

Denne meldingen til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS.

To the holders of:

ISIN: NO 001 0838857 - 10.00% G3 Exploration Ltd. (formerly known as Green Dragon Gas Ltd.) Senior Secured Callable Bond Issue 2014/2017

Oslo, 21 October 2019

Notice of a Written Bondholders' Resolution: Event of Default and Receivership Appointments

1. INTRODUCTION

- 1.1 Nordic Trustee AS acts as trustee (the "**Bond Trustee**") for the bondholders (the "**Bondholders**") in the above mentioned bond issue where G3 Exploration Ltd. (formerly known as Green Dragon Gas Ltd.) is the issuer (the "**Issuer**").
- 1.2 All capitalized terms used and not otherwise defined in this summons (the "**Summons**") shall have the meaning assigned thereto in the bond agreement for the Bond Issue dated 19 November 2014, as amended (with the approval of Bondholders) pursuant to the amendment and waiver agreement no.1 (the "**Amendment Agreement**") entered into between the Issuer and the Bond Trustee on 31 May 2017 (the "**Bond Agreement**").
- 1.3 The Bond Trustee has not prepared or verified the statements in this Summons and expressly disclaims all liability whatsoever related to such information. Further, neither the Bond Trustee nor its advisers shall accept or be responsible for any liability arising in connection with the matters set out in this Summons.
- 1.4 The Bond Trustee has elected to issue this request for a written Bondholders' resolution pursuant to Clause 16.5 (*Written Resolutions*) of the Bond Agreement to consider and approve the Proposals (as defined below). Bondholders are reminded that Clause 16.5 (*Written Resolutions*) was introduced to the Bond Agreement pursuant to the Amendment Agreement.

2. BACKGROUND

- 2.1 Pursuant to Clause 10.1 (*Maturity*) of the Bond Agreement, the Bonds matured in full on 20 November 2017 and should have been repaid by the Issuer on that date at a rate of 102% of par, together with all accrued and unpaid interest. However, as at the date of this Summons, no such repayment has been made by the Issuer (or any other Obligor) in respect of the Bonds. An Event of Default has therefore occurred and is continuing under Clause 15.1.1 (*Non-payment*) of the Bond Agreement as a result of the Issuer's failure to fulfil its payment obligations under the Bond Agreement when due (the "**Specified Payment Default**").
- 2.2 In light of the Specified Payment Default and the Issuer's continued failure to repay amounts outstanding under the Bond Agreement, holders of more than 50% of the

Voting Bonds (the “**Instructing Bondholders**”) instructed the Bond Trustee, in accordance with Clause 15.3(a) of the Bond Agreement, on 9 September 2019 (a) to formally declare the Bonds to be in default (the “**September Default Declaration**”) and (b) to issue a payment demand to the Issuer (the “**September Payment Demand**”) for the purposes of notifying the Issuer that unless the Obligors immediately discharged all amounts outstanding under the Finance Documents the Bond Trustee reserved the right to exercise all and any of its rights or remedies under the Finance Documents.

- 2.3 The Instructing Bondholders also authorised and instructed the Bond Trustee, following the delivery of the Payment Demand to the Issuer, to, among other things, appoint, jointly and severally, (i) Mr Cosimo Borrelli of Borrelli Walsh Limited, Level 17, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong, and (ii) Mr Mitchell Mansfield of Borrelli Walsh (Cayman) Limited, PO Box 30847, 3rd Floor, Strathvale House, 90 North Church Street, Grand Cayman, KY-1204, Cayman Islands (together, the “**Receivers**”), to be joint receivers of the Issuer’s shares in Greka Gas China Ltd. (the “**Mortgaged Shares**”) and all rights, benefits and advantages deriving from or incidental to the Mortgaged Shares (the “**September Receivership Appointments**”) in accordance with its rights under the Share Mortgage.
- 2.4 Following the authorisations and instructions detailed in sections 2.2 and **Error! Reference source not found.** above, the Bond Trustee executed and delivered a deed of appointment of receivers on 9 September 2019 and effected the September Receivership Appointments.
- 2.5 Notwithstanding the facts and process detailed in sections 2.2 to 2.4 above, the Issuer has issued in the Cayman Court (i) an originating summons dated 14 October 2019 and addressed to (1) the Bond Trustee, (2) Cosimo Borrelli from Borrelli Walsh, and (3) Mitchell Mansfield from Borrelli Walsh, contesting, among other things, the validity of the September Receivership Appointments and (ii) an ex parte summons dated 14 October 2019 seeking an order from the Cayman Court restraining, among other things, the Receivers from exercising any powers as receivers over the Mortgaged Shares (together, the “**Cayman Proceedings**”). The Bond Trustee strongly opposes the allegations made by the Issuer in relation to the Cayman Proceedings and believes that the Cayman Proceedings have no merit whatsoever. The Bond Trustee expects that the Cayman Courts will find that the September Receivership Appointments are valid. However, without prejudice to such position and in the interests of ensuring that the Receivers may continue their work for the benefit of the Bondholders, the Bond Trustee is seeking approval for the Proposals set out below.

