as a common security agent for the Creditors. Notwithstanding the aforesaid, the Security over the Escrow Account and the Debt Service Retention Account shall be in the sole benefit of the Bondholders.

- (c) The Security Agent will hold the security on behalf of each of the Creditors. The terms and conditions of the holding of Security, and the terms governing the relationship between the Security Agent and the Creditors, will be included in the Intercreditor Agreement.
- (d) The Transaction Security and the Intercreditor Agreement shall be entered into on such terms and conditions as the Security Agent in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.
- (e) If a new (directly or indirectly owned) Subsidiary of the Issuer is established or acquired (or otherwise being a Group Member), such Subsidiary shall, unless it is a Ring-fenced Group Company, provide a Guarantee and such Transaction Security as it would have been required to provide pursuant to these Bond Terms if it had been a Guarantor at the Issue Date. To the extent not already covered by the Transaction Security Documents, each Obligor will provide Transaction Security over its holdings of shares in such Subsidiary and assignment of any intra-group loans granted to such Subsidiary that it would have provided if that Subsidiary had been a Guarantor at the Issue Date, unless it is a Ring-fenced Group Company.
- (f) Any new Transaction Security over assets not governed by English or Norwegian law shall be granted in accordance with the same principles and on the same basis as the Transaction Security Documents governed by Norwegian and English law, in order to create the intended benefit for the Secured Parties under the relevant document, and be subject to the consent of the Bond Trustee.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance

Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer shall apply for listing of the Bonds on the Exchange within six (6) months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS FOR DISBURSEMENT

6.1 Conditions precedent for disbursement to the Issuer

- (a) Payment of the net proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
 - (i) these Bond Terms duly executed by all parties hereto;

- (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and of each Obligor approving the terms of and the transactions contemplated by the Finance Documents and resolving that it shall execute, deliver and perform such Finance Documents to which it is a party;
- (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer and each Obligor to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer and the relevant Obligor;
- (iv) copies of the articles of association, certificate of incorporation and certificate of change of name (if any) in respect of each Obligor evidencing that the Obligors are validly existing;
- (v) officer's certificates from each Obligor certifying copy documents, borrowing / guaranteeing limits, solvency and the status of the English companies in relation to Part 21A of the Companies Act 2006;
- (vi) evidence that the Escrow Account has been established and the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law;
- (vii) copies of the Issuer's latest Financial Reports (if any);
- (viii) confirmation from the Issuer that no Event of Default has occurred and is continuing or is likely to occur as a result of the issuance of the Bonds;
- (ix) satisfactory documentation, including copies of cover notes and a broker's letter of undertaking (or similar documents) from the relevant insurance broker(s), evidencing that all insurances required to be taken out hereunder are in full force and effect;
- (x) confirmation that the applicable prospectus requirements (ref the EU Regulation (EU) 2017/1129) concerning the issuance of the Bonds have been fulfilled;
- (xi) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
- (xii) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
- (xiii) the Bond Trustee Fee Agreement duly executed by the parties thereto;
- (xiv) any other document, evidence or action reasonably requested by the Bond Trustee; and
- (xv) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Escrow Account Pledge).

- (b) Subject to Project Milestone no. 1 being met; the First Disbursement of funds from the Escrow Account (the “**First Disbursement**”) shall be paid directly from the Escrow Account to the Debt Service Retention Account subject to the Bond Trustee having received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, in the form set out in Attachment 2;
 - (ii) confirmation from the Issuer that it has no Financial Indebtedness, Security or Financial Support (other than as expressly permitted under the Finance Documents);
 - (iii) the Transaction Security Documents (other than the Escrow Account Pledge) duly perfected (provided that any registration of security against an English company with the companies’ registry (Companies House) shall be completed within 21 calendar days after the applicable Transaction Security Documents are entered into) together with receipt by the Security Agent of:
 - (A) copies of all notices of assignment and/or charge (if any) required to be delivered pursuant to the Transaction Security Documents and evidence of delivery of such notices;
 - (B) copies of all acknowledgements of such notices (if any) required to be delivered pursuant to the Security Documents; and
 - (C) all original share and/or stock certificates, any other evidence of title, powers of attorney and executed undated stock transfer forms with the name of the transferee left blank (if any) required to be delivered pursuant to the Transaction Security Documents;
 - (iv) the Guarantee duly executed;
 - (v) the Intercreditor Agreement duly executed;
 - (vi) a copy of the Licence Documents;
 - (vii) a confirmation that Project Merlin I has completed;
 - (viii) a copy of the Project Merlin II steps plan;
 - (ix) evidence that the Debt Service Retention Account and at least one other Pledged Account (not being the Escrow Account or Debt Service Retention Account) have been established and that the DSR Account Pledge has been granted in favour of the Security Agent and duly perfected (provided that any registration of security against an English company with the companies’ registry (Companies House) shall be completed within 21 days after the relevant security document is entered into);