3. **PROPOSAL**

Based on the matters set out above, the Bond Trustee proposes that Bondholders:

- 3.1 ratify, approve, affirm and authorise:
- (a) the September Default Declaration;
 - (b) the September Payment Demand;
 - (c) the September Receivership Appointments; and

- (d) all things and all steps taken to date by the Bond Trustee in relation to the September Default Declaration, the September Payment Demand and the September Receivership Appointments;
 - (e) all things and all steps taken to date by the Receivers in connection with and following the September Receivership Appointments; and
- 3.2 notwithstanding section 3.1 above (and without prejudice to (i) the Bond Trustee's position that the Cayman Proceedings are wholly without merit and that the September Receivership Appointments (and actions taken by the Receivers in connection with and following them) were and are valid, and (ii) the Bond Trustee's rights to dispute the Cayman Proceedings which it reserves), authorise, approve and instruct the Bond Trustee:
- (a) to (i) declare again that the Bonds are in default and (ii) issue a second payment demand to the Issuer, in each case by immediately sending a letter, in substantially the form sent on 9 September 2019 (the "**October Demand Letter**"), to the Issuer, for the purposes of notifying the Issuer that unless the Obligors immediately discharge all amounts outstanding under the Finance Documents, the Bond Trustee reserves the right to exercise all and any of its rights or remedies under the Finance Documents;
 - (b) following the delivery of the October Demand Letter to the Issuer and without prejudice or limitation to the Bond Trustee's rights under the Finance Documents, take the following steps (acting in consultation with its professional advisers):
 - (i) execute and deliver a deed of appointment to appoint, jointly and severally, Cosimo Borrelli from Borrelli Walsh, and Mitchell Mansfield from Borrelli Walsh as joint receivers of the Mortgaged Shares and all rights, benefits and advantages deriving from or incidental to the Mortgaged Shares (the "**October Receivership Appointments**") and to authorise its legal advisers to perform any or all of the actions as may be necessary to effect the October Receivership Appointments; and
 - (ii) do all things and to take such steps on behalf of the Bondholders as may be necessary in connection with the implementation of the October Receivership Appointments, including, without limitation:
 - (1) authorising and approving the final terms of, and entering into, any and all documentation and agreements deemed necessary by it in connection with the implementation of these steps; and/or
 - (2) taking all such steps as may be necessary to effect the October Receivership Appointments, including, without limitation, negotiating, documenting and entering into legal agreements, granting amendments and waivers, and providing any instructions, consents, approvals and/or directions,
- (together, the "**Proposal**").

4. EVALUATION OF THE PROPOSAL

The Proposal set out in this Summons is put to the Bondholders without further evaluation or recommendation from the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable to them.

Bondholders holding in excess of a simple majority of the Voting Bonds have indicated to the Bond Trustee that they are supportive of the Proposal set out above.

5. WRITTEN BONDHOLDERS' RESOLUTION

Bondholders are hereby provided with a voting request for a Bondholders' written resolution pursuant to Clause 16.5 (*Written Resolutions*) of the Bond Agreement.

Bondholders are reminded that pursuant to Clause 16.5.1 of the Bond Agreement, subject to the provisions in the Bond Agreement, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 16.1 (*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 is to be construed accordingly.

For the avoidance of doubt, only Bondholders are entitled to vote with respect to the Proposal in accordance with the terms of the Bond Agreement.

In order for a vote to be valid, the Bond Trustee must have received a completed voting form in the form enclosed ("**Voting Form**"), together with evidence of the Bondholder's holding of Bonds satisfactory to the Bond Trustee, by mail, courier or e-mail to the address indicated in the Voting Form by no later than 25 October 2019 at 17.00 hours CET (the "**Voting Deadline**").

Notwithstanding the Voting Deadline, and subject to the provisions of Clause 16.5 (*Written Resolutions*) of the Bond Agreement, the Proposal will be approved automatically upon receipt of affirmative votes by or on behalf of Bondholders who at the date of this notice represent such majority of votes as would be required if the Proposal was voted on at a Bondholders' Meeting at which all Bondholders entitled to attend and vote were present and voting.

Votes which are submitted are final and cannot be withdrawn. In the event that the Bonds are transferred to a new owner after votes have been submitted in respect of such Bonds, the new Bondholders shall accordingly not be entitled to vote.

Yours sincerely

Nordic Trustee AS


Fredrik Lundberg

Enclosed: Schedule: Voting Form

Schedule
(Voting Form)

ISIN: NO 001 0838857 - 10.00% G3 Exploration Ltd. (formerly known as Green Dragon Gas Ltd.) Senior Secured Callable Bond Issue 2014/2017

The undersigned holder or authorised person/entity, votes in the following manner:

1. The Proposal as defined in the notice for written resolution dated ____ October 2019 :

☐ **In favour** of the Proposal

☐ **Against** the Proposal

ISIN NO 001 0838857	Amount of bonds owned
Custodian name	Account number at Custodian
Company	Day time telephone number
	Email

Enclosed to this form is the complete printout from our custodian/VPS, verifying our bondholding in the above securities as of _____

We acknowledge that Nordic Trustee AS in relation to the written Bondholders' resolution for verification purposes may obtain information regarding our holding of bonds on the above stated account in the securities register VPS.

.....

Place, date

.....

Authorised signature

Return:

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