- (x) unless provided under Clause 6.1 (a); all legal opinions reasonably requested by the Bond Trustee in respect of the Transaction Security Documents and Guarantee having been received in form and substance satisfactory to the Bond Trustee;
 - (xi) officers' certificates from each Obligor certifying that none of the matters certified pursuant to paragraph (v) of Clause 6.1 (a) have changed, certifying copy documents and certifying no breach of limits as a result of entering into the Transaction Security Documents or Guarantee; and
 - (xii) the Subordination Deed duly executed by the parties thereto.
- (c) Any subsequent release of funds from the Escrow Account will be disbursed to the Issuer by way of direct transfer to the General Account or an Operating Account, subject to the Bond Trustee having received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, in the form set out in Attachment 2, accompanied by an officer's certificate containing:
 - (A) information on status of the Project;
 - (B) a confirmation of which Project Milestone has been reached (such Project Milestone to correspond to the amount requested to be released from the Escrow Account); and
 - (C) a confirmation from the management of the Issuer that the amounts released from the Escrow Account, together with the remaining funds on the Escrow Account and available funds in the Obligors, are sufficient to fully fund the Project;
 - (ii) evidence that the Debt Service Retention Account is fully funded;
 - (iii) confirmation from the Issuer that it has no Financial Indebtedness, Security or Financial Support (other than as expressly permitted under the Finance Documents); and
 - (iv) any other document, evidence or action reasonably requested by the Bond Trustee.
- (d) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*):
- (i) waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer; and
 - (ii) without any further investigation or verification being required, assume that each copy document which it receives and which on its face looks to be in order is genuine, correct, complete and in full force and effect.

6.2 Distribution

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (i) of Clause 6.1 (d) above.

6.3 Tap Issues

The Issuer may issue Additional Bonds if:

- (a) the Bond Trustee has executed a Tap Issue Addendum, and such Tap Issue Addendum to contain such conditions precedent for issuance of Additional Bonds as reasonably requested by the Bond Trustee; and
- (b) the representations and warranties contained in Clause 7 (*Representations and Warranties*) of these Bond Terms are true and correct in all material respects and repeated by the Issuer as at the date of issuance of such Additional Bonds.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself and in respect of each Obligor to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account; and
- (d) at the date of issuance of any Additional Bonds:

7.1 Status

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

7.2 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

7.3 Valid, binding and enforceable obligations

These Bond Terms and, subject to the principle that certain types of security expressed to take effect as fixed security may, as a result of the ability of an Obligor to deal with the assets subject to that security on the terms permitted under the Finance Documents, take effect as a floating security, each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further

registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

7.4 Non-conflict with other obligations

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order applicable to it; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

7.5 No Event of Default

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

7.6 Authorizations and consents

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party have been obtained or effected and are in full force and effect or will have been obtained or effected and be in full force and effect by the time of entry into the relevant Finance Documents; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms have been obtained or effected and are in full force and effect or will have been obtained or effected and be in full force and effect at the time required, if failure to obtain or effect such authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations has or is reasonably likely to have a Material Adverse Effect.

7.7 Litigation

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any member of the Obligor Group.

7.8 Financial Reports

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with GAAP, consistently applied.

7.9 No Material Adverse Effect

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

7.10 No misleading information

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

7.12 Pari passu ranking

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4.

7.13 Security

- (a) No Security exists over the Escrow Account in conflict with these Bond Terms.
- (b) Immediately prior to the date of the First Disbursement, no Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

7.14 Main place of interest

The Issuer has its main place of interest and establishment in England.

7.15 Merlin Transaction Documents

The description of the Merlin Transaction Documents as set out in Attachment 4 is true and correct.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial Payments

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations;
 - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.3 (*Acceleration of the Bonds*), or
 - (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due from it up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which is (after making the required withholding) equal to the

payment which would have been received if no withholding had been required;
and

- (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.
- (c) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

8.6 Set-off and counterclaims

No Obligor may apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with Clause 9.1 (a) above.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

9.2 Payment of interest

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

- (a) The Issuer may redeem all or part of the Outstanding Bonds (the “Call Option”) on any Business Day from and including:
 - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
 - (ii) the First Call Date to, but not including, the Interest Payment Date in March 2023 at a price equal to 104.75 per cent. of the Nominal Amount for each redeemed Bond;
 - (iii) Interest Payment Date in March 2023 to, but not including, the Interest Payment Date in September 2023 at a price equal to 103.80 per cent. of the Nominal Amount for each redeemed Bond;
 - (iv) Interest Payment Date in September 2023 to, but not including, the Interest Payment Date in March 2024 at a price equal to 102.85 per cent. of the Nominal Amount for each redeemed Bond; and
 - (v) the Interest Payment Date in March 2024 to, but not including, the Maturity Date at a price equal to 100.50 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee at least ten (10) Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within three (3) Business Days from the date of the notice.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 30 calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable and will not be affected by any subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5th Business Day after the end of 30 days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.

10.5 Mandatory early redemption at the Longstop Date

In the event that the conditions precedent for the First Disbursement as set out in Clause 6.1 (b) have not been fulfilled within the Longstop Date, the Issuer shall be entitled to redeem the Bonds (in whole or in part) at any time from and including the Longstop Date at a price of 101 per cent. of the Nominal Amount plus accrued interest, by inter alia applying the funds deposited on the Escrow Account for such redemption.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion, (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 180 calendar days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 90 calendar days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*):
 - (i) a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer or any of the directors of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements and setting out (in reasonable detail) computations evidencing compliance with Clause 13.20 (*Financial Covenants*) as at such date; and
 - (ii) a pro forma report on a consolidated basis for the Obligor Group only (i.e. excluding in full any effects or values of the Ring-fenced Group Companies).

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using GAAP consistently applied.

12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on the Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD;
- (g) at any point in time it becomes aware of an existing or anticipated breach of any of the Financial Covenants notify the Bond Trustee of such breach, and if relevant inform of any intention to obtain a Cure Amount, including a description of how such Cure Amount shall be obtained.
- (h) promptly inform the Bond Trustee of any adverse development in relation to the Project;
- (i) promptly inform the Bond Trustee of receipt of a claim or threatened claim against any of the Group Companies that is considered material for the Obligor Group as a whole; and
- (j) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request.

13. GENERAL AND FINANCIAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that the other Obligors will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

13.1 Ownership

The Issuer shall maintain not less than 100 per cent. direct or indirect ownership over all the shares, and control over all of the voting rights, of each Guarantor.

13.2 Compliance with laws

The Issuer undertakes to (and shall procure that the other Obligors will) ensure that the operations of the Group in all material respects are conducted in accordance with acknowledged, careful and sound practices and in compliance with applicable laws and regulations of material importance to the business of the Group.

13.3 Insurances

The Issuer undertakes to (and shall procure that the other Obligors will) take out and maintain (or procure that the same is taken out and maintained) adequate insurances with respect to their assets, operations, liabilities and contingencies, including an Offshore Energy Package Insurance (covering each Hydrocarbon Licences in which an Obligor holds an interest) including a third party liability insurance (or a similar insurance package), in each case on such terms and against such risks as are normally insured against by prudent owners of comparable assets (provided that no business interruption insurance is maintained) and ensure that each insurance is maintained with one or more reputable insurance companies.

The Issuer and the Guarantors shall not do, or knowingly permit to be done anything, which may make any insurance void, voidable, unavailable or unenforceable or render any sums which may be paid out under any insurance repayable in whole or in part. The Issuer, shall, and shall ensure that each other Obligor will, promptly pay all premiums, calls and contributions due from it and do all other things necessary to keep each Insurance taken out by or for it maintained in full force and effect. Neither the Bond Trustee nor any Bondholder shall have any liability for the payment of premiums or any other amount owing in respect of any insurances. If the Issuer or any other Obligor fails to pay any costs relating to any insurance, the Bond Trustee and/or the Security Agent may, at its sole discretion, pay any costs due and the Issuer shall immediately pay to the Bond Trustee the cost of such insurance.

13.4 Authorisation

To the extent any Project Licences or other authorisation, approval, licence or consent required for the conduct of its business are registered in the name of the Issuer and/or the Guarantors, the Issuer undertakes to (and shall procure that the other Obligors will) not render any of them liable to forfeiture or revocation and not surrender, relinquish or amalgamate any part of any of them; other than any partial surrender or relinquishment in the ordinary course of the conduct of its business.

13.5 Pari passu ranking

The Issuer shall, and shall procure that each Obligor will, ensure that its obligations under these Bond Terms and any other Finance Document shall at all times rank at least *pari passu* as set out in Clause 2.4 (*Status of the Bonds*).

13.6 Transaction Security

The Issuer shall, and shall procure that each Obligor will, ensure that the Transaction Security Documents and Guarantee to which it is party remain in full force and effect, and do all acts,

and ensure that all acts are taken, which may be necessary to ensure that such Transaction Security remains duly created, enforceable and perfected with such ranking and priority contemplated by these Bond Terms, at the expense of the Issuer.

13.7 License Documents

The Issuer shall, and shall procure that each Obligor will:

- (a) perform all material obligations under the Licence Documents applicable to it; and
- (b) not amend, terminate or waive, or where relevant, vote in favour of any amendment, termination or waiver, in respect of any terms under any of the Licence Documents,

in each case which might have a Material Adverse Effect and promptly upon request provide the Bond Trustee with copies of any Licence Document to the extent permitted under any applicable confidentiality restrictions.

13.8 Disposals of assets/business

The Issuer shall not, and shall procure that no Obligor will, transfer, assign or otherwise dispose of any legal or beneficial interest in any of the Obligors' assets to any party, other than:

- (a) to another Obligor;
- (b) disposals of obsolete, worn out or redundant assets or equipment;
- (c) disposals of Hydrocarbon Licences which are not Project Licences as of the Issue Date;
- (d) disposals of assets relating to Merlin I and disposals of assets relating to the Harvey licence in connection with Merlin II; or
- (e) disposals in the ordinary course of business (not including Project Licences),

subject in each case under paragraphs (a) to (c) above to the transaction being on arm's length terms, at fair market value, on terms and conditions customary for such transaction, no Event of Default existing or be expected to materialise as a result of the disposal and which do not have a Material Adverse Effect.

Notwithstanding the aforesaid, there shall be no restrictions or limitations of any disposals made by a Ring-fenced Group Company or any disposal of any shares of any Ring-fenced Group Company (save for the shares in Avalonia Energy Limited which are subject of Transaction Security).

13.9 Distributions

The Issuer shall not declare or make any dividend payment, repurchase of shares, repay any loans, grant any loans or make any other distributions, whether in cash or in kind to its direct or indirect shareholders (including but not limited to total return swaps involving any shares issued).

13.10 Financial Support

The Issuer shall not, and shall procure that no Obligor will, grant or permit to subsist any Financial Support to or for the benefit of any third party other than the Permitted Financial Support.

13.11 Financial Indebtedness

The Issuer shall not, and shall procure that no Obligor will, incur or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.

13.12 Negative pledge

The Issuer shall not, and shall procure that no Obligor will, create, permit to subsist or allow to exist any Security over any of its present or future prospective assets or its revenues, or enter into arrangement having a similar effect, except for Permitted Encumbrances.

13.13 Continuation of business

The Issuer shall not, and shall procure that no Obligor will, cease to carry on its business, always provided that a member of the Obligor Group which is not an owner of (directly or indirectly) Project Licences, or otherwise involved in the operation of (directly or indirectly) the Project Licences, may cease to carry on its business if it would not have a Material Adverse Effect. The Issuer shall procure that no material change is made to the general nature of the business of the Obligor Group and/or the Issuer from that carried on at the date of these Bond Terms.

13.14 Mergers

The Issuer shall not, and shall procure that no Obligor will, carry out any merger, scheme of arrangement or other business combination or corporate reorganisation, involving a consolidation of the assets and obligations of the Issuer or any other member of the Obligor Group with any other company or entity not being another member of the Obligor Group.

13.15 North Sea Continental Shelf

The Issuer shall not, and shall procure that no Obligor will, take part in any petroleum activities or related activities in any geographical area other than on the UK continental shelf, the Dutch continental shelf, the Danish continental shelf and the Norwegian continental shelf.

13.16 De-mergers

The Issuer shall not, and shall procure that no Obligor will, carry out any de-merger, scheme or arrangement or other corporate reorganisation involving a split of the Issuer or any other member of the Obligor Group into two or more separate companies or entities other than intra-group de-mergers or a de-merger in connection with the Project Merlin II transaction.

13.17 Corporate status

The Issuer shall not, and shall procure that no Obligor will, change its type of organisation or jurisdiction of incorporation.

13.18 Related party transactions

The Issuer shall not, and shall procure that no Obligor will, engage in, directly or indirectly, any transaction with any related party (including, without limitation, the purchase, sale or

exchange of assets or the rendering of any service), except in the ordinary course of business and upon fair and reasonable terms and, except for any transaction within the Obligor Group, on terms that are not less favourable to the Issuer than those which might be obtained in an arm's length transaction at the time.

13.19 Investments

The Issuer shall, and shall procure that each of the Obligors will:

- (a) only invest, make acquisitions or take part in any activity into a Ring-fenced Group Company in the form of Free Cash or Permitted Shareholder Loan; and
- (b) not invest, make acquisitions or take part in any activity into Obligors other than:
 - (i) the exploration, appraisal, development and production relating to the Project Licences;
 - (ii) acquisitions of any Hydrocarbon Assets by Obligors, provided that such acquisition is funded by Junior Debt, Permitted Shareholder Loan, Free Cash and/or retained cash of the Obligor Group (for the avoidance of doubt, excluding any remaining proceed from this Bond Issue);
 - (iii) exploration and appraisal of Hydrocarbon Assets by Obligors that is fully funded by Junior Debt, Permitted Shareholder Loan, Free Cash or from 1 January 2022; 50% of Net Profit in the financial year 2021 or 50% of the Net Profit in any following financial year (and where any unutilized portion of such annual Net Profit may not be carried forward);
 - (iv) development and production of Harvey (following equity funded successful exploration); and
 - (v) development and production of other Hydrocarbon Assets by Obligors, provided that such development or production is funded by Junior Debt, Permitted Shareholder Loan, Free Cash and/or retained cash of the Obligor Group (for the avoidance of doubt, excluding any remaining proceed from the Bonds).

13.20 Financial Covenants

The Issuer shall comply with the following (in accordance with the financial definitions set out in paragraph (e) below):

(a) Minimum Liquidity

The Issuer shall ensure that:

- (i) the Obligor Group at all times prior to (and including) the First Compliance Date, maintains a minimum Liquidity of EUR 2,000,000; and
- (ii) the Obligor Group at all times from the First Compliance Date, maintains a minimum Liquidity of EUR 5,000,000.

(b) Maximum Leverage Ratio

The Issuer shall ensure that the Obligor Group maintains a Leverage Ratio in respect of any Relevant Period ending on and after the First Compliance Date of no more than 2.5:1.

(c) Minimum Interest Cover Ratio

The Issuer shall ensure that the Obligor Group maintain an Interest Cover Ratio in respect of any Relevant Period ending on and after the First Compliance Date or no less than 5:1.

(d) Testing of Financial Covenants

The above Financial Covenants (save for the Minimum Liquidity covenant, which shall apply at all times) shall apply and be measured on each Calculation Date and be certified by the Issuer by way of a compliance certificate in accordance with paragraph (i) of Clause 12.2 (a). All Financial Covenants will be calculated on a consolidated basis for the Obligor Group (i.e. on a pro forma consolidated basis where all values and/or effects of the Ring-fenced Group Companies have been omitted in full).

(e) Financial definitions

“**Calculation Date**” means 30 June and 31 December of each year.

“**EBITDA**” means the Obligor's Group's (which for the avoidance of doubt shall disregard any Ring-fenced Group Company) consolidated earnings before interest, taxes, depreciation and amortisation (and, if included in the calculation of earnings, after adding back the amount of non-recurring, extraordinary or exceptional nature (together “**One-off Adjustments**”) calculated for the Relevant Period always provided that the aggregate One-off Adjustments in any Relevant Period shall not exceed the largest of (1) EUR 10 million and (2) 10 per cent. of EBITDA for any Relevant Period. For the First Compliance Date and the first Calculation Date thereafter, the EBITDA shall be annualised by way of dividing EBITDA generated from the First Gas Date by the number of days from the First Gas Date to the relevant Calculation Date, and then multiply with 360.

“**First Compliance Date**” means the date falling six (6) months after the First Gas Date.

“**First Disbursement Date**” means the date on which the First Disbursement is made.

“**First Gas Date**” means the date on which commercial quantities of gas have flowed past the fiscal meter at Bacton gas terminal for 30 consecutive calendar days from any of the Project Licences.

“**Interest Cover Ratio**” means the ratio of EBITDA to Interest Expenses in respect of any Relevant Period.

“**Interest Expenses**” means, for any Relevant Period, the Obligor Group’s consolidated (which for the avoidance of doubt shall disregard all effects of any of the Ring-fenced Group Companies) interest expenses (as defined in accordance with GAAP).

“**Liquidity**” means at any time the aggregated amounts standing to the credit of the Pledged Accounts, excluding any amounts standing to the credit of the Escrow Account and the Debt Service Retention Account.

“**Leverage Ratio**” means, in respect of any Relevant Period, the ratio of Total Net Debt on the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

“**Relevant Period**” means the 12 months period ending on the relevant Calculation date.

“**Total Debt**” means, at the relevant Calculation Date, the aggregate amount of all obligations of each Obligor (which for the avoidance of doubt shall disregard all effects of any of the Ring-fenced Group Companies) for or in respect of Financial Indebtedness at that time, adjusted by:

- (i) in case of finance leases, only including the capitalised value thereof;
- (ii) excluding any such obligations to any other Obligor;
- (iii) excluding any LOG Debt and any Permitted Shareholder Loans; and
- (iv) excluding amounts owing in respect of leases or other hire contracts which would, in accordance with GAAP (as at the Issue Date), be treated as operating leases.

“**Total Net Debt**” means, at any time:

- (i) the amount of Total Debt; less
- (ii) any Liquidity held by the Obligor Group.

13.21 Debt Service Retention Account

The Issuer shall, and shall procure that each Obligor will, in respect of the Debt Service Retention Account ensure that:

- (a) following First Disbursement, the aggregate balance at all times prior to the First Compliance Date, is at the date of calculation, at least equal to the aggregate amount of all remaining interest payments up to and including the Interest Payment Date occurring in September 2021;
- (b) the aggregate balance at all times after the First Compliance Date, is at least equal to, at the date of calculation, the amount of the next upcoming interest payment; and
- (c) the amount deposited in the Debt Service Retention Account shall only be released and applied for the due payment of interest payments, and any surplus funds shall be transferred to the General Account.

Withdrawals from the Debt Service Retention Account shall be made by issuing withdrawal requests to the Account Bank or NT Services AS (as the case may be) and the Security Agent in the form set out in Attachment 3 to these Bond Terms.

13.22 Obligors' debt service covenant

If required for the Issuer to meet its scheduled payment obligations under these Bond Terms, each of the Obligors shall transfer funds from the relevant Operating Accounts to the General Account or the Debt Service Retention Account, either by way of dividend or other distribution by a Subsidiary, Permitted Financial Support or by way of repayment of Permitted Financial Indebtedness advanced to it by the Issuer.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default, subject to Clause 14.2 (*Equity Cure*):

(a) Non-payment

An Obligor fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

(b) Breach of other obligations

An Obligor does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within twenty (20) Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) Cross default

If for any Obligor:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described); or
- (iv) any creditor becomes entitled to declare any Financial Indebtedness due and payable prior to its specified maturity as a result of an event of default (however described); or
- (v) (in respect of the Issuer solely) any determined but not duly paid claim arises against the Issuer under any of its parent company guarantees issued in favour of any Obligor,

provided however that the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (v) above exceeds a total of EUR 2,000,000 (or the equivalent thereof in any other currency).

(e) *Insolvency and insolvency proceedings*

Any Obligor:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above; or

(E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligor having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross default*) above and is not discharged within twenty (20) Business Days.

(g) Unlawfulness

It is or becomes unlawful for an Obligor to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of such Obligor to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Equity Cure

- (a) A breach of the requirements pertaining to (i) Maximum Leverage Ratio set out in Clause 13.20 (b) and/or (ii) Minimum Interest Cover Ratio set out in Clause 13.20 (c) shall not constitute an Event of Default if such breach is prevented or remedied by cash proceeds received by the Issuer in exchange for fully paid shares in the Issuer, or in the form of unsecured and fully subordinated shareholder loans with no payment of principal and no cash interest payment prior to Maturity Date and with maturity after the Maturity Date where the creditors to such loan accedes to the Intercreditor Agreement (a "**Permitted Shareholder Loan**"), after the relevant Half Year Date (the "**Cure Amount**").
- (b) The Cure Amount can be applied for the benefit of the covenant calculation for the Relevant Period up until twenty (20) Business Days after the due date for issuance of a compliance certificate in accordance with Clause 12.2 (a) and may be applied to reduce Total Net Debt in the calculation of the Leverage Ratio or to reduce the Interest Expenses in the calculation of the Interest Cover Ratio as if the Cure Amount had been used to repay Bonds at the beginning of the Relevant Period.
- (c) The above Equity Cure mechanism shall not apply with respect to any breach of the Minimum Liquidity covenant, and the Issuer shall not be permitted to use the Equity Cure more than 3 times during the lifetime of the Bonds, always provided that the Equity Cure cannot be used in 2 consecutive Half Year Dates.

14.3 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the

Bondholders pursuant to Clause 14.4 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.4 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.3 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.5 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice);

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the Make Whole Amount.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.
- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).
- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders'

Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.

- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "Chairperson").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "Representative"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).

- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.

- (h) 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 obtained.
- (i) 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 (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other Obligor unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.

- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused

by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.

- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
 - (i) acting in accordance with advice from or opinions of reputable external experts; or
 - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to any Obligors, may be covered by making an equal reduction in the proceeds

to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.

- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.4 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents and Guarantees with respect to the Transaction Security and

Guarantees on the basis of information made available to it pursuant to the Finance Documents.

- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a separate agreement or pursuant to the Intercreditor Agreement to be entered into between the Creditors and the Security Agent, which the Bond Trustee shall have the right to require each Obligor and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in calendar days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
 - (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the "**Defeasance Amount**") is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the "**Defeasance Account**");

- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*);
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security; and
 - (C) any Obligor shall be released from any Guarantee or other obligation applicable to it under any Finance Document.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
 - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Main jurisdiction

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

19.3 Alternative jurisdiction

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any other Obligor or any of their respective assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

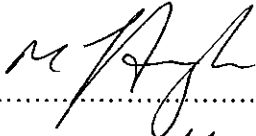
19.4 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Issuer:
 - (i) irrevocably appoints Marinelaw AS as its agent for service of process in relation to any proceedings in connection with these Bond Terms; and
 - (ii) agrees that failure by an agent for service of process to notify the Issuer of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Bond Trustee. Failing this, the Bond Trustee may appoint another agent for this purpose.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

<p>The Issuer:</p> <p>INDEPENDENT OIL AND GAS PLC.</p> <p></p> <p>.....</p> <p>By: MARK HUGHES</p> <p>Position: COO IOG</p>	<p>As Bond Trustee and Security Agent:</p> <p>NORDIC TRUSTEE AS</p> <p>.....</p> <p>By:</p> <p>Position:</p>
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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: INDEPENDENT OIL AND GAS PLC. By: Position:	As Bond Trustee and Security Agent: NORDIC TRUSTEE AS  By:  Position: 
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**ATTACHMENT 1
COMPLIANCE CERTIFICATE**

[date]

**Independent Oil and Gas plc. FRN senior secured EUR 130,000,000 bonds 2019/2024
ISIN NO0010863236**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12 of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you that is likely to have a Material Adverse Effect. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed; and

[The Financial Covenants set out in Clause 13.20 (*Financial Covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.]

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

NX

Name of authorised person

Enclosure: Annual Financial Statements / Interim Accounts / pro forma report on a consolidated basis for the Obligor Group; [and any other written documentation]

ATTACHMENT 2
RELEASE NOTICE – ESCROW ACCOUNT

[date]

Dear Sirs,

Independent Oil and Gas plc. FRN senior secured EUR 130,000,000 bonds 2019/2024
ISIN NO0010863236

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in item [(i)/(ii)/(iii)] of Clause 2.3 (*Use of Proceeds*) of the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

Please find enclosed to this release notice:

- (a) evidence that the Debt Service Retention Account is fully funded; and
- (b) an officer's certificate containing:
 - (i) information on status of the Project;
 - (ii) a confirmation of which Project Milestone has been reached [*such Project Milestone to correspond to the amount requested to be released from the Escrow Account*]; and
 - (iii) a confirmation from the management of the Issuer that the amounts to be released from the Escrow Account, together with the remaining funds on the Escrow Account and available funds in the Obligors, are sufficient to fully fund the Project;

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, (ii) the Issuer has no Financial Indebtedness, Security or Financial Support (other than as expressly permitted under the Finance Documents) and (iii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

Name of authorized person

Enclosures: *Copy of any written documentation evidencing the use of funds, evidence that the Debt Service Retention Account is fully funded, officer's certificate*

ATTACHMENT 3
RELEASE NOTICE – DEBT SERVICE RETENTION ACCOUNT

[date]

Dear Sirs,

Independent Oil and Gas plc. FRN senior secured EUR 130,000,000 bonds 2019/2024
ISIN NO0010863236

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Debt Service Retention Account [to be applied in accordance with Clause 9.2 (*Payment of interests*)] / [being a surplus standing to the credit of the Debt Service Retention Account, to the General Account pursuant to Clause 13.21 (*Debt Service Retention Account*)] of the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Debt Service Retention Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

NX

Name of authorized person

ATTACHMENT 4
MERLIN TRANSACTION DOCUMENTS

No.	Document	Security / Financial Support	Timing
1.	Put and Call Option Agreement dated 26 July 2019 between Avalonia Energy Limited, Independent Oil and Gas plc, CalEnergy Resources Limited and Northern Powergrid Holdings Company;	Financial Support - PLC guarantee to CAL of AEL obligations under PCOA / tax deed.	Continues whilst obligations of AEL as seller continue.
2.	Each loan agreement entered into by IOG Infrastructure Limited, IOG North Sea Limited and IOG UK Ltd (as lender) and Avalonia Energy Developments Limited (as borrower) in relation to Project Merlin I;	Financial Support - On Merlin Day 1, the consideration payable under items 2 to 4 above (payable by AEDL to IOGI, IOGUK and IOG NS) is left outstanding as a debt. This loan records the terms of that loan. On Merlin Day 2 (the purchase of the shares in AEDL by CAL) this debt is repaid.	Discharged on completion of Project Merlin I.
3.	Each security agreement entered into by IOG Infrastructure Limited, IOG North Sea Limited and IOG UK Ltd (as lender) and London Oil & Gas Limited (in administration) and Transocean Drilling Limited (provided such security is released on completion of Project Merlin I);	Security – this security is granted on Merlin Day 1 to provide comfort to LOG (and Transocean, if not repaid prior to then) who are releasing the assets from each of their security nets to transfer to AEDL. It is released on Merlin Day 2.	Discharged on completion of Project Merlin I.
4.	Harvey Option Agreement dated 26 July 2019 between	Financial Support - PLC guarantee to CAL of AEL obligations under Harvey	Continues whilst obligations of AEL as seller continue.

	IOG North Sea Limited, Avalonia Energy Limited, Independent Oil and Gas plc, CalEnergy Resources Limited, Northern Powergrid Holdings Company and Avalonia Energy Appraisal Limited, together with any documents giving effect to the transfer of Harvey pursuant to the Harvey Option Agreement including (as applicable) the Harvey Put and Call Option Agreement, Harvey Asset Transfer Agreement and Harvey Tax Deed in each case to be entered into pursuant to the Harvey Option Agreement;	Option Agreement and PCOA if sale implemented under PCOA and tax deed.	
5.	A loan agreement between IOG North Sea Limited (as lender) and Avalonia Energy Appraisal Limited (as borrower) in relation to Project Merlin II.	Financial support – same as 2 above.	Would only come into existence immediately prior to completion of Project Merlin II. Would be discharged on completion of Project Merlin II.